The European Agricultural Fund for Rural Development:
Europe investing in rural areas

Programul Național de Dezvoltare Rurală pentru perioada 2014 - 2020

CCI	2014RO06RDNP001
Programme type	Rural Development Programme
Country	România
Region	RO - National
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1. TITLE OF THE RURAL DEVELOPMENT PROGRAMME

The 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 km^2 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 (according to the definition from the national legislation) 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% moutain area (over 1000 m altitude).

2.2. Classification of the region

Description:

Classification of the regions

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

- NUTS I: Romania;
- 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[2].(according to EC Implementation Decision 2014/99/UE). Therefore, the development regions North-West, Center, Nord-East, South-East, South-Muntenia, South-West Oltenia and West could be considered less development regions according to paragraph 3 letter a) of Regulation 1305/2013, while the Bucharest-Ilfov region is under letter b) from the same paragraph of article 59, representing a transition region.

[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 from PNDR 2007-2013 - the public tender for awarding the contract: „The ex ante evaluation of the rural development programme for the 2014-2020 period", 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 those 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 of the European Directive SEA 2001/42/EC on the evaluation of the effects of certain plans and programmes on the environment and of the Governmental Decision no 1076/2004 that reflects the provisions of the above mentioned directive. The Strategic Environmental Assessment was made by the same contractor, respectively the association led by SC ACZ CONSULTING.

Therefore, 3 intermediary reports were prepared where the following elements were analysed: the SWOT analysis and the strategy (Intermediary report I), measures, indicators, administrative capacity, cross-cutting topics, and sub-thematic programme (Intermediary report II), and the Intermediary report III included as annex the preliminary version of the final ex ante evaluation report. 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 Commission services in July 2014.

The final ex ante evaluation report was sent on March 23th 2015 and the Final report on the Strategic Environmental Assessment was sent on March 20th 2015.

The analysis of the evaluator covers all the programme chapters and finalizes with the conclusions and recommendations for the Managing Authority for the improvement and the assurance of Programme coherence presented in the section 3.2.

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
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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. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
008. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
009. Additional indicators	The SWOT analysis, needs assessment	07/03/2014
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034. Analysis on the adequacy degree of the approach for the Community-led Local Development	Construction of the intervention logic	06/06/2014
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066. Analysis on the Evaluation Plan	Programme implementing arrangements	02/12/2014

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3.2.1. 001. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

The following indicators present different values in the carried out analysis: Employment rate of the population by economic activity, Population, Structure per ages, Unemployment rate, Agricultural area occupied by organic farming, Development rate of the independent activity – rural, direct use of energy in food industry.

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

Recommendation **non-accepted** for the indicators:

- The employment rate of the population per economic activity, Population, Structure per ages, Unemployment rate, taking into account that the value of these indicators will be automatically generated, and for the last 3 indicators in the section 4.1.7 in the NRDP the relevant additional indicators related to the rural area according to the national legislation are provided.
- The agricultural area occupied by organic farming is not accepted taking into account that the provided value is the sum of the certified area and the conversion area.
- The development rate of the independent activity – rural because this indicator is not collected by NIS, it is used the value of a proxy indicator representing the values summed up by the proxy indicators- Self-employed - 31,5% and unpaid family worker- 26,4% according to the definition of the rural area applicable to the Romanian RDP.
- The direct use of energy in the food industry because the value of this indicator complies with the data provided within the study carried out for MARD by the National Center for Training in Statistics in 2013, with data taken from the database of NIS.

3.2.2. 002. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

The following indicators present different values in the carried out analysis: Land area, Extensive agricultural area used for animal husbandry, Protected forest, Water quality, FOWL.

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

Recommendation accepted for the Land area indicators by maintaining the data provided by DG AGRI, Extensive agricultural area used for animal husbandry by using the DG AGRI value but as a percentage (38.9%), Protected forest by using the DG AGRI values at the level of year 2005 (there are no recent data for this indicator, a proxy indicator was also used), Water quality.

Recommendation partly accepted for FOWL indicator by including the value from 2012 provided by NIS, respectively, 6746906 ha (28.3% of the land area - 23839071 ha).

3.2.3. 003. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

For the FOWL indicators no. of ha and Land area we have more recent values.

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

Recommendation accepted for FOWL indicator no. of ha by using the data from 2012 and partly accepted for the Land area indicator due to the fact that the data provided by DG AGRI are not similar with those available and provided by NIS. Therefore, we used the DG AGRI data from 2006, the latest data available. Moreover, in order to capture the evolution of different land area categories we used specific data provided by NIS through a proxy indicator (Land structure dynamics).

3.2.4. 004. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

Indicators *Population, Territory and GDP/capita* must be reformulated in the sense of customization for the rural area.

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

The recommendation **accepted** for the indicators: Population and Territory for the rural area, in the sense that in the CCI the values of those additional indicators will be introduced according to the definition of the rural area for Romania, because these values have implications in the establishment of the target indicators (rural population). Also, under section 4.1.7. in the NRDP additional indicators are provided regarding the population and the territory related to the rural area according to the national legislation. Recommendation **not-accepted** for the indicator GDP/capita, because this indicator is not collected on the basis of the national definition of rural area.

3.2.5. 005. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

The indicators *Structure of the population employed per sectors* – national and Economy *structure* have incorrect sources.

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

The recommendation not accepted taking into account that for the indicator *Economy structure* - the national level the value from the DG AGRI database will be used and for the indicator at the rural level data are not collected according to the definition of the rural area specific to the RDP in Romania. In terms of the indicator *Structure of population employed by sectors* - at national level will be used the value provided by NIS, the value used also in the socio-economic analysis for a better coherence and under Section 4.1.7 of the RDP the additional indicator is provided regarding the population structure related to the rural area according to the national legislation.

3.2.6. 006. Common indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

For the indicators *Land area, Protected forests and the Level of intensification of agriculture,* the sources must be checked again.

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

The sources were checked again.

3.2.7. 007. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of context indicators

Description of the recommendation

The indicators: *School drop out rate, Education institutions with an agriculture profile and the net migration* must be reported to the rural environment.

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.

3.2.8. 008. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of 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

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

3.2.9. 009. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of 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.

3.2.10. 010. Additional indicators

Category of recommendation: The SWOT analysis, needs assessment

Date: 07/03/2014

Topic: Verification of 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*).

3.2.11. 011. 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 needs 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.

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 accepted –quantitative data provided wherever possible.

3.2.12. 012. 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 perspectives, 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 as: *Availability of a developing market that could be capitalized, at domestic and international level.*

3.2.13. 013. 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 divers cultural heritage

(Strengths) “Experience in the current programming period related to the setting-up of public-private partnerships at local level (LAG)”. 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 between2007

– 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.

3.2.14. 014. 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.

3.2.15. 015. 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.

3.2.16. 016. 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.

3.2.17. 017. 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

It is recommended to introduce the following elements:

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

(Threat): 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 (HORIZON 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, considering that the information related to EU policies cmay be found also under Chapter 14 of NRDP which reflects the complementarity between the NRDP 2014 – 2020 and other programmes and policies such as OPAC and HORIZON 2020.

3.2.18. 018. 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

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

- Increased awareness among consumers from local and international level on the existing connections between food products, environment and health status (FAO: global trend);

- Consumer's demand for developing education on food products, health and nature (FAO: global trend);
- 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);

2. 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 given that MA does not consider that the proposed elements have a direct influence on the RDP interventions.

Second recommendation was accepted.

3.2.19. 019. 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

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

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 topic was covered, respectively manure management which is by far the main provider of agriculture waste.

3.2.20. 020. 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 quantity receiving the environmental approval for use. Considering the reduced quantity 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.

3.2.21. 021. 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

We consider that such an analysis is not subject of SWOT because strengths, weaknesses, opportunities and threats relate to the situation at the time of analyse and they are the base of the Strategy. In addition, 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).

3.2.22. 022. 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.

3.2.23. 023. 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 infrastructure* 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.

3.2.24. 024. Correct formulation of 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

3.2.25. 025. 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.

3.2.26. 026. 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.

3.2.27. 027. 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.

3.2.28. 028. 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.

3.2.29. 029. 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.

3.2.30. 030. 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 for sM4.1a relevant for the orchards sub-programme, sM4.1 and sM8.1 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 (e.g. seed material, works, support system etc.) for sM4.1a, for table grapes under sM4.1 and for afforestation works under sM8.1.

3.2.31. 031. 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.

3.2.32. 032. 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.

3.2.33. 033. Connection with the SWOT analysis

Category of recommendation: Construction of the intervention logic

Date: 06/06/2014

Topic: Construction of the intervention logic

Description of the recommendation

1. 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”.

2. Regarding the content of the SWOT analyses, there are no individual aspects related to suitable innovative solutions.

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

1. Recommendation was accepted and is presented both in the Strategy and at level of each measure (list of needs addressed).

2. Recommendation was not accepted, innovation is one of the main elements of LEADER approach. However, innovation has a cross cutting contribution to the objectives of the RDP and its focus on innovative solutions is reflected in the measures fiches.

3.2.34. 034. 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. 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,
- External assessment to support the design phase or for promoting an accurate analysis of innovation, needs and of the possible drivers at local level.

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.

Also, studies of the area were introduced as eligible costs within sub-measure 19.1.

3.2.35. 035. 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).

3.2.36. 036. 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.

3.2.37. 037. 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.

3.2.38. 038. 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.

Some arrangements for cooperation might be improved: clarification regarding beneficiaries (only LAGs or even local actors); the separation between support for preparation of cooperation projects and support for implementation of concrete cooperation projects.

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.

Clarifications related to the arrangements for cooperation were introduced.

3.2.39. 039. 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.

3.2.40. 040. 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.

3.2.41. 041. 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.

3.2.42. 042. 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 (subsequently, the target value for 2023 related to the Number of beneficiaries indicator (young farmer) has been recalculated due to reconsidering the average estimated value/project under the sM 6.1 (9,367 farmers).

3.2.43. 043. 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.

3.2.44. 044. 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.

3.2.45. 045. 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.

3.2.46. 046. 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 nay 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.

3.2.47. 047. 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 to contracting a "permanent evaluator".

3.2.48. 048. 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.

3.2.49. 049. 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 (e.g. 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.

3.2.50. 050. 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).

3.2.51. 051. 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:

a. 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,
b. 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.

3.2.52. 052. 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 for sM4.1a relevant for the TSP, sM4.1 and sM8.1 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 (e.g. seed material, works, support system etc.) under sM4.1a, for table grapes under sM4.1 and for afforestation works under sM8.1.

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.

3.2.53. 053. Analysis on the adequacy degree of thematic sub-programmes

Category of recommendation: Other

Date: 06/06/2014

Topic: Fruit-growing 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.

3.2.54. 054. Analysis on the adequacy degree of thematic sub-programmes

Category of recommendation: Other

Date: 01/07/2014

Topic: Fruit-growing 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.

3.2.55. 055. 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 accepted. FA 1A and 1C are now mentioned in Chp 8.
b. Recommendation was accepted. FA 1A is mentioned in Chp. 8
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.

3.2.56. 056. Preliminary final report

Category of recommendation: Construction of the intervention logic

Date: 01/07/2014

Topic: Preliminary final report

Description of the recommendation

a. It is recommended the insertion of micro-loan schemes.
b. It is recommended to design links between the measures that drive the farmer from having adequate knowledge, to formulate its own business plan, from submitting the application form to the ex post management of the business. These types of "linkages" have been already put in place in the 2007-2013 programming period (i.e. ms. 141 – 143).

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

a. 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.
b. Recommendation was accepted. The advisory services to farmers, young farmers, micro-enterprises and small enterprises within the sub-measure 2.1 covers both development and implementation of the business plan.

3.2.57. 057. Măsura 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 (e.g. 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. At the same time, the projects that need the evaluation of the environmental evaluation will be subject to EIA/EA before the implementation.

3.2.58. 058. 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 partially accepted.

The need to issue an environmental permit for the business plans is regulated by the national legislation which provides for situations where this permit is needed. However, the SEA recommendation highlighted the need for ongoing evaluation (e.g. monitoring) of those business plans whose implementation could have a potential impact on the environment. Before the implementation of the projects, they will be subject to EIA or EA according to the national legislation. This means that not all projects are subject to environmental assessment, but only those for which the national legislation provides that EIA/EA is mandatory.

3.2.59. 059. 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.

3.2.60. 060. 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. Afforestation projects are subject to environmental assessment (EIA) or appropriate assessment (if they are proposed for areas included in the Natura 2000 network). These projects are approved only if afforestation is compatible with biodiversity conservation objectives from Natura 2000 sites.

3.2.61. 061. 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.

3.2.62. 062. 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.

3.2.63. 063. Rural Network

Category of recommendation: Other

Date: 27/11/2014

Topic: Contribution of the network at the implementation of the rural development policy and good governance

Description of the recommendation

- It must be described more clearly and more detailed how NRDN will contribute to the objectives of the rural development policy
- For each of the common objectives, specific objectives and activity groups must be formulated in terms of relevance addressing the needs identified in the context and the SWOT analysis
- The programme describes the qualities the NRDN staff must possess. These aspects are useful but are not sufficient if we do not take into consideration the 7 activity groups of the network as provided in the Regulation.
- The programme must provide a more detailed description of the organisational plan in order to describe how the network activities will be implemented and how the network instruments will be developed and used.

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

- Recommendation non-accepted. These objectives could not be more detailed because of the limits imposed by the SFC.

- Recommendation partially accepted. Chapter 17 was revised and detailed according to the recommendation taking into consideration the limits imposed by the SFC and the fact that the Multiannual Activity Plan is an implementation instrument and not a programming instrument. Each common and additional objective will be detailed in the Multiannual/Annual Activity Plan.
- Recommendation non-accepted. At chapter 17.1.4 it is mentioned that by outsourcing certain activities, the USR team will assure that the contractors have sufficient and qualified staff in order to efficiently accomplish the network tasks.
- Recommendation not-accepted. In the chapter 17.1.3 it is mentioned that the Multiannual Activity Plan will completely cover the obligations provided in the art. 54 (3) in the Regulation no 1305/2013 and will include a description of the method where the most relevant actors will be identified and involved. The same chapter also specifies that for the first year mandatory activities will be provided according to art. 54 (3), b, paragraphs i-iii-vi and additional priorities according to art. 54 (3) paragraphs ii-iii and v.

3.2.64. 064. Thematic sub-programme - SWOT and Needs

Category of recommendation: Other

Date: 27/11/2014

Topic: SWOT analysis consistency

Description of the recommendation

1) Some elements of the SWOT analysis must be reformulated.

2) 2 additional elements must be added in the SWOT.

3) The inclusion of the opportunity The upward trend of fruit consumption per inhabitant under the strengths category, completing with the reference to fruits produced on domestic market as well as the reformulation of the additional indicator *average fruit consumption*.

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

1) Recommendation partly accepted.

2) Recommendation accepted in the sense of introduction of the PT – Increase of the organic fruit growing area and PS –Reduction of fruit growing area belonging to associative forms in relation to the entire fruit growing area

3) Recommendation not-accepted. The MA considers it is not a strength, because even if the demand increases, the consumers are not obliged to buy fruits produced in Romania, This is an opportunity for local producers to increase the quantity and quality of fruits and fruit production sold on the domestic market. The indicator does not distinguish between domestic and foreign production, it only establishes that the average fruit consumption per capita is increasing.

3.2.65. 065. Thematic sub-programme - SWOT and Needs

Category of recommendation: The SWOT analysis, needs assessment

Date: 27/11/2014

Topic: SWOT analysis consistency

Description of the recommendation

4 needs must be reformulated.

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

Recommendation partly accepted. Needs 1 and 4 are reformulated.

The recommendation regarding Need 3 was not accepted: Within the TSP, the creation of jobs and the added value are obtained through the same instrument (only by processing agricultural products) and in order to not repeat unnecessarily the information it is not necessary to split the need into two separate needs.

The recommendation regarding Need 5 was not accepted: The approach for the need 5, namely the merge of the need for research, development and innovation activities correlated also with the climate changes in terms of innovative projects was used because the STP does not contribute directly (financially) to environmental objectives (addressing the environmental FA but secondarily). Thus, in the need 5 the environmental elements are addressed secondarily through innovative solutions.

3.2.66. 066. Analysis on the Evaluation Plan

Category of recommendation: Programme implementing arrangements

Date: 02/12/2014

Topic: Implementing arrangements

Description of the recommendation

It is suggested to anticipate the methodological revision from 2015 in order to have more time to correlate the TOR for the selection of the independent evaluator.

Furthermore it is suggested to use the Steering committee and technical working groups in order to identify specific evaluation questions.

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

Recommendation was accepted in order to revise the information related to the methodology for selecting the independent evaluator and those related to the activities preparing the evaluations.

3.2.67. 067. Human resources

Category of recommendation: Programme implementing arrangements

Date: 02/12/2014

Topic: Implementing arrangements

Description of the recommendation

The evaluator also suggests to experimentally extend the Standard cost to M1 and M2. Furthermore, it will be useful to insert specific administrative capacity building addressing the issue of simplification.

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

Recommendation partially accepted. When calls for proposals for this measure will be organized, MA will examine the possibility of using standard costs for certain categories of expenditure.

Related to the administrative capacity building addressing the issue of simplification, Technical Assistance measure covers actions regarding the strenghtening of the administrative capacity for the authorities responsible with the NRDP management, implementation and control, on the basis of an action plan for human resources of the benefiting authorities, including analysis of needs, actions of consolidating the administrative capacity and staff loyalty, as well as the monitoring and evaluation of the action plan implementation efficiency.

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 km^2 {1} **[CI 3]** and a population of 21.356 million inhabitants (Eurostat 2012) {1} **[CI 1]**, RO ranks 7th in the EU27 both in terms of 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-West, 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 covers only 0.76% of the Romanian territory. By geographic areas (mountains, hills and plains), the country's territory is distributed in relatively balanced proportions.

Rural areas, representative for RO, have substantial resources for development. In 2012, the rural area (according to the definition in chapter 8.1) covered an area of 207,522 km ^{2} (87.1%) {3} **[A3]** and 45.0% of Romania's population lived on this territory {2} **[A1].** The rural population is not evenly distributed, having, in some regions a higher share (South Muntenia - 58.6%, North East - 56.8% and South West Oltenia- 51.9%), the highest density, except for Bucharest-Ilfov region, being registered in the North-East region (63.24 inhabitants / km $^{2)}$ and reduced density in West (26.51 inhabitants/km ^{2}) {2} **[A4].** These disparities influence the social-economic development of areas and the quality of life of the rural population.

Rural population is facing demographic decline, constantly decreasing and aging. Between 2005 **-** 2012, the rural population decreased by 65,646 persons {2} and according to demographic projections it will continue to decrease, at a moderate pace, until 2015, followed by a sharp decline between 2015-2050 {5}.

At national level, in the reference period, the analysis of the population's structure by age categories shows no 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 recorded a slightly upward trend - by 0.3% and 0.2% respectively, reaching 70% and respectively 15% in 2012) {1} **[CI 2],** the phenomena of declining and aging rural population being obvious. The 0-14 age category decreased (from 17.8% in 2005 to 16.6% in 2012), while the category over 65 years remains at significantly high levels (18.7% in 2005 and 18.3% in 2012*)* {2} **[A2].**

The general situation of the RO economy

In the economic development plan, RO has a modest position in EU27, its share in the European GDP, in 2012, being of 1%. Even though after 2010 the GDP per capita (€) recorded an upward trend, it represents only 49% of the EU27 average in terms of PPS/inhabitant, {1} **[CI 8].**

Generally speaking, **the agricultural sector and the rural economy** continue to have substantial growth potential, still insufficiently used. Consequently, the level of net investments in the sector has also constantly increased starting with 2010, recording a value of 89,866.5 mil. Lei (20,194.72 mil. EUR) in 2012. {4}Agriculture generated 6,924.752, million Euros gross value added (GVA), representing 6.01% of the total GVA. The evolution of GVA distribution by sectors of activity shows a continuous decline of the share of agriculture (9.52% of total GVA in 2005; 6.0% in 2012), in favour 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, the share of Romanian agricultural sector still remains more than three times higher than in EU27 (1.74% in 2012)** {1} **[CI 10].**

In 2012, **labour productivity** in agriculture, forestry and fishery was of 2,464 €/ employed person, being almost five times lower than the national average (12,527 €/ employedperson), 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].**

Development of small-scale business is an important source for employment/income earning. Only 18.1% of the active SMEs with non-agricultural profile, were listed in the rural area in 2011, which shows **a low share of SMEs involved in carrying out these activities (industry, services and rural tourism).** The analysis of rural SMEs shows a reduced ability to provide jobs for population.

Although between 2005-2011 the number of rural SMEs with non-agricultural profile increased by 16%, the effects of the crisis from the last three years that were analyzed led to a decrease of these units by 7,492, reaching a number of 77,315 SMEs (secondary and tertiary sector) in 2011 {2} **[A24].**

Although the micro-enterprises carrying-out non-agricultural activities in rural areas were supported also from NRDP 2007-2013 yet **the density of SMEs per 1,000 inhabitants** in rural areas is lower than the national average (9.64 compared to 23.66 in 2011) {7} **[A25].**

Regarding **tourism infrastructure**, the accommodation capacity increased by 6.13% in 2012 compared to 2005, the hotels holding 60% of the total accommodation capacity. The accommodation capacity existing in agri-tourism guesthouses registered an increase by 59.4%, mostly due to the financial support from EAFRD { 4} **[A 23].** Despite this support, rural tourism has not yet reached a satisfactory level of development, particularly in terms of quality of supporting infrastructure and services provided, especially for the recreational ones.

The access of SMEs to funding remains problematic. In terms of territoriality, financial services are generally less accessible to rural areas enterprises and to the agricultural sector, due to high credit costs. In 2012, about 4% of the total credits have been granted to agriculture. According to the ex-ante assessment of financial instruments in NRDP 2014-2020, **the credits granted to farmers were 4 times lower compared to the level recorded at European level** (281 €/ha of arable land in RO and 1,203 €/ha of arable land in EU). Although financial mechanisms (guarantee schemes) were in place, some of the beneficiaries who signed financing contracts under the 2007-2013 NRDP did not succeed to access credits for investment. The main reason consisted in the non-existence of an agricultural credit adjusted to the specificity of agriculture. The requirements imposed by the banking institutions for accessing funds (e.g. for guarantees) are similar to the ones applied for any other company or SME, being impossible to fulfil. The insufficient specialization of crediting services reflected directly onto the guarantee system for agriculture, not being used to its planned capacity, and, implicitly, onto both the limited level of accessing the programme and the high level of project cancellations among selected beneficiaries

The decrease of the number of workshops providing services and handicraft cooperative units generated severe compression of the social economy from rural areas. In 2010, out of the 2,017 cooperatives, 42.5% were crafts cooperatives where traditional activities were carried-out (crafts, handicrafts). {4}

Education and vocational training

In 2011 the rural population in RO has 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 education, only 22.2%, respectively 17.4% of the population attended a vocational school, respectively high-school and only 1.6% have graduated higher education {8} **[A10]**.

The school dropout rate is much higher in rural areas than in urban areas, but also in relation to the national level – which records, in the school year 2011/2012, 4.2% for secondary and vocational education. In rural areas, the dropout rate for the analysed educational sector, reached 5.3%, 1.2% higher than the rate in urban areas {2} **[A11].**

In the last decade, the number of agricultural, agri-mountain and veterinary high-schools recorded a downward trend (by 40% until 2011, when only 67 such schools remained nationwide and only 44 in the rural areas), the most drastic decrease being recorded at the level of agricultural high schools (by 52%) **{4} [A12].** The decrease of agricultural high-schools occurred at the same time with the decrease of the number of graduates (by more than 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 high-school with agricultural profile {4} **[A13].** A positive evolution was represented by the total number of higher-education graduates of this profile, which increased by 27% as compared to 2005, recording in 2012 a number of 4,397 graduates, which is an opportunity for the rejuvenation of farmers' generations with an adequate education {4}. 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 a declining **level of training among farm managers.**

In RO, lifelong vocational training is in an early stage of manifestation, which is showed by the low level of participation in the training process. The level of participation in the education or training process, of the population aged between 25-64, was of 1.4% and even lower for the rural population, namely 0.5% {2} **[A17].** A similar situation occurs also for M 111 of NRDP 2014-2020, by which only 27,237 farmers (beneficiaries of measures 112 and 141), out of the proposed target of 92,002 farmers, were trained by the end of 2013 {39}. The low level of the fulfilled target, of 30%, was caused by the insufficient coordination with the other measures within the implementation process (especially with the ones where vocational training was mandatory) and by the highly complex contract awarding procedures which led to significant delays in the implementation process.

The structure of labour 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 2005-2012, due to the declining and aging rural population, still there is available labour force involved to a large extent in subsistence and semi-subsistence agriculture.

The employed population is declining both at national level and in rural areas. In 2012, the employment rate at national level, as an expression of the concentration degree of the employed population aged 15-64 years, was 59.5%, lower than the European average by 4.7% {1} **[CI 5].**

In 2012, considering the place of residence, the employment rate for population aged between 15-64 in the rural area (60.7%) is 1% higher than in urban areas, which indicates insufficient employment of labour force in this area {2} **[A5].**

In rural areas, there is a decrease of the employment rate for the main age group, 15-64 years (61.6% in

2005, compared to 60.7% in 2012) {2} **[A5].**

In the reference period 2005-2012, the analysis of population employed per 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 by **1.7%** in industry and construction) and an increase by 4.9% in the tertiary sector {2} **[CI 11]**.

In the rural area, 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 21.1% compared to industry and 19.6% compared to services) {2} **[A9].**

Analysing the structure of employed population in terms of professional status, in 2012 self-employed and unpaid family workers in the rural area represented 89% of the total population falling within this professional status at national level. In the context of the rural economy, their share is of 57.9% of the total population employed in rural areas in 2012, an aspect that is rather associated with subsistence farming and lack of alternatives than with entrepreneurship {2} **[A6].**

Unemployment

Considering that in 2012 the unemployment rate in RO remains below the European average (10.5% in EU27 and 7% in RO) {1} [CI 7], a higher employment rate in rural areas masks a hidden unemployment and underemployment. 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 between 15-24 years. 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, 16.1% higher than in EU27 {1} **[CI 9].** These differences have a 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. During the 2011 Census on population and housing, 3.09% of people (621,573 people) declared themselves as being of Roma ethnicity {2}**[A32],** out of which 63% in the rural areas {40}. The low participation and the limited access to labour market lead to poor incomes and high risk of poverty and social exclusion. In 2012, at the level of Roma population aged between 15 and 64 years from the rural areas, an employment rate of 38% was recorded, 28% below the percentage of population employed in urban areas {2}. The integration of the Roma population still remains an issue, especially in rural areas. However, the results of the implementation of the strategy adopted by RO, facilitation of the access to health services, the increase of the awareness on discrimination have led to an improvement of the existing situation, requiring attention through following-up and implementation of the actions plan corresponding to the "Strategy of the Romanian Government for inclusion of Romanian citizens of Roma minority for the 2012-2020 period". {47}

In rural areas, the incomes are relatively low (in 2011-503 €/ household in rural areas compared to 621 € / household in urban areas). The share of incomes (both cash and in kind) from agriculture represents 42% of total gross income / household in rural areas, while wages are currently around 26% {2}.

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

The basic infrastructure in the rural area continues to be critical and insufficiently developed, despite the fact that the 295 projects implemented under M322 of NRDP 2007-13 and completed until now, developed or rehabilitated 1,563.7 km of roads, 1,456.11 km of water supply pipes and 2,035.6 km of sewage pipes{41}. From the total communal roads with a length of 31,639 km and representing 37.8% of the total number of public roads, only 7% were modernized. 48% of them are paved and 29% are dirt roads, often being impassable during rainy days {9} **[A19]** . Although between 2005-2012 the length of drinking water distribution network in rural areas recorded 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 municipalities compared to 99% urban municipalities). The length of sewage networks in rural areas increased by 22.68% during the analysed period, the number of rural municipalities with sewage networks being 75.37% lower than the urban municipalities (21.53% in rural areas compared to 96.90% in urban areas) **{2} [A20].**

The main difficulties faced in carrying out basic infrastructure projects, especially integrated projects, were related to: the high level of complexity (including inadequate understanding of the integrated project concept), the long period of execution, the lack of clear regulations, including the impossibility of beneficiaries to support the investments until completion. Also, carrying out the investments required a large number of authorizations issued by different authorities, which hampered the implementation.

The 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, is negatively reflected in the economic development of rural areas in Ro.** The **educational infrastructure** is insufficient. The ante-preschool (nurseries) and pre-school (kindergartens) education is facing a major deficit in terms of infrastructure. In 2011 only 1% out of 295 nurseries, were located in rural areas where 45.5% of all children aged between 0 and 4 years were registered. The level of coverage of kindergartens in rural areas was of only 7.44% of the total RO in the school year 2012-2013. {2} **[A21].**

The cultural identity of the Romanian village is an important source of local development and is characterized by a diverse **tangible** and intangible **cultural heritage**. In the rural areas, the access of inhabitants from villages and communes to culture is limited, compared to the access of the inhabitants from urban areas. The cultural heritage from rural areas shows a high degree of degradation requiring necessary investments for their restauration.

An integrated part of the cultural heritage in Romania is represented by monastic settlements. The specificity of monastic settlements is the fact that they preserve the national identity and the traditional features, by craft, culinary and farming practices and also by preserving the architectural styles specific to the regions. In RO out of all religious units (18,439), only 1.5% are monasteries, 0.4% are hermitages and 49.3% of the monasteries and more than 56% of hermitages are historical monuments. A high share of these cultural objectives is in a degraded condition and need investments for restoration and preservation, in order to maintain their cultural value {29}.

The access to **Internet in the rural areas, while increasing, remains limited**. In RO, only 42% of holdings have Internet connection and only 23% broadband connection. This unsatisfactory penetration rate in rural areas is mainly due to low incomes, lack of computers available in households, precarious DSL coverage conditions and the wireless internet is almost non-existing. In 2012, the **broadband internet penetration rate** on fixed points was 60.28% in the urban area and only 23.47% in the rural area {14} **[A18].** Between 2007-2013, this problem was especially addressed through the RO-NET project and through sub-measure 322e of NRDP 2007-2013, both having the main objective of extending the access of rural citizens to broadband services. Up to now, the RO-NET project identified 783 “white area” municipalities where the execution of investments in this type of infrastructure would generate added value. 56 projects amounting to EUR 9.3 mill. were also contracted to be financed under measure 322e, whose implementation will provide internet access for 16,203 households in 193 villages, respectively for 41,552 persons. {41}. Although within NRDP 2007-2013, under measure 322e were financed investments in broadband, the Digital Agenda 2020 foresees a minimum speed level of 30 Mbs compared to the 1-4 Mbs speed previously foreseen. At the end of the first semester of 2014, 15.5% of the total broadband connections in rural areas, represent connections at speed higher than or equal to 30 Mbps.

At the end of 2011, less than 33% of the rural area population had used a computer at least once, although 53.9% of households have access to internet. One of the main reasons for such a low level of the accessing indicators compared to the existing infrastructure is the lack of necessary skills (as an effect of the low education level). {4}

Although it started to operate only in the last part of 2011, the National Rural Development Network (NRDN) demonstrated its usefulness, contributing to an intensified exchange of information, knowledge and experience among the stakeholders involved in the development of communities also related to the financing opportunities available under the NRDP 2007-2013.

Local development and governance

The LEADER approach aims at a balanced development of rural territories. In 2012, the territory covered by LAGs was of approx.141,398 km ^{2} (1,805 communes and 79 towns with less than 20,000 inhabitants), with about 58% of the LEADER eligible population, namely 6.686 million persons {12} **[A15, A16].** In the 2012-2013 period, 163 LAGs were selected and by the end of august 2013 these LAGs have signed contracts under sub-measure 431.2 and started implementing their activities. Although the implementation of LEADER was delayed, by 31st of January 2015 the contracting rate represented 98.98% of the total allocation. Regarding the payments, in January 2015, their level was of 32.78% due to the lack of experience of the LAG and implementing authorities.

Analysis of the agricultural sector

Agricultural land use

A particularity of the Romanian agriculture is represented by the duality of the way the agricultural area is managed: half of the UAA is managed by commercial-type agricultural holdings, efficient and competitive and the other half is covered by subsistence and semi-subsistence farms.

In RO, the utilized agricultural area (UAA) is declining, a trend also occurring in EU27. Between 2005- 2010, the UAA declined by 4.3% (from 13.9 million ha to 13.3 million ha). In the structure per categories of use, arable lands have the largest share (62.4%), followed by pastures and hayfields (33.9%). The UAA of arable lands and of permanent crops declined by 6.3%, respectively by 8.2% in the 2005-2010 period, while the UAA of pastures and hayfields remained at a constant level {1} {10} **[CI 18].**

In 2013, fruit-tree plantations covered 158.6 thousand ha (from 313.4 thousand ha in 1990), accounting for approximately 1.2% of UAA. Most of them are aged plantations with a reduced and declining potential (52.4% of the total) or abandoned. The area covered by bearing plantations is of 67 thousand ha (42.2 % of the total) and only 8.54 thousand ha are young plantations (5.4% of total area) {24}. Most of plantations are extensively used (classic) and only 31.6% are intensively and super-intensively used {24}. There is insufficient capacity of warehouses to store the productions and many facilities are inoperative or outdated.

The regional distribution of UAA varies depending on the variety of landscape and on the social-economic conditions. UAA records high values especially in the West and South regions, while arable lands are predominant in South-East (16.5%) and South Muntenia (17.5%) regions. In the Centre and North-

West regions, pastures and hayfields represent more than half of the UAA (65.6% and 52.8%) {10}. The **area cultivated under organic farms is still low.** In 2012, in RO, only 2.1% of total UAA was cultivated under organic farming, compared with 5.8% in the EU27. 64.2% (185 thousand ha) out of the 288 thousand ha, were under conversion and only 35.8% (103 thousand ha) were certified. In 2012, compared to 2007, the areas cultivated under organic farming increased more than 2 times {2} **[CI 19, A44].**

The type of organization in agriculture

The degree of organization of farmers, in particular in relation with market participation, remains low, being only 107 producer groups (PG) recognized, most of them for cereals groups of products, respectively milk and milk products. In the vegetables-fruits sector, there are 21 PG preliminary recognized and 6 producer organizations [A28] {41}.
In 2011 in the cooperative sector, there were 2,566 cooperatives, of which 52% in rural areas. Their number decreased by approx. 24% compared to 2005. The highest decrease was registered by cooperatives in the primary sector, reaching almost half, decreasing from 1287 to 717 **[A29] {4}.**

According to the National Strategy for Agriculture on medium and long term, the agricultural cooperative sector is still underdeveloped compared to the national one and the trend is to continue the decrease. Unlike cooperatives in the EU, the ones in RO operates in production sector and less in processing and marketing, where they could respond to challenges related to the fragmented structure existing in RO.

Lack of funds and poor representation of PG and cooperatives, small number of storage spaces have become a major issue. Less than 20% of the necessary capacity of storage and conditioning for the production of fruits and vegetables and about 40% for potatoes generates significant income foregone.

Physical and economic size of agricultural holdings

The physical and economic sizes of agricultural holdings in RO record significant differences compared to the European Union averages. In 2010, 32.1% (3,859,040) of the total agricultural holdings in EU27 (10.0% less compared to 2005) were found on RO territory. The average size of a Romanian holding (3.4 ha UAA/farm, only 0.1 ha UAA/farm more than in 2005) is more than 4 times lower than the European one (14.3 ha UAA/farm) {1} and the fragmentation level is very high, the average size of a parcel being of 0.45 ha, each farmer owning, on average, 4.8 parcels {23}. The slow increase of the average farm size is mainly caused by the effects of the economic crisis in the last years. In RO's case, the predominant type of land holding is the ownership. 89.8% of holdings own 60.4% of the UAA and 1.7% of the holdings lease 27.4% of the UAA {43}.There is large gap compared to UE 27 also in terms of economic size per holding, which is 9.4 times lower in RO (2,700.2 € standard output (SO)/farm in RO; 25,450.0 € SO/farm in UE27) **[CI 17]**. **According to the 2010 General Agricultural Census (RGA), compared to the 2002, at national level, the structural changes were not significant**. The small farms, with less than 5 hectares, represent 93.1% of the total holdings and use 29.7% of UAA. The farms larger than 50 ha, much less in number (21,210), manage 52% of UAA.

Most of the RO agricultural holdings record a low level of economic development. 96.7% of the total number of farms, which represents 43% of the farms in EU27 in this size category, fall within the categories under 8,000 EUR SO. The farms with the economic size starting from 8000 **€** SO (127,100 holdings, representing 3.29% of the total number of holdings at national level) have the highest chances to improve their economic performance, particularly by increasing the level of marketing of their products. Of these, the category 8,000-12,000 € accounts for about 61,000 agricultural holdings (almost 48.00 % of the total number of holdings above 8,000 € SO) and represent the farms which currently have a semi-subsistence character and a high potential to be market-oriented. The average-sized holdings, the category of 12.000 – 250.000 € SO, representing 50% of the total holdings above 8,000 € SO, is the segment that needs to have investments in order to surpass the gaps related to endowment and productivity. There are 2,462 big-sized farms, having over 250.000 € SO.

At regional level there are no significant differences compared to the national situation. An exception is the Western Region that has a higher level of farm development, both in terms of physical size (6.3 ha UAA/unit) that exceeds by 2.9 ha UAA the national average /farm (3.4 ha) and in terms of economic size (4,096 € SO/farm) {1} **[CI 17]**.

The legal type of agricultural holdings organisation

According to RGA 2010, 30.6 thousand agricultural holdings were organized as legal entities. The remaining 99.2% were organized as individual agricultural holdings, as authorized individuals or family enterprises without legal status {11} {10} [[**A27].** Only 15% of agricultural properties are currently registered in the Land Registry Book, Cadastre Office. But RO is in full process of developing a coherent system of registration of properties, mainly aiming at increasing this percentage.

The structure of agricultural production

According to the National Strategy for Agriculture on Medium and Long term (2014) RO distinguishes itself through the diversity of the soil-climate conditions favourable for obtaining agricultural productions that are diversified, qualitative and in significant quantities, able to cover an important segment of the domestic demand of agri-food products and not only. Despite the considerable potential, the yields in the Romanian agriculture are modest, indicating an use of production factors far below the optimum values.{44}

The average cereal production per ha in RO continues to be 30% below the EU level (2013). Following an analysis of the main categories of crops, the largest differences in terms of yield are recorded for rye (RO represents 55% of the European average). The difference is nevertheless high also for wheat (62% of the EU average), barley (64% of the EU average) and maize (66% of the EU average). The situation is mainly due to the lack of technologies and biological material adapted to Romanian soil-climate conditions {48}.

The areas cultivated with oilseed plants have recorded different trends. While they have increased constantly for sunflower starting with 2009 (but at a slower pace in the last 3 years), they have recorded major fluctuations in case of rapeseeds crops. Thus, in the context of an increase of demand at Community level for products in this group, in 2013, the area cultivated with rape, of 276.6 thousand ha, represented only 51% of the value recorded in 2010. A slight reduction trend was also recorded for areas cultivated with soy. The total and average productions per ha have changed significantly from one year to another, mainly due to the strong dependency of Romanian agriculture on the climate conditions {4}.

Regarding the potato crops, according to APIA, the areas have declined steadily in recent years, in 2014 less than half of the area was cultivated (47.5%) compared to 2007. The yields of these crops are also low, the average over the 2001-2011 period reaching 54% of the EU 27 average {1}.

The area cultivated with vegetables decreased slightly, by 3% between 2009-2013, reaching a level of 259,029 ha at the end of the last year of the analysis. The same trend was also manifested for greenhouses and solariums areas, adding up to 3,780 ha. 3. Only 6% of production was obtained in greenhouses and solariums. Approx. 20% of production is provided by large farms and companies, while the rest of 80% by small farmers. In this context, the impossibility to ensure a continuous supply and a constant quality, as well as the high production costs that are reflected in the higher prices of RO products makes a large part of the domestic demand (approx. 65%) to continue be covered by imports {4}.

Animal breeding is a traditional activity in RO, as confirmed by the predominance of livestock and mixed farms (68% of total) {10}. However, the livestock number are low (4.0% of total EU-27, respectively 5.4 million LSU), and **the number of animals has decreased at a faster pace in RO than in the EU27,** especially in the case of cattle and swine {1} [CI **21].** The number of cattle has decreased by 20% in 2013 compared to 2009. The number of swine has decreased by 21% in 2013 as compared to 2009. The situation is even more severe in case of reproduction sows, where the decrease was of 33%. The situation was also reflected in the meat production which decreased taking into account that the demand has not significantly changed and RO continues to be one of the largest consumers. The number of sheep and goats recorded 3 consecutive years of increase. However, it continues to be far below the values recorded at the beginning of the '90s, while the market for the corresponding products is in full expansion. No significant changes were recorded for cattle and poultry {4}. The average productions (meat and milk) for these two species remain however modest. As regards the average productions, RO is 25% below the level recorded in EU 27 for sheep and goat meat and 15% below for chicken meat.{48}

The bee-keeping sector is favoured in RO by the soil and climate conditions. Despite the increase in the number of bees since 2000, the production of honey continued to be fluctuating (1,354,218 beehives {4} and 26.678 tonnes of honey in 2013 {45}). Organic beekeeping is still developing, 15% of the total production of honey, is organic honey, and the number of bee-keepers under conversion and organically certified increased with more than 5% in only one year (2011 compared to 2010) {45}.

There is potential for development at the level of young generations of bee-keepers (in 2012, 84% of beekeepers were < 51 years old and 33% < 35 years old) {37}. At the same time, bee-keeping, together with the organic products, were identified as priorities in the Strategy for the development of the agri-food sector on medium and long-term, horizon 2020-2030.

Labour force in agriculture

In 2010, in the RO farms, the existing labour force was equivalent to 1.5 million of annual work units (AWU) - 16.7% of the total EU-27 {1} [CI **22].** Similar with the EU 27, men predominate in the total volume of labour force in agriculture. **Most of the farmers work their lands individually (52.9% of total AWU).** Employed labour force represents only 4.8% of the AWU, a level which is 11.1% lower than in EU27. At the same time, in 2010, the ratio between farm managers < 35 years and one manager > 55 years is close to the European one (12:100 in RO compared to 14.2:100 in EU 27) and reflects **the aging level of the labour force in the sector, which is within the European trends.** This phenomenon is also reflected in the share of young farmers, of only 7.27% of the total farm managers {1} [CI **23]**.

In RO, compared to other EU27 states, labour 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 the forestry sector. Only in the case of agriculture there are substantial differences as compared to EU27 (the EU indicator being 6 times lower); for the other mentioned sectors RO records similar values {1} **[CI 13].** The employment rate in agricultural, forestry and fishery activities in RO has been relatively constant over the past five years, around the value of 29%, much higher than the European average (4.6%). In this context, no relevant changes to the evolution of labour force size are foreseen for the next period {1},{10}. At regional level, the employment rate in agricultural, forestry and fishery activities records the highest values in the North-East (41.54%) and South-West Oltenia (40.09%) regions, where the rural character is also more emphasized.

Labour productivity and production factors. There are significant gaps between RO and EU27 also in terms of labour productivity in the agricultural sector. The average value of labour productivity for years 2010-2012 was four times lower than the one of the EU 27 (4,328.5 €/AWU, respectively 14,967.0 €/AWU {6}. This indicator recorded one of the lowest growth rates compared to other MS (0.1%) {1} **[CI 14].** Significant differences compared to EU were also recorded in terms of intensity of use of labor force in farms, as an expression of productivity. AWU/farm in RO was half of the EU27 average (0.4 AWU / farm compared to 0.8) {6} **[CI 17]**. In 2010, only 2.5% of agricultural holding managers were graduates of a type of agricultural education (basic or complete education) (compared to 7.3% in 2005), much lower than the European level of 29.6%, while 97.5% of managers had only agricultural practical experience {1}[CI **24]**. Regarding the agricultural research sector, the poor results are also reflected in the low share of agricultural SMEs engaged in research – development activities, respectively 1.2% of all SMEs that carry out such activities {2}[**A31]**.

The agricultural research system under the coordination of the Romanian Academy of Agricultural Sciences, with a tradition of more than 50 years in this 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 the research-development activity conducted at country level. About 530 researchers are working in the public interest research-development network, covering the whole range of professions specific and related to agricultural, livestock, fishery, forestry and food industry research activities {38}.

As for the advisory system, in 2012, the total number of employees in the public advisory network was of 850 people, of which 500 in the local agricultural advisory centres (and 350 in the county chambers of agriculture (both functioning in County Councils) {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 CAP, quality and farmers' access to agricultural advisory services requirements. Support under measure 143 of 2007-13 NRDP targeted 15,717 farmers to benefit from advisory services. The low ratio, of only 31.4% of target fulfilment, recorded at the end of 2013, was mainly caused by the highly complex contract awarding procedures but also by the insufficient correlation with measures whose beneficiaries were the main targets for provision of advisory services **{39}.**

Contribution of agriculture to the development of RO economy

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

In 2012, GVA (at production factors cost per AWU) was of 2,169.5 €/AWU, representing only 17.1% of the EU27 level. Between 2007-2012 the gap compared to the EU27 average was almost the same, except for the year 2011 (23.5%) {1} **[CI 25]**.

The low level of GVA in agriculture has also affected the amounts allocated to future investments. Although, in 2011, 18.9% of GVA in agriculture returned to the sector in the form of investments, however, the level of gross formation of fixed capital in agriculture (GFFC) remains 25% below the European average {1} **[CI 28]**. Although there have been important investments for the development of new processes and agricultural products, especially for the introduction of innovative technology and techniques (20,292 projects submitted under M121, 123 and 312 of NRDP 2007-2013, out of which 5,577 contracted, totalling 1,757 mil. Euro public value - at the end of 2013) {27}, out of the total volume of investment carried out in RO in 2011, only 3.7% was in agriculture, a percentage that remained the same also for 2012 {4}.

All these aspects negatively influence **the technical endowment level of agricultural holdings.** The endowment of a RO farmer, compared to one from EU15, is about 25-26 times lower (350 € in tangible assets/RO farmer compared to 9,000-9,200 € in EU 15) {5} **[A30].** This is also due to the reduced physical and economic sizes of farms, to the lack of associative structures but also to the poor crediting and guarantee systems. Obtaining the credits needed for carrying out investments but also the high cost of credits was one of the major problems faced by farmers.

The irrigation infrastructure

The lack of funds has also negatively influenced the infrastructure needed for adaptation of agriculture to climate changes, taking into account that the RO agriculture is still heavily dependent on weather conditions, causing high fluctuations in farmers' incomes. The **existing irrigation systems are mostly degraded and non-functional or not adapted to farm typology and users' requirements. Due to the inefficiency of these systems, their use and maintenance is expensive for farmers.**

In RO, the main actors operating in the irrigation sector are the MARD (through the National Agency for Land Improvement - ANIF) and the Federation/Organisations of Water Users for Irrigation Purposes – FOUAI/OUAI. A secondary role is played by the Ministry of Environment and Climate Change, namely the National Administration "Romanian Waters", that issues authorisations to ANIF and to the FOUAI to take water from the source for further delivery to OUAIs or directly to farmers. There are currently 422 OUAIs covering a total area of 1,044,162 ha. Not all of them are active. The investments in creation, upgrade and/or rehabilitation of the main infrastructure are under the responsibility of the state, and those related to the secondary infrastructure are under the responsibility of the FOUAI/OUAI. {46}

The landscaped agricultural area for irrigations has not changed significantly over time, maintaining itself around the value of 3.1 million ha. The actual irrigated area however remains low compared to the actual need (only 1.2% of UAA in 2012) {4}**[CI20]**. Thus, priority will be given to the investments in modernization and less in the setting-up of new infrastructure. According to the National Strategy for investments in the irrigation sector, 1,502,251 ha in the existent infrastructure are identified for rehabilitation and improvement of water consumption prioritary for short and medium term. From this area 823,130 ha were declared by ANIF through the Reform and Rehabilitation of the Irrigation Sector Project, as being viable from an economic point of view {46}. From those 823,130 ha, 616,916 ha represent the covered area by the viable and used infrastructure in the recent past for which modernization investments are necessary.[A45].

The irrigation systems in RO are deficient on most of the lands. The absence or the high degree of degradation of irrigation infrastructure led to the fact that approx. 48% of agricultural area (7.1 million ha in 2006) was affected by drought (especially the Romanian Plain, southern Moldavia and Dobrogea. The total volume of water captured in 2012 was of 6,490,000 thousand cubic meters (MMSC - National Report on the state of Environment - 2012). The volume of water used for irrigation has increased by 52.65%, from 212,979 thousand cubic meters in 2010 to 325,127 thousand cubic meters in 2012 {2} [CI 39] but RO agriculture continue to be dependent on climate factors. The negative effects of drought are reflected mainly in low yields recorded for the main crops (35-60% of the potential).

Food Industry

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

The compliance with the EU food safety and quality standards had an impact on the meat and milk industry, where the standards have been the most demanding {44}. As per the monitored status of NRDP 2007-2013, in 2013, out of the total processing units (531) for red meat, poultry meat, milk and milk products and eggs, subject to the transition period for fulfilment of food safety standards (until 31.12.2016 in compliance with EU decisions), only 12.2% have signed a financing contract for investments needed for meeting the standards. {41}, In addition, since 2007, by accessing EAFRD, new viable units were built, meeting the Community market requirements since their setting-up.

In 2011 the employed population in the food industry, recorded 2.1% (Eurostat) of the total employed population, by 34% lower than the EU-12 average of 2.8%. In RO the ratio between the employed population in agriculture and the one employed in food industry is 12:1 (the highest in EU), compared to the average of EU-12 of 5:1 {6}.

Considering that unprocessed or primarily processed production (live animals, cereals, oilseeds, tobacco, vegetable fats and oils) is marketed on the Community and extra-Community market to an extent of approx. 70%, this is a fundamental industry making available various opportunities for an efficient capitalization of raw materials' diversity. The relatively low level of endowment and the obsolete technologies used in most units, is reflected in the low level of labour productivity in the sector, which, in 2010 was 78% below the EU average (in EU27 40,785 €/person; 9,086.3 €/person in RO) {1} **[CI 16]** and in the quality of products. In RO is a good potential, yet not capitalized, for the recognition and promotion of local brands, by including them in the EU quality schemes. In 2013, the 4,180 traditional products (1,535 milk products, 750 bakery products, 285 beverages, 193 fruit and vegetable products, 11 fish products, recognised by MARD) reveal the pilot experience in the food sector {41}. In 2014, there was only one product recognized and protected at Community level, under the brand Protected Geographical Indication, documentation for other products being submitted to EC to obtain the protection of origin denominations (PDO) {37}. Traditional products were promoted and craft and handicraft activities and other non-agricultural traditional activities with local specificity were developed under the NRDP 2007-2013. According to the latest progress Report data, only 34 projects were approved for this segment, representing 0.9% of the 3,806 target{39}.

Forestry sector

The area of forests comprising the National Forest Fund (FFN) and the forest vegetation outside the National Forest Fund (VFAFFN) remained relatively constant over time, in 2012 this was of 6,746,906 ha (6,529,100 ha in FFN and 217,806 ha in VFAFFN), representing approx. 28.3% of the total area of the national land fund, lower than the EU average of 37.6% {31} {2}} **[CI 29] , {2}** {4 **}[A 34]**. The FFN area increased by 1.6% between 2006-2012. The forest area records annual fluctuations, mainly due to removal or inclusion of lands from/into FFN and corrections operated by forestry arrangements. The largest share in the FFN area goes to State-owned public forests (50.4%), followed by forests privately owned by individuals and legal entities (32.6%), the forests owned by local administrative units accounting for approx. 17% {26}. In EU27, the share of public forests from the total area is approx.

33% and the share of private forests is approx. 67%. The privately-owned forests are characterized by small and fragmented exploitations. The average size of a forest holding is approx. 2.56 ha/property (approx. 830,000 owners {30}). In compliance with the provisions of the forestry legislation, the management of FFN, regardless of the ownership type, shall be done by forest districts. By 2011, 466 forestry management structures were certified and recertified, of which 326 districts from the structure of Romsilva National Forest Administration (the 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 RO, on average, approx. 1 million m^3 of wood is annually taken down by wind and snow and approx. 130,000 ha of forest within FFN, mainly in plain areas, are annually affected by drying phenomena, due to deficit of water in the soil.

The efficient management of the forestry sector faces a number of obstacles. The network of forest roads is underdeveloped, their average density, of 6.4 m/ha, is far below the level of other MS, having a broadly similar topography (Austria 36 m/ha, France 26 m/ha) {30}. **The labour** p**roductivity in this sector is 14.7% lower than in the EU** 27 (the average between 2008-2009 was of 8.383,3 €/AWU in RO and of 10,086.7 €/AWU in EU 27 {1} **[CI 15]**.

Risk management in agriculture

The RO agricultural insurance market operates since the beginning of the ’90s, but to a limited extent. Therefore, the total insured area on the private market (values corresponding to 2011-2012 years) represented 34% of the total arable land in the country, More than 80% of the agricultural insurance instruments, in terms of insured areas, were issued for large agricultural holdings and agricultural associations, the rest of 20% being held by “small” farmers (holdings below 10 ha) – *World Bank study “Assessment of the current risk management policy in Romania”- 2013,* undertaken for MARD. In general, the covered risks envisage hail, fire, direct effects of heavy rainfalls, storm, early autumn frost or late spring frost.

Until December 2009, according to RO’s and BG’s Accession Treaty, the provisions of Law no. 381/2009 on provision of compensations in case of natural calamities were enforced. This was a direct aid funded from the national budget to compensate farmers.*)* Since August 2010 and until end 2014 this was succeeded by a state aid scheme implemented under Government Decision no. 756/2010 paying the insurance premia (70% vegetal and 50% animal).

Environment-climate analysis

The natural environment of RO is generally characterized by a good preservation of natural resources of soil and water, a variety of traditional landscapes and a remarkable biological diversity. Some of these resources are subject to pressure factors impacting on their environmental value and productive potential, quantitatively and qualitatively. The area of the national land cover, between 2006-2012 recorded a slight decrease of the agricultural area (by 0.79%) and an increase of the unproductive and degraded lands (by 11.6%) {2}{4} **[A 34]**. In 2010, more than 1.3 mil. ha of the agricultural land area is unused, as a result of the precariousness of the production factors from small holdings, of the improper operation of agricultural markets, of restrictions caused by natural factors (climate, landscape, edaphic characteristics, etc.), of legal disputes between owners etc.{1} {10} **[CI 18]**. In 2010, 55%, respectively 2.49 mil. ha of pastures were used extensively (representing 18.7% of UAA). Compared to 2007, in 2010, the area of extensively used pastures increased by about 24% {1} {10} **[CI 18]** {2} **[A 35].**

Biodiversity and ecosystems

RO is one of the most important EU countries in terms of biological diversity. Most of the bio-geographical regions in the EU, respectively 5 of the 9 existing ones, with the following layout: continental (53% of the country's surface), alpine (23%), steppe (17%), Pannonian (6%) and Black Sea (1%) are found in RO. {13}.

In 2011, Natura 2000 sites covered 5,406,718 ha, representing 22.7% of the land cover area (ranked 7th in EU-27), of which SPAs (Birds Directive) - 3,554,250 ha and SCIs (Habitats Directive) - 3,995,251 ha (There is a mixed area, in which SPA overlaps with SCI). 12.5% of UAA and 38.4% of the FFN area are found in Natura 2000 sites {1} {2} **[CI 34]**. 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 provided by the Ministry of Environment and Climate Changes, mid-2014 there were only 10 approved management plans for the 383 SCI and 148 SPA. In order to ensure special measures for protection and preservation "in situ" of the assets of natural patrimony, in addition to the management system set-up through the designation of Natura 2000 sites, RO has a functional system of natural protected areas, with a significant area (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}.

A number of 783 types of habitats have been identified in RO, of which: 196 pastures habitats, 206 forest habitats and 135 habitats specific to the other types of agricultural lands, 13 coastal habitats, 143 wetland habitats and 90 habitats specific to dunes and rocky areas.

Agricultural lands with high nature value (habitats and species)

RO has one of the richest resources of agricultural lands that can be classified as having high natural value (ranked 5th in EU-27, with an area of 5,221,251 ha) {6}. A high contribution to maintaining biodiversity in RO is brought by areas of pastures with high nature value (HNV) , covering in 2010 an area of approx. 2.79 mill. ha {2}, representing 21 % of UAA **[CI 37]**. This category included permanent pastures. These include also high nature value extensive traditional orchards (included in the HNV eligible areas in RO since 2012), the mosaic landscapes including pastures, trees, shrubs and small-sized agricultural parcels extensively cultivated and where biodiversity, including wildlife, is high or the pastures close to forests. According to the results of studies ({13} {32}) on the conservative value of habitats of natural and semi-natural pastures in the mountain areas, it was found that conservation measures are needed for approx. 50% of habitats {2} **[CI 36] [A40]**.

The ecosystems and the HNV landscapes are threatened by the abandonment of agricultural activities, by their conversion into arable lands and by adverse interventions. Between 2008-2012, farmers were compensated under the 2007-2013 NRDP for preservation of biodiversity in HNV areas for an area of approx. 1.1 million ha {12} out of the 2.179 ha eligible area. The HNV eligible area following the re-designation of areas under the agri-environment and climate measure for the 2014-2020 programming period is of approx. 2 mil. ha.

The diversity of natural ecosystems/natural habitats is complemented by the diversity of species. In RO, in the areas representative for prioritary species of wild birds nominated as SPAs there are birds that have a significant share of the total population at the EU27 level, such as *Lanius minor* (approx. 97%) *Falco vespertinus* (approx. 58%), *Crex crex* (approx. 28%) etc. and in some of these SPAs are also birds that are vulnerable, endangered or rare, being threatened by the decrease in numbers. The area of permanent pastures located in these areas is over 156 thousand ha (*Crex crex*) and approx. 410 thousand ha (*Lanius minor* and *Falco vespertinus*). The area of arable lands located on the IBA territory (Important Bird Areas) included in the areas representative for the red-breasted goose (*Branta ruficollis*) is approx. 926 thousand ha.

In RO out ff the 54 species of birds specific to agricultural lands at EU level, 20 species were evaluated, both quantitatively and qualitatively, together with the prioritary species targeted by the agri-environment measure {19} {17}. The reference value needed to calculate the index of bird populations specific to agricultural lands was calculated for the first time in 2010 being 100 {17} **[CI 35]**. Between 2007-2013, EAFRD funds were allocated under M 214 for the preservation of prioritary species, in 2012 the funds covering an area of approx. 85,000 ha {12}. The permanent pastures in the Cluj area and in the Suceava county are important for the preservation of prioritary species of Maculinea sp. butterflies, the eligible area being approx. 23,000 ha. The implementation of the commitments from the 2007-2013 period signed under M 214 – P7 continues on 3,600 ha. Moreover, the implementation of M 10 supports the actions for protection of species and habitats, covering a significant share of Natura 2000 sites designated in RO.

Within the agricultural sector, the official catalogue of plant varieties grown in RO includes 2,118 varieties (2008) {21}.

Breeds in danger of abandonment

The size of populations of farm animals from autochthonous (indigenous) breeds adapted to local conditions is decreasing, leading to the danger of inbreeding, and genetic drift. Based on the dynamics of reproduction adult female livestock from autochthonous breeds, registered in the breed genealogical records, ANZ has identified 21 local breeds, out of the 29 autochthonous breeds, from 5 species in danger of abandonment used in farming, with different risk levels (year 2014). Although the autochthonous genetic potential is high, the programs that were developed and implemented up to now were insufficient to address this challenge.

The biodiversity of forest ecosystems

According to the Romanian classification system, the forests with special protection functions have a share of 53.3% of the total area of FFN, of which: 43% for soil protection, 31% for water protection, 11% for recreational purposes, 10% with scientific functions for protection of the forests' geno-fund and eco-fund, 5% for protection against climate and industrial factors {4} {26} **[A 38]**. The natural and human factors generate the occurrence of certain risk phenomena, such as fires. There were 2,529 hectares of forests affected by fires in 2007 and 373 hectares in 2008. **[A 41]**

Areas facing natural constraints or other specific constraints (less-favoured areas)

These areas have a significant share in the total area of RO, with unfavourable environmental characteristics, due to certain bio-physical factors (climate, edaphic, relief), limiting the normal agricultural activity, by providing lower outputs, by shorter vegetation periods, increased production costs, etc. According to R (EC) no.1257/1999, in 2010, 30.7% of UAA was classified as less - favoured areas, divided as: mountain areas (18.3%), significantly less-favoured areas (1.2%); less-favoured areas due to specific natural conditions (11.2%) {1}{2}. The high share of HNV areas or of other areas important for the conservation of prioritary species or of important habitats, within the less-favoured areas (eg. more than 90% of the mountain area is covered by HNV) support their importance for the environment. After redefining the less-favoured areas according to the R (EU) no. 1305/2013, with effect from 2015, the areas facing natural constraints will cover approx. 50.0% of UAA, out of which less-favoured mountain areas approx. 15.4% of UAA, areas facing significant natural constraints approx. 33.3% of UAA and areas facing specific constraints approx. 1.3% of UAA **[CI 32]**.

Water resources

Freshwater resources in RO are reduced and unevenly distributed, which puts RO in the category of countries with poor water resources. The hydrographic network is of 78,905 km and the volume of inner rivers is 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 EU average (4,230 m^3 of water/inhabitant/year). This potential is not taking into account the hydrological potential of the Danube (62% of total per country), because it may be economically exploited only partially (20-30 km^3/year), due to the high costs of pumping and due to other factors making its management difficult. The national strategy and policy in the field of water management aims at developing a sustainable water management policy in compliance with the EU Directives, targeting the following specific objectives:

- Improvement of surface waters and ground waters status through the implementation of hydrographic basins management plans in force, in compliance with the Water Framework Directive of EU;
- Implementation of the National Flood Risk Management Strategy and carry-out specific actions in compliance with the Floods Directive;
- Development of Guidelines Schemes for Arrangement of Hydrographic Basins for water uses, aiming to reduce the negative effects of natural phenomena;
- Implementation of the Plan for the protection and rehabilitation of the Romanian Black Sea shore, including the implementation of the provisions of the Master Plan – Protection and Rehabilitation of the coast area;
- Strengthening the cross-border and international partnership for monitoring the implementation status of international agreements and promoting joint projects.

RO developed in 2009 and implemented in 2012 the National Management Plan, together with the 11 management plans of hydrographic basins/areas based on WFD.

Also, RO has developed the National management plan relevant for the part of Danube's hydrographic international basin on the RO territory {33}. According to the plan, 97.4% of RO's area is part of Danube's hydrographic international district (DHID), representing 29% of its area. The RO part of DHID covers 11 hydrographic sub-basins.

A significant part of the agricultural area in RO is affected by the negative effects of drought, of insufficient water reserves.

From chemical point of view water quality is moderate, good and very good. Only for 2% of them was indicated a poor or bad ecological state, 91.6% were assessed in 2010 as having a good quality in terms of nitrate pollution, approx. 8.4% as having a moderate quality, the assessments indicating that there was not identified a low quality of them. Regarding the quality of ground waters, 84.4% were identified as having a high quality, 6.7% moderate and 8.9% low {1} **[CI 40]**.

Regarding the nitrate vulnerable areas, from their first designation (2003), an increase from 8.64% of the RO's total to 57.7% in 2008 was recorded. In 2013, RO has decided to apply the action program for protection of waters against pollution caused by nitrates from agricultural sources. The fact that approx. 80% of the livestock: cattle, sheep, swine and poultry are found in individual households not depending on receiving the environmental agreement and not having facilities for storing manure, is an important risk factor not only for water point pollution but also for the increase of the GHG emissions level.

In RO, the pressure exerted by fertilizers and pesticides on soil and water is low, but the use of chemical fertilizers in agriculture has a tendency to increase by 13% in 2012 compared to 2007 (NIS) {4} **[A 39].**

As a result of agricultural practices for using agri-chemical inputs, between 2005-2008, RO has recorded a surplus in the balance of nitrogen (as diffuse source of pollution) of 6.8kg/ha, while phosphorus in soil was low (-1,3kg / ha) {1} **[CI 40].**

RO has good quality soils threatened by negative phenomena. The production potential of agricultural lands, established based on land quality index scores, groups the agricultural lands into 5 quality classes, class I comprising lands of the highest quality. Most of the arable lands in Romania fall within classes II and III. Soil erosion induced by water is one of the major problems faced by RO, affecting 769,400 ha (5.6% of the agricultural area, close to the EU27 average of 6%), of which 95% are arable lands {1} **[CI 42]**. In 2006, soil erosion by water had a value of 2.6 tons/ha/year, lower than the EU27 average - 2.76 tons/ha/year {1} **[CI 42].** Between 2005-2012 the area arranged for tackling soil erosion increased from 2,281,995 ha to 2,286,221 ha {4} **[A42]**. Desertification phenomena affect about 2.9 million ha of agricultural lands, mainly in South and South-east areas.

Energy consumption and efficiency

The total energy consumption in agriculture and forestry has recorded an upward trend between 2007-2011 (from 260 kTOE to 433 kTOE), while the energy consumption in the food industry decreased by approx. 22% (from 722 kTOE in 2007 to 564 kTOE in 2011) {2} **[CI44]**. According to RO's energy strategy, as mentioned in the PA, the potential of energy efficiency in agricultural and forest sectors is of 2.5%. The energy efficiency in agriculture is mainly obtained through investments in the modernization of irrigation equipment.

Renewable energy

Until 2020, RO must have a share of energy from renewable resources out of the final gross energy consumption of 24%, biomass covering approx. 50% of RO's potential of renewable resources {16}.The production and use of energy from renewable resources from agriculture (SER) are low, only 2.5% of the RO's total production of renewable energy came from agriculture in 2011, compared to 9.8% in the EU27. Instead, in 2011, approx. 69.1% of the renewable energy at national level came from the forestry sector, compared with 48.3% in the EU 27 {6} **[CI 43]**. Between 2009-2011, the production of green energy from renewable resources from agriculture and forestry decreased by 6.8% (from 3,864 kTOE to 3,601 kTOE) {6} **[CI 43]**. RO has a variety of renewable energy resources, but the capacity to capitalize them is reduced due to technological limitations, economic efficiency and environmental restrictions {16}.

GHG emissions from agriculture and rural activities

GHG emissions from agriculture are reduced, recording a decrease by 6.4% in 2011 (18,941.5 Gg equivalent CO2) compared to 2007 (20236.9 Gg equivalent CO_2) and by 48.4% compared to the reference year - 1990, with a low level compared to other MS (ranked 24th in the EU-27 in terms of GHG emissions/ha of UAA). The share of GHG emissions from agriculture (including carbon emissions/sequestration from/in the soils of cultivated lands and pastures) the total emissions are 16.2% in 2011 {34} **[CI 45]**. The reasons that led to the substantial decrease compared to 1990, are: the decrease of animal livestocks, the decrease of areas cultivated with rice, the decrease of the production level/ha for the main field crops, as well as the decrease of the nitrogen-based fertilizers volume used. The sources that contributed in 2011 to the cumulated annual GHG emissions from agriculture are: the fertilizers on agricultural lands (47.9%), the enteric fermentation (41.6%), burning of residues from agriculture (0.9%), cultivation of rice (0.1%) and manure management (9.5%) {34} **[A33].** The effects of climate changes may be felt in RO, as in the last years the temperatures are increasing and the level of rainfalls is decreasing. In the last two decades have been recorded the first 5 hottest and driest months of July over the last 61 years {36}.

Air quality

According to the national report on the status of the environment, the analysis of trends in the evolution of measuring indicators, the air quality is still below the limited values for protection of human health.

In RO, "air quality" is regulated by Law No. 104/15.06.2011 on air quality, transposing Directive 2008/50/EC. The National System for Assessment and Integrated Air Quality Management provides the framework for cooperation between authorities and institutions with relevant experience, in order to assess and manage air quality on RO territory and to inform population and European and international bodies on air quality. It includes, as integrated parts, the National System for Monitoring Air Quality and the National Inventory System of air pollutant emissions. Data related to air quality can be obtained through the National Network for Monitoring Air Quality.

Regarding the ammonia emissions (NH3), a decrease by 22% is identified (from 201.9 tonnes in 2007 to 157.8 tonnes in 2012), the agricultural activities generating 91.2% of these emissions in 2007 and 88% in 2012. The particulate matter (dust) emissions show a level of 128,033 tonnes in 2012, representing a slight increase (of 0.1%) as compared to 2007. However, the share of the agricultural sector in these emissions has decreased significantly, from 5.5% in 2007 (7,040 tonnes) to 4.6% in 2012 (5,944 tonnes) [A43]. The emissions of nitrogen oxides calculated in 2012 have decreased compared to 2005 and the values from burnings in the residential sector were of just 7.81%.

4.1.2. Strengths identified in the programming area

Social-economic situation of rural area

- High share of rural areas within the national territory.
- Rich and diverse cultural and natural heritage
- Relatively good results in the application and implementation of the “Basic services in rural areas” measure under 2007-13 NRDP.
- 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 assimilation of innovative technologies at the level of large commercial farms
- Quality agricultural and non-agricultural raw materials
- Growth tendency for organic products sector
- Wide range of quality traditional foods registered at national level
- High interest of young people for the beekeeping sector
- The existence of a well-established regulatory framework and planning system in the forestry sector, with wide coverage

- Strong tradition in research-development activities in agriculture and forestry
- Increasing number of graduates of agricultural universities as well as those of agriculture and forestry complementary sciences
- Regulated food safety system contributing to the mandatory minimum standards for food
- Pilot experiences in developing quality local food and non-food products

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 preservation of biodiversity
- The existence of some breeds adapted to local conditions
- High share of coverage of areas important in terms of environment protection (protected areas, Natura 2000 sites) from the point of view of sustainable management of agricultural and forestry lands
- Natural resources that are generally in a good state of preservation
- Reduced use of agri-chemical inputs (fertilizers and pesticides) at national level
- Good level of quality of water resources chemically and environmentally
- Significant area of agricultural lands under agri-environmental commitments that promote extensive farming practices with low environmental impact
- 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 on the application and implementation of environmental measures under 2007-13 NRDP
- 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 and jobs 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 and national rate
- Underdeveloped entrepreneurial culture, characterized by the lack of basic management knowledge
- Low participation of residents from rural areas in training programs for acquiring new skills in non-agricultural activities
- Low level of 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, especially among the Roma population
- 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
- High costs of crediting products
- LAGs' weak capacity to reach the objectives set in the local development strategies
- Low level of ICT knowledge
- Limited broadband internet access of rural population, and especially of high speed (NGA)

Sectoral level

- Large number of small farms (subsistence and semi-subsistence) that use a large share of UAA and most of the labor force
- High level of dispersion of agricultural and forest lands
- High percentage of older farmers
- Low agricultural productivity
- Decreasing trend for areas cultivated with vegetables
- Low yields of field crops in relation to production potential and high variations in productivity for some species on cultivated areas
- Low appreciation of the public environmental services provided by farmers (for instance landscapes, biodiversity)
- Not well-adapted programs for protecting and capitalizing genetic autochthonous potential
- Decreasing number of livestocks and related productions, especially cattle and swine
- The decrease of areas and aging of fruit growing plantations.
- Low level of basic vocational training and of skills of farmers
- Low number of vocational training programmes (ad hoc or lifelong) programs for farmers
- Poorly developed structures and systems for the transfer of knowledge and innovation
- Reduced capacity of the research activities, particularly the private sector, to meet the needs of the agri-food sector
- Deficient and insufficient technical endowment in agriculture and forestry
- Difficulties in adapting to the new technologies for small farmers and processors
- Increased vulnerability of small farmers from the economical point of view
- Low level of registration of farmlands in the land register
- Poor cooperation between farmers, reflected in a low degree of association, with effects on the viability of farms
- Low percentage of products marketed as high added value final products
- Low access to credits for agricultural sector

- The downward trend for food processing units determined by their weak capacity to adapt to EU standards and low productivity
- 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 solving potential agricultural risks
- The share of afforested areas is lower than the EU average and below the minimum threshold recommended by the scientific and academic community from Romania
- High share of agricultural areas located in areas affected by natural constraints, characterized by low productivity of lands
- Poor adaptation of farms in managing the risks associated with adverse environment conditions
- Poor organization and promotion of food integrated chains and short supply chains in the agri-food sector
- The access to forests is reduced due to a low density of the network of forest roads

Environment and climate

- Poor economic efficiency of traditional and environmentally-friendly extensive/mixed agricultural practices
- Reduced level of biodiversity on the arable lands
- Abandonment of agricultural activities, mainly due to the decrease of the number of animals on natural and semi-natural pastures situated in areas affected by natural constraints
- Improper management of waste from agricultural activities, especially in small- scale farms
- The level of availability and the capacities related to advisory and training services are improper to be able to support the potential number of applicants for agri-environment and climate measures
- Insufficient correlation of agricultural research sector (including the research relevant for the specific challenges related to climate changes mitigation and adaptation) with the agricultural practice
- Decreasing number of animals from breeds that are adapted to local conditions and contribute to genetic diversity, mainly due to the low productivity of animals from these breeds
- Insufficient staff involved in the management of support schemes aimed at 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 inefficient
- 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 soil
- Limited water resources unevenly distributed, associated with the increase of drought's occurrence
- Insufficient administrative systems for managing Natura 2000 areas

4.1.4. Opportunities identified in the programming area

Social-economic situation of rural area

- Under exploited traditional practices in rural areas as a basis for development of products with high added value, the availability of a developing market, both domestic and external, that could be used
- The investments in basic infrastructure and services will increase the attractiveness of rural areas
- The return of the 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 and overcome challenges caused by distance
- The increase of domestic and foreign demand for areas where rural and eco-tourism are carried out in areas with local cultural and rich natural resources
- Preserving and promoting the local identity
- Access of entrepreneurs to financial instruments
- Strengthening partnerships as a basis for reinforcing the local strategies that may facilitate innovation, promotion of cooperation and local economic growth
- Improvement of agri-tourism and recreation infrastructure, in order to strengthen the investments 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 in agriculture
- Training and advisory services leading to improvement of skills and professionalism of a larger share of the agricultural sector
- Significant EU investment support to help modernize and restructure the agricultural sector to improve productivity and competitiveness
- Global food demand determined by the increase of population, economic growth and urbanization
- The interest of young generations in practicing market-oriented agricultural activities, especially in the beekeeping field
- The increase of the demand for added value agri-food products
- Wide margin of unexploited production capacity, especially for field crops, which would cover the gaps on the domestic and European market
- The use of innovative technologies that would provide an efficient management of natural resources and the overcome of the risks associated with climate changes
- The local chains of supply with agri-food products and the marketing networks that would connect producers and consumers, providing a better connection between rural and urban areas
- Developing co-operatives, producers groups and integrated food chains to increase competitiveness/ added value and incomes
- National Rural Development Network that would facilitate the dissemination of information, encourage the transnational and inter-regional cooperation and the assimilation of best innovative practices
- The use of risk management tools to mitigate economic risks in agriculture
- The high number of individual farms that breed animals, having the possibility to reorient themselves towards breeding autochthonous breeds

Environment and climate

- Increasing consumer awareness on the connection between food, environment and health
- Attractiveness of rural areas (especially HNV areas, Natura 2000 areas) in the view of increasing the investments in environmental public services
- Attractiveness of rural areas from the perspective of availability and good quality of natural resources (biodiversity, water, soil, landscapes)
- Opportunity of EU support to help preserving biodiversity, landscapes as well as high quality natural resources
- Opportunity of EU support for measures helping adapt and mitigate climate change effects (afforestation, manure storage etc.)
- The further application of the European and national environmental objectives in terms of air, soil, water quality and biodiversity
- Large-scale access to technologies producing energy from renewable sources
- Reinforced 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 of disparities between rural and urban areas, in terms of life quality
- Limited development of alternative employment opportunities in rural areas leading to continued high level of employment in the agricultural sector, Human and material losses generated by the vulnerability of rural communities against the manifestation of climate change effects and extreme weather phenomena
- Alteration and loss of cultural heritage and rural traditions
- The delay in projects' submission by potential beneficiaries identified within a LAG's local development strategies
- Low capacity and experience of local partnerships in implementing local development strategies
- Risk of not using the funds due to the limited capacity of public authorities and potential beneficiaries to carry-out investments

Sectoral level

- Continued decrease in agri-food research capacity. Maintaining a high degree of dissociation of research activities in terms of application and market demand
- The non-adaptation of advisory services' capacity, in terms of quantity and quality, to the farmers' needs
- Increased volatility of prices for agricultural products
- Abolishment of EU milk quotas in 2015 may 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 change
- Maintaining a high degree of fragmentation of agricultural holdings, with implications in the global performance on farms
- 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 preserving 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 not-adapted technology to local conditions
- The change of climate conditions may lead to increased pest attacks and diseases as well as to the decreasing of natural productivity of agricultural and forest lands
- Risk of punctual 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 afforested 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: *the indicator was adapted to the national definition specific to the programme*			
intermediate	0	% of total	2012 p
urban	55	% of total	2012 p

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	15.6	% of total population	2012 p
rural 15 - 64 years	68.7	% of total population	2012 p
rural > 64 years	15.7	% of total population	2012 p

3 Territory

Indicator name	Value	Unit	Year
total	238,391	Km2	2012
rural	59.8	% of total area	2012
intermediate	39.4	% of total area	2012
urban	0.8	% of total area	

4 Population Density

Indicator name	Value	Unit	Year
total	93	Inhab / km2	2011
rural	71.3	Inhab / km2	2011

5 Employment Rate

Indicator name	Value	Unit	Year
total (15-64 years)	59.5	%	2012
male (15-64 years)	66.5	%	2012
female (15-64 years)	52.6	%	2012
* rural (thinly populated) (15-64 years)	60.2	%	2012
total (20-64 years)	63.8	%	2012
male (20-64 years)	71.4	%	2012
female (20-64 years)	56.3	%	2012

6 Self-employment rate

Indicator name	Value	Unit	Year
total (15-64 years)	18.1	%	2012

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	%	2012

youth (15-24 years)	15.4	%	2012
8 GDP per capita			
Indicator name	Value	Unit	Year
total	49	Index PPS (EU-27 = 100)	2012
* rural	33	Index PPS (EU-27 = 100)	2010
9 Poverty rate			
Indicator name	Value	Unit	Year
total	40.3	% of total population	2011
* rural (thinly populated)	47.4	% of total population	2011
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	32.7	% of total	2010
intermediate	42.1	% of total	2010
urban	25.1	% of total	2010
11 Structure of Employment			
Indicator name	Value	Unit	Year
total	9,197.9	1000 persons	2012
primary	30.6	% of total	2012
secondary	28.7	% of total	2012
tertiary	40.8	% of total	2012
rural	41.8	% of total	2012
intermediate	46.2	% of total	2010
urban	12	% of total	2010
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	18,497.3	EUR/person	2012
tertiary	15.9	EUR/person	2012
rural	9,460.8	EUR/person	2010
intermediate	11,034.7	EUR/person	2010
urban	25,164.9	EUR/person	2010

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	3,859,040	No	2010
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	103,093	ha UAA	2012
in conversion	185,168	ha UAA	2012
share of UAA (both certified and conversion)	2.1	% of total UAA	2012
20 Irrigated Land			
Indicator name	Value	Unit	Year
total	133,460	ha	2010
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	6,747.9	1000 ha	2012
share of total land area	28.3	% of total land area	2012
30 Tourism infrastructure			
Indicator name	Value	Unit	Year
bed-places in collective stablishments	278,503	No of bed-places	2011
rural	31.3	% of total	2011
intermediate	61.1	% of total	2011
urban	7.6	% of total	2011

III Environment/climate

Indicator name	Value	Unit	Year
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	50.1	% of total UAA	2015
mountain	15.4	% of total UAA	2015
other	33.2	% of total UAA	2015
specific	1.3	% of total UAA	2015
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
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)	100	Index 2000 = 100	2010
Comment: *the index reference value was calculated for the first time in 2010 (basic year) by the Romanian Ornithological Society having a value of 100. An updated value of the index will be provided by the end of 2015.*			
36 Conservation status of agricultural habitats (grassland)			
Indicator name	Value	Unit	Year
favourable	NA	% of assessments of habitats	
unfavourable - inadequate	NA	% of assessments of habitats	
unfavourable - bad	NA	% of assessments of habitats	
unknown	NA	% of assessments of habitats	
37 HNV Farming			
Indicator name	Value	Unit	Year
total	15.1	% of total UAA	2013
38 Protected Forest			
Indicator name	Value	Unit	Year

class 1.1	NA	% of FOWL area	
class 1.2	NA	% of FOWL area	
class 1.3	NA	% of FOWL area	
class 2	44.4	% of FOWL area	2011
39 Water Abstraction in Agriculture			
Indicator name	Value	Unit	Year
total	325,127	1000 m3	2012
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
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
from forestry	3,476	kToe	2011
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
share of total GHG Emissions	16.2	% of total net emissions	2011

4.1.7. Programme-Specific Context Indicators

Sector	Code	Indicator name	Value	Unit	Year
I Social-economic and rural situation	Unemployment share	Total - Rural	5.1	%	2012
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	Technical endowment of farms	Total	350	EUR/farmer	2013
Comment: *National Rural Strategic Framework. Presidential Committee for public policies of agriculture development, Bucharest 2013.*					
III Environment/climate	Forest protection categories of NFF	Protection against pests	173805	Ha	2011
Comment: *% NFF area with prioritary protection functions = 5%* *Tempo-online-data series, NIS – Report on the forest conditions in 2011*					
I Social-economic and rural situation	Road infrastructure (commune roads)	Total	31639	Km	2011
Comment: *Length of transportation ways*					
I Social-economic and rural situation	Roma population	Total	621573	No.	2012
Comment: *Population census*					
III Environment/climate	Forest protection categories of NFF	Păduri constituite ca arii protejate si de interes stiințific	347612	Ha	2011
Comment: *% NFF area with prioritary protection functions = 10%* *Tempo-online-data series, NIS – Report on the forest conditions in 2011*					
I Social-economic and rural situation	SMEs	Secondary of which rural	92222	No.	2011
Comment: *CNPS study*					
III Environment/climate	Conservative value of permanent pastures habitats in the mountain area	Number of habitats with conservative value	24	No.	2011
Comment: *CNPS study*					
I Social-economic and rural situation	Education institutions with agriculture profile	Total	67	No.	2011
Comment: *Tempo Online – data series NIS*					
III Environment/climate	Forest protection categories of NFF	Water protection	1077597	Ha	2011
Comment: *% NFF area with prioritary protection functions = 31%* *Tempo-online-data series, NIS – Report on the forest conditions in 2011*					
I Social-economic and rural situation	Structure of employed population by sector-rural	Tertiary	19.6	%	2012
Comment: *CNPS study*					

I Social-economic and rural situation	Structure of employed population by sector-rural	Primary	60.3	%	2012
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	Associative forms	Producer groups	107	No.	2014
Comment: *MARD*					
III Environment/climate	Dynamics of land cover structure	Dynamics of agriculture area	-0.79	%	2012
Comment: *Calculations according to CNPS study*					
I Social-economic and rural situation	Access to health services	Number of inhabitants/doctors in rural	1722	No.	2011
Comment: *CNPS study*					
I Social-economic and rural situation	Population in LAG territories	Total	6686000	No.	2012
Comment: *Progress Report NRDP 2012. MARD*					
II Agriculture/Sectoral analysis	SME in food industry	Total	7691	No.	2012
Comment: *Tempo-online-data series, NIS*					
I Social-economic and rural situation	Structure of employed population	Rural	45.22	%	2012
Comment: *CNPS study*					
I Social-economic and rural situation	Lifelong training – attendance level to the educational process or training of the population between 25-64 years	Rural	0.5	%	2012
Comment: *CNPS study*					
I Social-economic and rural situation	SMEs	Primary of which rural	15124	No.	2011
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	No. of cooperatives	Total	2566	No.	2011
Comment: *Tempo Online –data series, NIS*					
I Social-economic and rural situation	Training level of rural population (25-64 ani)	Vocational school	22.2	%	2011
Comment: *Socio-economic situation, România 2010 – 2011, NIS*					
III Environment/climate	Quantity of chemical fertilizers and pesticides applied on agricultural lands	Chemical fertilizers quantity	437972	tons of active substance	2012
Comment: *Tempo-online-data series, NIS*					
III Environment/climate	Dynamics of land cover structure	National Forestry Fund (NFF) dynamics and forestry vegetation outside NFF	-0.12	%	2012
Comment: *Calculations according to NIS, CNPS study*					
I Social-economic and rural situation	Number of public advisors in agriculture	Total	850	No.	2012
Comment: *Administrative data MARD, General Directorate for Food Industry*					
I Social-economic and rural situation	Population	Rural	45	%	2012

Comment: *CNPS study*					
I Social-economic and rural situation	Access to health services	Health centers	187	No.	2011
Comment: *CNPS study*					
I Social-economic and rural situation	National tourism infrastructure	Rural (agri-tourism guesthouses) – No. of accommodation structures	5821	No.	2012
Comment: *Tempo-online-data series, NIS*					
II Agriculture/Sectoral analysis	Age structure of fruit-growing plantations	> 25 Years	73.8	%	2013
Comment: *Administrative Data MARD, General Directorate for Agriculture and Sectoral Policies*					
I Social-economic and rural situation	Education level of rural population (25-64 ani)	Secondary education	38.5	%	2011
Comment: *Socio-economic situation, România 2010 – 2011, NIS*					
III Environment/climate	Emissions in agriculture sector	Ammonia	138.9	Tons	2012
Comment: *Eurostat*					
III Environment/climate	Sources contributing to the annual cumulated emissions of CH4 and N20 from agriculture	Rice cultivation	0.1	%	2011
Comment: *EEA GHG viewer*					
I Social-economic and rural situation	Education institutions with agriculture profile	Rural	44	No.	2011
Comment: *Tempo Online – data series NIS*					
III Environment/climate	Dynamics of land cover structure	Dynamics of areas covered with waters and puddles	-0.6	%	2012
Comment: *Calculations according to CNPS study*					
III Environment/climate	Total agriculture holdings	Total	3859040	No.	2010
Comment: *Eurostat*					
III Environment/climate	Forest protection categories of NFF	Protection of lands and soils	1494731	Ha	2011
Comment: *% NFF area with prioritary protection functions = 43%* *Tempo-online-data series, NIS – Report on the forest conditions in 2011*					
I Social-economic and rural situation	Number of graduates from education institutions with agricultural profile (agriculture, agri-mountain and veterinary)	Național	0.76	%	2011
Comment: *Tempo-online-data series, NIS*					
II Agriculture/Sectoral analysis	Age structure of fruit-growing plantations	1-10 years	7.5	%	2013
Comment: *Administrative Data, MARD, General Directorate for Agriculture and Sectoral Policies*					
I Social-economic and rural situation	Dropout rate in high-school and vocational education	Rural	5.3	%	2012
Comment: *CNPS study*					
I Social-economic and rural situation	Poverty rate	Rural	54.2	%	2011
Comment: *CNPS study*					

I Social-economic and rural situation	Access to health services	Medical centers in rural	14	No.	2011
Comment: *CNPS study*					
III Environment/climate	Sources contributing to the annual cumulated emissions of CH4 and N20 from agriculture	Manure management	9.5	%	2011
Comment: *EEA GHG viewer*					
III Environment/climate	Quantity of chemical fertilizers and pesticides applied on agricultural lands	Pesticides quantity	6419	tons of active substance	2012
Comment: *Tempo-online-data series, NIS*					
I Social-economic and rural situation	Before preschool/preschool infrastructure in rural area	Kindergartens	7.44	% of total	2012
Comment: *CNPS study*					
I Social-economic and rural situation	Dropout rate in high-school and vocational education	Național	4.2	%	2012
Comment: *Studiu CNPS*					
I Social-economic and rural situation	Education level of rural population (25-64 ani)	High-school	17.4	%	2011
Comment: *Socio-economic situation, România 2010 – 2011, INS*					
II Agriculture/Sectoral analysis	Associative forms	Producer organizations	6	No.	2014
Comment: *MARD*					
I Social-economic and rural situation	Unemployment rate 15-24 years	Rural	15.9	%	2012
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	Age structure of fruit-growing plantations	10-25 years	18.7	%	2013
Comment: *Administrative Data, MARD, General Directorate for Agriculture and Sectoral Policies*					
I Social-economic and rural situation	Structure of employed population per sector-rural	Secondary	20.1	%	2012
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	Farms' situation in terms of legal status	Legal status	0.8	%	2010
Comment: *General Agricultural Census 2010, NIS*					
III Environment/climate	Dynamics of land cover structure	Dynamics of non-productive and degraded lands	11.16	%	2012
Comment: *Calculations according to CNPS study*					
I Social-economic and rural situation	Penetration rate of broadband internet to fixed points, for 100 holdings	Rural	23.47	%	2012
Comment: *ANCOM (National Authority Management and Regulation in Communications), Report on the statistics data on electronic communications services, semester I, 2012*					
I Social-economic and rural situation	Education level of rural population (25-64 ani)	Post-graduate education	3	%	2011
Comment: *Socio-economic situation, Romania 2010 – 2011, NIS*					
II Agriculture/Sectoral analysis	Total area fruit-growing plantations	Total	158632.57	Ha	2013

Comment: *Administrative Data, MARD, General Directorate for Agriculture and Sectoral Policies*					
I Social-economic and rural situation	Water/waste water infrastructure in rural area	Sewage network	5189.1	Km	2012
Comment: *CNPS study*					
I Social-economic and rural situation	Self-employment rate	Non-paid family worker - rural	26.4	%	2012
Comment: *CNPS study*					
I Social-economic and rural situation	Lifelong training – attendance level to the educational process or training of the population between 25-64 years	National	1.4	%	2012
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	Associative forms	Preliminary recognized producer groups	23	No.	2014
Comment: *MARD*					
II Agriculture/Sectoral analysis	Number of SMEs innovating	of the total SMEs	1.2	%	2011
Comment: *CNPS study*					
I Social-economic and rural situation	Employment rate of population between 15-64 years	Rural	60.7	%	2012
Comment: *CNPS study*					
III Environment/climate	Forest protection categories of NFF	Forests with recreational functions	382373	Ha	2011
Comment: *% NFF area with prioritary protection functions = 11%* *Tempo-online-data series, NIS – Report on the forest conditions in 2011*					
I Social-economic and rural situation	Population's density	Rural	46.4	%	2011
Comment: *CNPS study*					
III Environment/climate	Area arranged to tackle soil erosion	Total	2286221	Ha	2012
Comment: *Tempo-online-data series, NIS*					
I Social-economic and rural situation	National tourism infrastructure	Rural (agri-tourism guesthouses) – No. of existing accommodation places	301109	No.	2012
Comment: *Tempo-online-data series, NIS*					
I Social-economic and rural situation	SME density	National	23.66	No. SME/1000 pers.	2011
Comment: *NIS, REGIS- Statistics registry of enterprises*					
I Social-economic and rural situation	Self-employment rate	Self-employed - rural	31.5	%	2012
Comment: *CNPS study*					
II Agriculture/Sectoral analysis	No. of cooperatives	Secondary sector	445	No.	2011
Comment: *Tempo Online –data series, NIS*					
I Social-economic and rural situation	Territory	Rural	207522	Km2	2012

Comment: *NIS – Statistics research of land cover*					
II Agriculture/Sectoral analysis	No. of cooperatives	Primary sector	717	No.	2011
Comment: *Tempo Online –data series, NIS*					
III Environment/climate	Sources contributing to the annual cumulated emissions of CH4 and N20 from agriculture	Agriculture soils	47.9	%	2011
Comment: *EEA GHG viewer*					
II Agriculture/Sectoral analysis	Farms' situation in terms of legal status	Without legal status	99.2	%	2010
Comment: *General Agriculture Census, 2010, NIS*					
I Social-economic and rural situation	National tourism infrastructure	Rural (agri-tourism guesthouses) - No. of accommodation structures	27453	No.	2012
Comment: *Tempo-online-data series, NIS*					
III Environment/climate	Conservative value of permanent pastures habitats in the mountain area	No. of habitats with high conservative value	12	No.	2011
Comment: *CNPS study*					
III Environment/climate	Conservative value of permanent pastures habitats in the mountain area	No. of habitats with moderate conservative value	9	No.	2011
Comment: *CNPS study*					
I Social-economic and rural situation	Number of graduates from education institutions with agricultural profile (agriculture, agri-mountain and veterinary)	Rural	1.2	%	2011
Comment: *Tempo-online-data series, NIS*					
II Agriculture/Sectoral analysis	No. of cooperatives	Rural	1326	No.	2011
Comment: *Tempo Online –data series, NIS*					
I Social-economic and rural situation	National tourism infrastructure	Rural (agri-tourism guesthoueses) – No. of existing accommodation places	9	%	2012
Comment: *Tempo-online-data series, NIS*					
I Social-economic and rural situation	SMEs	Tertiary of which rural	336809	No.	2011
Comment: *CNPS study*					
III Environment/climate	Dynamics of land cover structure	Dynamics of artificial area	7.1	%	2012
Comment: *Calculations according to CNPS study*					
II Agriculture/Sectoral analysis	No. of cooperatives	Tertiary sector	1404	No.	2011
Comment: *Tempo Online –data series, NIS*					
I Social-economic and rural situation	SMEs	Total/Sectors	444155	No.	2011
Comment: *CNPS study*					
I Social-economic and rural situation	Penetration rate of broadband internet to fixed points, for 100 holdings	Urban	60.28	%	2012
Comment: *ANCOM (National Authority Management and Regulation in Communications), Report on the statistics data on electronic communications services, semester I, 2012*					

III Environment/climate	Sources contributing to the annual cumulated emissions of CH4 and N20 from agriculture	Burning vegetal residues	0.9	%	2011
Comment: *EEA GHG viewer*					
I Social-economic and rural situation	Education level of rural population (25-64 ani)	Primary education	17.3	%	2011
Comment: *Socio-economic situation, Romania 2010 – 2011, NIS*					
I Social-economic and rural situation	Area covered by LAGs	Total	141398	Km2	2012
Comment: *Progress Report of NRDP 2012, MARD*					
I Social-economic and rural situation	Before preschool/preschool infrastructure in rural area	Nurseries	0.7	% of total	2011
Comment: *Studiu CNPS*					
III Environment/climate	Sources contributing to the annual cumulated emissions of CH4 and N20 from agriculture	Enteric fermentation	41.6	%	2011
Comment: *EEA GHG viewer*					
I Social-economic and rural situation	Age structure - rural	≥ 65 years	18.3	%	2012
Comment: *CNPS study*					
I Social-economic and rural situation	Age structure - rural	< 15 years	16.6	%	2012
Comment: *CNPS study*					
III Environment/climate	Dynamics of land cover structure	NFF dynamics	1.6	%	2012
Comment: *Calculations according to Tempo-online-data series, NIS*					
III Environment/climate	Forest protection categories of NFF	The area of national forest fund protection priority functions	3476119	Ha	2011
Comment: *% of the NFF = 53,3%* *Tempo-online-data series, NIS - Report regarding forests situation in 2011*					
I Social-economic and rural situation	Education level of rural population (25-64 years)	University education	1.6	%	2011
Comment: *Socio-economic situation, Romania 2010 – 2011, NIS*					
I Social-economic and rural situation	SME density	Rural	9.64	No. SME/1000 pers.	2011
Comment: *NIS, REGIS- Statistics registry of enterprises*					
III Environment/climate	Area of pastures used extensively	Total	2.49	mil. ha	2010
Comment: *CNPS study*					
III Environment/climate	Emissions in the agriculture sector	Powders	5944	Tons	2012
Comment: *Eurostat*					
I Social-economic and rural situation	Age structure - rural	15-64 years	65.1	%	2012
Comment: *Studiu CNPS*					
II Agriculture/Sectoral analysis	Associative forms	Producer organizations	6	No.	2014

Comment: *MARD*					
I Social-economic and rural situation	Water/waste water infrastructure in rural area	Drinking water distribution network	40619.1	Km	2012
Comment: *CNPS study*					
III Environment/climate	Conservative value of permanent pastures habitats in the mountain area	No. of habitats with very high conservative value	2	No.	2011
Comment: *CNPS study*					
III Environment/climate	Burned forests	Total	373	Ha	2008
Comment: *Eurostat*					
II Agriculture/Sectoral analysis	Associative forms	Total	236	No.	2014
Comment: *MARD*					

4.2. Needs assessment

Title (or reference) of the need	P1			P2			P3		P4			P5					P6			Cross cutting objectives		
	1A	1B	1C	2A	2B	2C+	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	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
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 modernizing the small farms into market-oriented farms				X																X	X	
008. Setting-up producer groups and organizations							X											X				X
009. Integrated food chains	X	X					X															X
010. Risk management in agriculture								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	
014. Increasing the afforested areas																X				X	X	
015. Preserving and improving water resources										X										X	X	
016. Protecting and improving water resources											X									X	X	
017. Adaptation to climate change effects												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. Decreasing the poverty level and the social exclusion risk																	X	X				X
020. Adequate basic infrastructure and services in rural areas																		X		X	X	
021. Increasing and diversifying the number of jobs in rural areas																	X			X		X
022. Preserved local heritage																		X		X		X
023. Local development through LEADER approach																		X		X	X	X
024. Improving the cooperation between stakeholders from rural area	X	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 infrastructure for agricultural education																		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
- 5A) Increasing efficiency in water use by agriculture
- 5D) Reducing green house gas and ammonia emissions from agriculture

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 on modern and innovative methods of processing and marketing agricultural products, including in terms of short supply chains, is insufficient to meet the market's demands and EU standards. In addition, they do not have sufficient knowledge on the environmental practices that lead to biodiversity conservation and protection of soil resources, an efficient water management and do not have information on agricultural practices contributing to a better adaptation to climate changes in risk areas and decrease of GHG and ammonia 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 the EU standards (food safety, animal health, environmental regulations, etc.) and to face a competitive environment.

Improving the level of farmers' knowledge and skills will contribute to the restructuring/modernization of farms (small and medium), diversification of products, 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 changes 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

The agricultural advisory services in RO are insufficient and do not meet the market’s requirements. This particularly affects young farmers who want to set up as managers of holdings and have a higher potential for development but also small farmers. They need access to quality advisory services adapted to their own requirements regarding development of business plan, farm development, innovation, adaptation to market standards and requirements, market orientation, establishment of associative forms and promotion of entrepreneurship. Agricultural holdings require advisory services that would support their efforts improving the agricultural activities in terms of both economic performance and environmental practices that are beneficial to biodiversity, soil and water and contributing to a better adaptation to the effects of climate changes in the risk areas and to the reduction of the GHG and ammonia emissions. These specific needs, generated mainly by the excessive fragmentation of agricultural holdings and the lack of associative forms, have perpetuated the duality phenomenon of small farms and commercial farms, with different needs in terms of advisory services. Moreover, the rural population needs specific advisory on setting-up economic activities in rural areas in non-agricultural fields.

Provision of specific advisory services for young and small farmers targets to increase the penetration degree on the market of small farmers, to increase the economic viability of farms managed by young farmers and the diversification of on-farm activities, with subsequent effects on farm’s competitiveness. Advisory services on peculiar aspects regarding the setting-up and development of associative forms will stimulate the creation of producer groups and will help them during the actual development and implementation stages of their investments projects. Advisory services provided for establishing new small-scale business in rural areas will contribute to stimulating entrepreneurship and economic development of rural areas. Moreover, the advisory services provided will aim at promoting a sustainable management of the natural resources, the adaptation to the climate change effects and the reduction of the GHG and ammonia emissions, as well as the compliance to the obligations specific to the NRDP measures.

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-innovation sector is not sufficiently adapted to the specific needs of farmers and processors. The structural problems of agriculture in Romania, the challenges regarding environment protection, climate change effects and the low degree of adaptation to market requirements are aspects that maintain a high gap between market's demands, in terms of climate change and the impact on environmental protection 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 RDI providers to farmers on specific topics. It is therefore necessary that farmers, advisers, research units and other stakeholders to work together to identify innovative solutions to specific problems that the sector is facing, such as environmentally-friendly practices, the optimal use of resources and production factors. The implementation of innovative technologies and processes, developed and supported by research-innovation activities, identified by farmers who find in the research-development-innovation provider a partner for solving their issues, will generate social-economic and environmental positive effects, such as: the increase of production, development and promotion of quality food products, stimulation on the setting-up of short supply chains, the decrease of fuel consumption and the improvement of working conditions for farmers.

The collaboration between farmers, business environment 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 techniques.

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
- Innovation

Description

RO agriculture is characterized by an insufficient level of endowment with machinery and equipment, often physically or morally worn and having a negative impact on productivity. Currently, many farmers use outdated and poor quality mechanization and inadequate storage facilities in their production systems. Their physical assets are not adapted to the conditions of production, particularly during peak periods. Many farms are facing difficulties in adopting new technologies, as a result of insufficient financial means and limited access to funding. Small and medium farms, need support to capitalize their potential and become competitive. They need investments in modernization and construction of facilities, equipment, machinery, post-harvest facilities, sorting systems, calibration, means of production, etc. There is a need to prioritize the agricultural sub-sectors with tendency to decrease the livestocks, especially cattle and swine, taking into account that RO consumers have a tradition regarding meat consumption and the economic growth potential may be used in these sectors, as well as in the poultry sector where production is facing an increased competition. Field crops sector yields are smaller compared to their agricultural potential. Large farms have a significant deficit in terms of application of latest innovation techniques and technologies allowing a competitive development with a reduced impact on the environment. By addressing these needs, the farms will improve their cost efficiency and labor productivity, diversify their incomes and standards – including those related to environmental protection, hygiene and animal welfare.

Addressing needs of livestock farms improving their access to adequate facilities and equipment for manure management, will help them improve their standards and reduce their GHG emissions. Farms will be encouraged to use technologies contributing to a better management of soil/water and will be more adapted to climate changes, especially in terms of decreasing trends of the areas cultivated with vegetables and the major fluctuations in the case of certain species. There will be a better orientation towards advanced irrigation systems contributing to water efficiency, endowment and equipment leading to a decrease of energy consumption and equipment for production and use of renewable energy 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 sector for processing agricultural products requires investments in creating new modernized processing units, equipment and technologies, technological flows enabling compliance with the new Community standards and to improve productivity. In order to absorb part of the surplus labor force from the (semi)subsistence agriculture and to capitalize the increasing potential of the agri-food sector, job creation is needed in this sector. These needs emphasize that the Romanian food industry still has significant gaps regarding the added value of agricultural products, compared with the production capacity of domestic agricultural products.

Therefore, it is 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 modern technologies, the development of new products and the application of innovative practices and technologies is high in milk products and milk industry, in the processing of horticultural products, in the meat industry but also for products with high added value. Progresses in these areas will increase the number of new processing units that meet the EU standards (food safety and traceability) and the market share of domestic added value products, it will balance the processing need in relation to domestic production, with positive effects on the trade balance. Job creation will be a direct effect of the setting up of new processing units. It will also contribute to the promotion of employment and will decrease the gap between supply and demand. Also, the processing units will be able to work more efficiently, by reducing the energy consumption and 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 facing 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. The farms managed by old farmers often show low market-orientation, low adaptation of modern techniques, technologies and implementation of Community standards and a limited opening towards restructuring and diversification, thus maintaining an increased gap compared to the possibility of increasing competitiveness. There is a need to prioritize setting up of young farmers particularly in the following sub-sectors: beekeeping, sheep and goats as they are more adequate suitable for small scale investments, with increasing potential, including to increase the value of their own marketed production. Cattle sector needs support considering the decline is facing as the socio-economic analysis revealed, resulting the need for support of vegetal sector especially vegetable, including seeds and planting material and the analysis regarding the fruit growing sector. The mitigation and adaptation to climate change need, by using renewable resources, the decrease of carbon dioxide emissions and the awareness on the negative effects of abandonment of agricultural lands on the economic development of rural areas, are aspects that have a limited perspective among older farmers.

RO needs a larger number of young farmers taking over the management of farms, including the existing ones, to improve farm productivity and increase their market access.

The significant increase 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. 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 modernizing the 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 using a significant share of the agricultural land. Currently, some farms are vulnerable due to their economic size, many of these having limited prospects to improve their economic performance and be market-oriented. These farms have low productivity, poor technical endowment, are often affected by high degree of fragmentation, apply traditional agricultural practices with low 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 their farm management. Also, small livestock farms need support to make investments in storage facilities for manure, in order to comply with the mandatory minimum environmental requirements. Also, subsistence and semi-subsistence farms need to be encouraged to associate as cooperatives or producer groups.

The farmers with fragmented agricultural parcels need support in order to consolidate the parcels, helping them to improve the efficiency and the yield of the agricultural holdings, both in terms of productivity and environmental protection. The consolidation will allow a better access and a higher efficiency of the machinery, the improvement of the production options of the holding and management, will contribute to an operational land market and will improve the general viability of the holdings.

Addressing these needs specific to Romania will provide new opportunities for facilitating farm restructuring, integration of small farms on the market, increased production.

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

4.2.8. 008. Setting-up producer 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 the small farmers, are still reluctant to the concept of cooperation, despite the mutual benefits of such cooperation.

Therefore, it is necessary to have a sectoral and local more intense approach of this concept of cooperation between farmers, within producer groups, in order to improve and adapt their production to market requirements (including for aspects related to supply, quantity and quality) and to sell their products jointly (including through short supply chains). Specialized support is needed to inform and encourage farmers to get involved 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 stimulating the setting-up and operation of associative forms in agriculture. The needs mentioned above exist in all agricultural sectors, including in the fruit-growing sector, also facing lack of associations, contributing to the low level of competitiveness of primary producers.

By association in business activities, farmers will consolidate their negotiation power, they may buy agricultural equipment, technology and other agricultural inputs at reasonable prices and may have easier access to credits and may introduce innovations and new management ideas. Producer groups may play an important role in solving the management problems that farms are facing and in building the means for increasing their income. Supporting the setting-up of producer groups in the fruit-growing sector will help decreasing the structural disadvantages and will consolidate the position on the market of farmers from this sub-sector.

4.2.9. 009. Integrated food 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 integrated food chains at farm level, currently, records a major gap in terms of organizational and promotion methods which would allow the producer to increase the added value of his agricultural output, by integrating the production of raw material with processing and marketing and to have an as direct as possible relationship with the consumer. Thus, the needs to create and promote food chains are complex and their complexity is given by the necessity of a support focused on the entire value chain and also the need to accompany them with information, awareness, promotion and cooperation of farmers within associative forms. Currently, all these elements taken individually seem to have potential but the major need occurs when it comes to their integration in an organized framework, with focused support.

This support for developing integrated food chains will allow the farmers in Romania to diversify and increase their income sources developing sustainable links with consumers while promoting the important role of agriculture for the society. In terms of some pilot experiences in the development of quality local food products and the existence of quality raw materials, creating integrated food chains will open the market opportunities for farmers and other rural entrepreneurs to diversify their products, to promote and sell them on local markets or near the production source, either individually or jointly.

4.2.10. 010. Risk management in agriculture

Priorities/Focus Areas

- 3B) Supporting farm risk prevention and management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Generally, in Romania, natural resources are in good condition, but risk management systems and services able to mitigate potential climatic and sanitary risks are insufficient. Even commercial farms are insufficiently and inadequately equipped to deal with climate risk and adverse climatic events.

It is therefore necessary that farmers manage better the 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 climate change effects (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 the economic consequences 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 easier access to funding sources (including in terms of costs, 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 to 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 mainly because of the lack of guarantees, but also the extremely cautious crediting policy applied by the commercial banks to the agricultural sector and the SMEs in the rural area.

Improved access to financing sources 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 as well as for entrepreneurship initiatives in rural areas requiring co-financing, considering their difficulty in providing private co-financing due to low level of liquidity completed by the lack of guarantees neeeded for accessing loans.

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 RO is generally characterized by a good state of conservation of natural soil and water resources, by the variety of traditional landscapes and by a remarkable biological diversity. However, the risk of intensification and abandonment of agricultural activities exerts a high pressure on biodiversity.

It is necessary to encourage farmers to serve society as a whole, by continuing practicing environmental-friendly farming, promoting traditional extensive agricultural practices on traditional pastures and orchards (HNV, pastures important for birds, pastures important for butterflies), as well as practices based on a reduced use of inputs, with beneficial effects on the environment, both on pastures and on arable lands (e.g. green crops, adaptation to climate change effects, arable lands important as feeding areas for the red-breasted goose), while preserving the landscapes and their features, the quality of natural resources, including the quality of soil and encouraging the use of local breeds of animals in danger of abandonment.

To cover these needs, farmers must be supported to apply agricultural production methods compatible with the protection and improvement of environment quality, implying income foregone and additional costs compared to the conventional methods of agricultural production. In order to improve the environment conditions specific to forest ecosystems, in addition to environmental protection measures required under the national laws, it is necessary to apply measures to further restrict the technical-forestry interventions that imply income losses for which the forest holders should be compensated.

The mentioned measures aim at the preservation of wildlife and natural habitats on agricultural and forestry lands, including on high nature value farmlands, as well as maintaining and enhancing their natural value. The aim is also to preserve the local breeds of animals in danger of abandonment. This will ensure the sustainable development of the agricultural and forestry sectors, while addressing the more increasing demand of society for environmental services and promoting at the same time traditional products and the diversification of activities through sustainable tourism.

4.2.13. 013.Supporting a sustainable forest management

Priorities/Focus Areas

- 2C+) Improving the economic performance of forests

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 those 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 in their productive function is hampered by the low level of accessibility of forest, as well as by insufficient, outdated and less diversified technical endowment of businesses operating in the forestry sector.

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

By increasing the accessibility of forests the aim is to improve the conditions for carrying out forestry-cultural works, prevention and firefighting and the use of forests in ecological and profitable conditions. Using traditional practices will have a positive impact on the environment, by reducing soil degradation, air and water pollution and by decreasing 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 afforested area is lower than the EU average and below the minimum threshold recommended by the national scientific community of Romania. Also, afforested areas are unevenly distributed on the main types of relief, the plains being particularly affected by climate changes and covered by only 11% of the total afforested area. Also, the hill and mountain areas are affected by soil degradation and floods on both agricultural and non-agricultural lands.

The increase of the afforested areas and the development of forest belts is a necessity in terms of meeting the global and national objectives regarding the decrease of CO2 emissions and adaptation to climate changes, as well as in terms of meeting the objectives of reducing soil degradation, mitigating 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 areas adequate for development of populations of insects, birds and mammals. Due to their organic, social and economic functions, forests also provide other goods and services to society, such as wood and non-wood products, recreation space and landscapes.

4.2.15. 015. Preserving 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 classified as good and very good quality. Although agriculture is not currently a major polluter of surface waters and groundwaters (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 increasing the water pollution, associated with inappropriate use of agricultural technologies.

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

The use of practices specific to organic farming, prohibiting the use of most fertilizers and plant protection products, aims at increasing the quality of waters. In addition, the use of extensive agricultural practices and adequate manure management will contribute to maintaining and improving water quality.

4.2.16. 016. Protecting and improving water resources

Priorities/Focus Areas

- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Despite the good condition of natural resources, in general, despite the increasing trend of the area on which organic farming is practiced, the large share of areas sustainably managed promoting extensive agriculture with low environmental impact, in Romania there are large agricultural areas affected by various soil degradation phenomena.

The more and more frequent manifestation of extreme weather events, the risk of abandonment of agricultural activities and agricultural intensification in certain areas and the use of inappropriate technologies on agricultural and forestry lands, may 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.

In order to reduce the risk of soil degradation is necessary to encourage farmers and forest owners to implement management practices that ensure the protection of soil resources and the continuation of farming activities in areas facing natural constraints or other specific constraints, as well as encouraging them to use technologies with low impact on soil.

A first set of actions important for soil protection is the one of the rules on 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 goimg 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 climate change effects

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

Considering climate scenarios on medium and long term, forecasting 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 the efficiency of the use of resources. Modification of climate conditions may lead to increasing the pests and diseases attacks and to reducing the natural productivity of agricultural and forestry lands.

The adaptation to climate changes and the improvement of environment quality require the setting-up, expansion and/or modernization of efficient irrigation installations, promotion of new agricultural management practices and technologies managing the increasing phenomenon reagarding pests and diseases attacks, adoption of risk management measures, creation of protective forest belts for land, and information of farmers on how to best adapt their farming practices, for example concerning the used varieties or water consumption.

These actions aim at mitigating the effects of excessive droughts, improving the local climate, covering the losses caused by the vulnerability of rural communities to climate change, as well as a 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 land application.

Although RO has a variety of renewable energy sources, the production and the use of energy from renewable sources in the agricultural sector are still low. The capitalization of the renewable resources is reduced due to technological limitations, economic inefficiency and environmental restrictions.

In order to keep a low level of greenhouse gas emissions from agriculture, it is necessary to support farmers maintaining the soil covered, use other adequate land management techniques that help maintaining carbon in soil, and to create facilities and use modern equipment for storing and manure spreading, including to encourage the production and use of renewable energy. Also, increasing of forest areas to sequestrate carbon and developing forest protection belts is a necessity in terms of meeting the global objectives on reducing CO2 emissions and adapting to climate change.

These actions aim at keeping a low level of greenhouse gas emissions from agriculture.

4.2.19. 019. Decreasing the poverty level and the social exclusion risk

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, training and education (high rate of school abandonment), administrative capacity, demographic potential, health, culture, etc.

Thus, specifically, rural area is characterized by important gaps in relation to urban areas, in terms of basic services, employment opportunities and entrepreneurship, local governance, access to credits for investments. These discrepancies generate the need to reduce the poverty and social exclusion risk among the rural population, as well as among the Roma minority whose poverty risk is high.

At the same time, it is more and more obvious the need to have bottom-up integrated participatory local approaches to develop rural communities, with the possibility to identify the local needs and to find viable and innovative solutions that a conventional top-down approach cannot achieve.

Thus, the need to facilitate the increase of access to jobs, entrepreneurship, health, education, culture, alternative income, and life quality in the rural area will be covered by adequate rural development measures.

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, their functionality. These are the main elements that maintain a high gap between rural and urban areas in Romania and represent an obstacle for the equal opportunities and the social-economic development of rural areas.

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

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

Specifically, a centralized system of water/wastewater infrastructure will improve the access to drinking water and will increase the hygiene conditions, while the improved local roads will increase access to all the other services.

4.2.21. 021. Increasing and diversifying 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 mainly depending on agricultural activities which offer subsistence living conditions. The gap between rural and urban areas is reflected in the low levels of income and employment rates. The need to have an 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.

Development of activities of small-scale business by farmers and others in non-agricultural fields may contribute to obtaining jobs and additional incomes and maintaining the population in the rural areas.

4.2.22. 022. Preserved local heritage

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Innovation

Description

Characterized by a low 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 terms of social-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 related marketing activities may generate added value for domestic products.

By innovative actions for capitalizing the local heritage may be also achieved the increase of attractiveness of rural areas both for the rural population and tourists. A better recognition and protection of the cultural and natural heritage would intensify the identification degree 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

There is a need to promote local development by LEADER tool for bottom-up promotion of development initiatives and activities by local communities, starting with the needs and endogenous potential identified at local level. The need to develop, in an integrated and innovative manner, the issues of local importance and the need to have a balanced development of local communities are vital for speeding-up the structural evolution of these communities.

Also, the need to strengthen the 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 be 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 developed locally and implemented and managed by LAG representatives.

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

4.2.24. 024. Improving the cooperation between stakeholders from rural area

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
- 2C+) Improving the economic performance of forests
- 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 depend only on the existence of financial support and the implementation of well-structured measures, but also on the dissemination of information, succesfull examples of innovative methods and practices for projects promoting the development of rural business and communities, in a coherent approach. Thus, it is necessary to improve cooperation between a wide range of actors (public authorities, communes, farmers, NGO’s etc.) that are interested and may contribute to the development of rural areas from Romania. The national rural development network, through the specificity of its activities, should cover this urgent need existing at the level of all stakeholders involved in rural development.

A consolidated rural development network will ensure networking between local actors, the dissemination of knowledge and new innovative methods and animation of actors from local communities, aspects that are essential 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 internet in rural areas, both in terms of coverage and speed (limited access to broadband speed), due to the lack of modern ICT infrastructure and the low incomes of rural population which is, implicitly facing, a low level of ICT skills.

There is the need to develop a communication network in rural areas, including some broadband internet services in the main points of interest, such as communal centres, libraries, local administrations, allowing improving information, a better exchange of knowledge and an intensified innovation in farms and forest holdings.

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

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

4.2.26. 026. Modernizing the infrastructure for agricultural education

Priorities/Focus Areas

- 6B) Fostering local development in rural areas

Cross cutting objectives

Description

In Romanian rural areas, the agricultural education infrastructure is insufficiently developed to cover the needs of teaching and putting into practice the agricultural knowledge. The migration of rural young population is a phenomenon caused by the limited opportunities for the younger generations to develop professionally in rural areas. Among the causes of migration of rural young population to urban areas are the low level of attractiveness of rural areas in terms of social-economic point and the low level of skills acquired through education.

Also, the level of education in the agricultural field, which is still low (despite the increasing number of graduates of agricultural schools), is also caused by the lack or poor quality of facilities in this sector. This generates a non-efficient management of farms and thus contributing to the deepening of poverty in rural areas.

The need to increase professionalism in the agricultural sector depends on good education and provision of training, with educational curricula adapted to rural specificity, such as agricultural sciences. Thus, addressing the need related to an adequate and adapted agricultural education will lead to establishment of young people in the rural areas and will increase the competitiveness of the agricultural sector.

By improving the infrastructure for agricultural education, a solid foundation for providing adequate knowledge and services may be built, ensuring the education of the next generation in the agricultural field. Therefore, investments in the infrastructure for agricultural education may be a solution for having 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

RO is facing difficulties in achieving the socio-economic potential of the agri-food sector and of rural areas. The SWOT analysis shows that the agriculture and the rural area face significant challenges namely: the dual structure of the holdings, reduced agricultural productivity, large population involved in the (semi)subsistence agriculture with low agricultural and entrepreneurship training level, low share of agri-food products with added value, high share of old farmers, on-farm poor endowment, access to basic services and infrastructure below urban areas level, insufficient development of the rural non-agricultural economy with impact on employment, a high share of population at risk of poverty and social exclusion, climate and environmental risks that are a threat to rural areas and to the development potential.

NRDP 2014-2020 represents an opportunity to approach these weaknesses, building upon strengths and use of opportunities, based on the lessons learnt and progresses from NRDP 2007-2013. These aimed at the modernization of the agricultural holdings and processing units in the agri-food sector, rejuvenation of farmers' generations, environmentally-friendly practices and investments, diversified local economies and development of local infrastructure but insufficient compared to the identified needs. Stince 2007, it began the sustainable use of agricultural and forestry lands, creating the premises for maintaining and preserving the rural natural heritage.

NRDP 2014-2020 continues its efforts on rural development, through the following strategic objectives:

i) restructuring and increasing farms' viability; ii) sustainable management of natural resources and tackling of 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 Partnership Agreement. These objectives are consistent with the National Medium and Long Term Strategy for the Development of the Agri-food Sector 2020-2030 aiming at: i) accelerate the structural transition towards economically viable and environmental friendly farming and ii) increase the coverage ratio of consumption of domestic food production and re-establish RO as a net agri-food exporter iii) limit the carbon footprint of agriculture and promote an agriculture resilient to climate change iv) improve living standards in rural areas v) develop partnerships for education/advisory, ICT, RDI and improve the performance of the agricultural administration.

The NRDP objectives are consistent with the priorities of the CAP and with the Europe 2020 Strategy with a strong focus on improving competitiveness and creating the conditions and diversify jobs in rural areas. The measures addressing these objectives are subordinated to the principles and objectives established by relevant international conventions, EU/national legislation, for the preservation of biodiversity, natural habitats and species of wild fauna and flora, protection against nitrate pollution, water management, the use of pesticides, maintaining air and soil quality, as well as the reduction of the greenhouse emissions (GHG) and adaptation to climate changes effects.

Between 2014-2020 the objectives will be achieved, via **the 6** EU **priorities (P)** established under the R (EU) 1305/2013 (see Figure 5.1-1 – Priorities and TO from PA):

Priorities are transposed 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 identified needs, all the 26 needs have been selected to be addressed by the NRDP 2014-2020. These will be addressed via 17FA – 16 of the 18 of EU plus an additional national FA 2C improving the economic performance in the forestry sector.

FA5B and 6C were not selected to be programmed, due to the fact that the NRDP is contributing secondarily to increasing efficiency in energy use and ICT investments. These investments are of a major interest for the regional funds under ROP and competitiveness under OPC. Support for ICT under EAFRD will be provided under the LEADR, programmed under FA 6B.

P1 through a cross cutting-approach contributes through FA 1A, B, C. The interventions through P1 will reduce the gaps in knowledge, information and advisory services among farmers, linking research to practice and connecting rural stakeholders in terms of entrepreneurial culture and dependency upon agricultural activities. The need to reduce the gaps in knowledge and information among farmers will be approached in terms of implementation of environmental practices that are beneficial for biodiversity and eco-systems, soil and water and the adaptation to climate change effects and the reduction of GHG and ammonia emissions. The networking of stakeholders together with P1 and the facilitation of knowledge transfer will be supported through NRDN - N 1-3, 12, 15-18, 24.

The needs addressed by **P 2-6** are:

i) The objective of restructuring and increasing farms' viability (Fig. Xi)

Increasing competitiveness of agriculture, forestry and food sector, is essential for the economic development of rural areas and creation of jobs and represents the core of this strategy. There is a good potential for increasing productivity, better integration on the market of agricultural producers, covering market's demand for products with added value and modernization of the agri-food sector. Benefits may be gained from increasing competitiveness of the fruit-growing sector which has been declining for 25 years, both in terms of cultivated areas and productivity, thus, a dedicated thematic sub-programme will be addressed for this sector, in order to eliminate the structural issues affecting the competitiveness, placing on the market of fresh fruits or raw materials for processing. The support enables the identification of specific needs following-up the analysis of the sector, the mapping of the intervention, more efficient coverage on the entire production-processing-marketing chain and increase of beneficiaries' interest, through the awareness of the opportunities provided by this sector. This will be carried-out also through accession of some environmental protection measures which at the same time will protect and maintain the organic state of agricultural areas.

Objective i) the NRDP 2014-2020 will address the selected needs N 1-13, through P2, P3 and the horizontal P1, as follows:

- **P2** by focus areas **2A, B, C** will reduce the gaps in capital and technology in farms; promote 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);
- **P3** by focus areas **3A, B** will reduce the gaps related to the modernization and productivity in the agri-food sector, promote setting-up of new units adapted to EU standards, will support the setting-up of producer groups, and integration of farmers and processing activities in short supply chains and risk management in agriculture (N. 5, 8, 9, 10);

P 1, 2 and 3 and the relevant FA ensure that selected needs are addressed.

Due the low level of endowment, the excessive polarization of holdings and the difficult access to investments, addressing needs 4, 6, 7 and 11 focus the intervention on modernization of the agricultural sector, of the small and medium sized farms and family farms, ensuring the structural consolidation by increasing the productivity, quality of raw materials and their adaptation to market's demands and EU standards. The creation of opportunities for cooperatives will also enable the association of small and medium-sized farms for joint production and marketing, and to achieve economies of scale. Attention will be provided to the setting-up of young farmers and restructuring of small and medium farms.

Access to funds and support systems for risk management will be provided to farmers in order to decrease the vulnerability to the negative effects of climate change, sanitary and environmental incidents.

The increase in the share of processed and marketed products, including products with high added value, will be achieved by needs 5, 8, 9. The development of associative forms for joint marketing will decrease the weaknesses related to the low volume and fragmentation of products supply of small and medium sized farms, thus strengthening their position on the market.

Considering the decrease of the number of processing units and the need to comply with EU standards, supporting the investments for modernizing the processing units will increase the supply of domestic agri-food products, generating added value with positive effects also on the trade balance. Stimulating food chains will open market opportunities and will strengthen the links between producers and consumers.

The low education level and low managerial capacity of young farmers and small farmers will be improved by providing training and advisory services on improving productivity and increasing the added value and risk management. The lack of adaptation of research activities to the needs of the agri-food sector will be addressed by setting-up operational groups (OG), comprising relevant actors.

Thus, the **support under NRDP will address:**

- Setting-up, expansion and modernization on-farm endowment (buildings, access roads, irrigations,, storage facilities, marketing and processing, including in terms of food chains, etc.).
- Investments in processing and marketing, storage, conditioning, etc.;
- Restructuring of farms, especially small farms and rejuvenation of farmers' generations;
- Risk management in the agricultural sector;
- Advisory and training activities in the agri-food sector, management of the natural resources and the adaptation to standards.

ii) Sustainable management of natural resources and tackling climate change (Fig. 5.1- ii)

The sustainable management of natural resources and tackling of climate change are essential actions for approaching the cross-cutting objectives of environmental protection and mitigation and adaptation to climate change effects. The actions promoted by the NRDP related to environmental protection and climate change will contribute to achieving the objectives and targets of the European/national policies regarding the conservation of biodiversity and eco-systems, soil and water protection, as well as decrease of GHG and ammonia emissions and adaptation to climate change effects. NRDP 2014-2020 aims to maintain a high nature value and a good condition of natural resources by promoting the sustainable use contributing 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 the natural environment is facing, several measures are proposed under NRDP 2014-2020 aim the risks associated to climate change, manifested by the frequent occurrence of extreme weather events, land abandonment in some areas and intensification of agricultural activities in others, and pollution from agricultural sources.

Objective ii) of NRDP 2014-2020 will be achieved by approaching P1, P4 and P5, thus addressing the selected needs N 1, 2, 12-18, as follows:

- **P4,** through focus areas **4A, B, C,** will lead to the preservation of the biological diversity of agricultural and forestry lands, to the protection and improvement of water and soil resources (N 12, 13, 15, 16, 18);
- **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 green energy, 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);

By approaching N12, the maintenance of extensive farming practices will be fostered, based on reduced inputs, with a low impact on environmental factors, on a large scale. The maintenance of biodiversity on the agricultural lands, especially in Natura 2000 sites, will be ensured on short and medium term, contributing to the consistency with EU and national strategies for the preservation of important species (including the maintenance of the local breeds in danger of abandonment) and priority habitats, even if there are no management plans for these sites. In order to ensure an adequate support for land owners in the protected areas, the implementation of M Natura 2000 is taken into consideration, based on a comparative analysis between mandatory and voluntary measures (agri-environment) considering the number and the quality of approved management plans and the required financial resources. It is envisaged the achievement of the objective of the 2020 EU Strategy on biodiversity, related to increasing contribution of agriculture and forestry to the maintenance and enhancement of biodiversity. This is of particular importance, especially in the context of intensification of agricultural activities. Through N16, the continuous use of lands in areas less attractive for agricultural activities and at risk of abandonment will be promoted, in terms of maintaining the traditional rural landscapes and the sustainable management of natural resources, especially of the soil resources. The maintenance and improvement of the water quality resources (N15) will be targeted by promoting extensive , specific to organic farming, and by promoting adequate manure management, contributing to the achievement of the Nitrate, Water Framework and Pesticides Directives' objectives. The expansion of forest areas and support of their multifunctional role, through afforestation and limitation of forestry technical works, will address the identified needs for P 4 (N12, N13, and N16) and P 5 (N14). To address the needs related to climate changes and air quality (P5), it is required promoting farming practices leading to adaptation to climate change (N17), promoting adequate manure management and reducing the use of inputs (N18), a more efficient use of water in agriculture in compliance with the Management Plans of the hydrographic basins (N17) or promoting the production and use of green energy (N18). Addressing these needs will contribute to the management of flood risk (P4, P5).

In order to comply with the ever growing interest of society for environmental services, the NRDP support will target:

- Fostering the adoption or maintenance of extensive agricultural practices by agricultural lands holders, aiming to maintain the high nature value areas (HNV), the areas important for certain wild species of birds and butterflies, the agricultural practices dedicated to soil protection (of anti-erosion nature) and water (for reducing pollution caused by nitrates from agricultural sources), as well as practices adapted to climate change effects;
- Fostering the continuation of agricultural activities in areas facing natural and other specific constraints,;
- Fostering the adoption or maintenance of organic farming practices;
- Fostering the afforestation of agricultural and non-agricultural lands;
- Fostering the adoption of forest sustainable management practices aiming at the preservation of biodiversity and soil protection,;
- Investments in machinery, equipment and facilities required for an improved manure management and decrease of ammonia emissions in livestock farms;
- Accessing advisory services and fostering the transfer of knowledge on environmental protection, sustainable management of natural resources, reduction of emissions and adaptation to climate change effects.

iii) Diversification of economic activities, creation of jobs, improvement of infrastructure and

services for improving the quality of life in rural areas (Fig. 5.1- iii)

Rural areas play an important social-economic role in RO, representing a large share of the total territory, inhabited by nearly half of the country's population. These areas may benefit from a good development of the business environment and may provide new jobs for the active population in the rural area.

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

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

Addressing the needs 19-23 will support the change in the employment structure of rural areas by stimulating a rural economy providing opportunities for income diversification and reduction of poverty. This will create equal opportunities between rural and urban population, by providing adequate living conditions, including in terms of education, health and social services.

Setting-up of new micro and small enterprises will generate new jobs and absorption of surplus labor from the agricultural sector. The setting-up of new enterprises with non-agricultural activities or the development of existing ones, including rural tourism, but also the maintenance of cultural and natural heritage will increase the attractiveness of rural area, thus reducing residents' trend to migrate to urban areas.

LEADER has a major contribution to fixing the needs specific to local communities, and investments in modern ICT infrastructure will help address the need 25. Need 26 will lead to a solid foundation for providing knowledge and adequate services to the next generations from the agricultural sector, in order to meet the development needs of the agri-food sector.

Therefore, the **support under the NRDP will address:**

- Investments in micro and small non-agricultural enterprises in rural areas;
- Improvement of local educational and social infrastructure, water supply systems, sewage and local roads;
- Restoration and preservation of cultural heritage;
- Locally-generated strategies ensuring integrated approaches to local development;
- Advisory services for developing business in rural areas.

The measures that will address the needs under priorities 2-6 will be synergistically supported by support-measures established under the FA within P1.

Following the ex-ante assessment on the need and opportunity to apply financial instruments, the achievement of the NDRP objectives will be supported by facilitating the access to finance through a guarantee instrument. The support will be targeted to measures supporting investments in farms, processing units and micro-enterprises and small non-agricultural enterprises in rural area. An additional support that may be implemented in a next stage of the Programme is represented by the risk-sharing loan instrument.

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 sustainable management of forests (P2)	**Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (P3)**	**Fostering knowledge transfer and innovation in agriculture, forestry (P1)**
Selected needs: **N.4** Adequate level of capital and technology for modern agricultural activities; **N.6** Rejuvenation of farmers generations; **N.7** Restructuring, strengthening and modernization of small farms into market-oriented farms; **N.11** Easy access to financial instruments proper for farmers, processors, small entrepreneurs from rural areas; **N.13** Supporting a sustainable forest management. **Contributiong to TO3**	**Selected needs** **N.5** Modernization of the processing sector of agricultural products and adaptation to EU standards; **N.8** Setting up producer groups and cooperatives; **N.9** Functional food chains; **N.10** Risk management in agriculture and forestry; **N.11** Easy access to financial instruments proper for farmers, processors, small entrepreneurs from rural areas.	**Selected needs** **N.1** Adequate knowledge among farmers, in the agri-food and environmental sector; **N.2** Adequate and quality agricultural advisory and consultancy services for farmers, producer groups and new businesses in the non-agricultural field; **N.3** Adapting the research activities and the results of research to the needs of farmers, forest holders and processors; **N.24** Improvement of the cooperation among actors in the rural area **Contributing to TO1**

Fig. 5.1 – i

ii) **Sustainable management of natural resources and fighting against climate change**		
Fostering knowledge transfer and innovation in agriculture, forestry and in rural areas (P1)	***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.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 **Contributing to TO1**	**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. **Link with TO5 and TO6**	**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. **Contributing to TO4 and TO5**

Fig. 5.1 – ii

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, and rural areas (P1)***
Selected needs: **N.5** Modernizing the processing sector of agricultural products and adaptation to EU standards; **N.11** Easy access to financial instruments proper for farmers, processors, small	**Selected needs:** **N.2** Adequate and quality agricultural advisory and consultancy services for farmers, producer groups and new businesses in the non-agricultural field; **N.3** Adapting the research activities and the

entrepreneurs from rural areas; **N.19** Reduction of the level of poverty and the risk of social exclusion, **N.20** Adequate basic infrastructure and services in rural areas; **N.21** Increasing the number of and diversifying the jobs in rural areas; **N.22** Preserved local patrimony **N.23** Local development through LEADER approach; **N.25.** Access to modern ICT infrastructure; **N.26** Modernizing the agricultural education infrastructure. **Contributing to TO8 and TO9** **Indirectly contributing to TO2**	results of research to the needs of farmers, forest holders and processors; **N.24** Improvement of the cooperation among actors in the rural area **Contributing to TO10**

Fig. 5.1 - iii

Priority 1: Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas	**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 forest**	**Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture**	**Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry**	**Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors**	**Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas**
TO1 Strengthening research, technological development and innovation TO10 Investing in education, training and vocational training for skills and lifelong learning	TO3 Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)		TO5 Promoting climate change adaptation, risk prevention and management		TO8 Promoting sustainable and quality employment and supporting labour mobility TO9 Promoting social inclusion, combating poverty and any discrimination TO2 Enhancing access to, and use and quality of, information and communication

				technologies
		TO6 Preserving and protecting the environment and promoting resource efficiency	TO4 Supporting the shift towards a low-carbon economy in all sectors	

Fig. 5.1 - 1

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) of Regulation (EU) No 1305/2013. 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 referred to in 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, the rural population in RO has a low level of information and innovation, a phenomenon especially reflected among small and medium-sized farmers. The situation is emphasized in terms of insufficient vocational training programmes and the capacity of advisory services and research and innovation initiatives not adapted to farmers. The lack of short chains emphasizes the poor links between producers and consumers being maintained by a poor promotion and organization.

In order to ***foster innovation, cooperation and development of a knowledge base in rural areas,*** measures M01, M02 and M16 are set-up.

Vocational training will support the restructuring and modernization measures of farms, in order to increase competitiveness, productivity and environmental protection. SM 1.2 will support fostering of innovation and strengthening of farmers' knowledge on topics of interest, on innovative methods and practices, and on practices leading to environmental protection and adaptation to climate changes. Under 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. Farmers undertaking the agri-environment and organic farming commitments will be also advised. The facilitation of farmers’ access to the value chain and the promotion of cooperation will be supported under SM 16.4 and 16.4a for the fruit-growing sector. Fostering innovation in the agri-food sector and creating a knowledge base will be supported under SM 16.1., through dissemination of results of operational groups (16.1a will target especially the fruit-growing sector).

The setting-up of NRDN through technical assistance will increase awareness of stakeholders from 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 innovation 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-innovation activities are not sufficiently adapted 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 terms 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,*** M16 is programmed.

For the development of pilot projects, new products, practices, processes and innovation technologies in the agricultural, food and forestry sectors, the establishment and consolidation of interactions between researchers, farmers, forest owners and processors will be fostered through sub-measure 16.1 providing support for the setting-up and functioning 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 training and the majority of farmers and especially managers of small and medium sized farms do not have enough skills considering the need for performance in the agriculture sector. This situation becomes conspicuous in the context of insufficient adequate vocational training programmes and a capacity of advisory services and research and innovation initiatives not adapted to the farmers’ demands. 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, M01 was programmed.

Vocational training will support the restructuring and modernization of farms measures, in order to increase competitiveness and productivity. Also, these actions as well as the demonstrative and information actions (SM 1.1 and 1.2) will support a better management of holdings managed by young farmers, small and family farmers and the adoptation of environmentally friendly practices. Under SM 1.2, farmers will have access to knowledge and information, for a better management of the risks their farms are exposed to.

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/medium sized farms, the inadequate level of endowment/adaptation of production to market’s demands, the low level of knowledge of farmers and the low access to advisory services are obstacles for competitiveness.

Improving the economic performance on all farms and facilitating farm restructuring and modernization, is carried-out under M01, M02, M04 and M06.

Compared to the identified needs FA resources target M04/M06 interventions, as these are costly structural investments aiming to achieve the environmental, hygiene, production standards. The financial allocation in relation to the target-indicators is adequate and justified in the explanatory annex to the indicator plan.

Increasing the performance of holdings, especially family and medium-sized farms and farms that are part of an associative form, will be supported under SM 4.1 and SM 4.3, with the application of the environmental protection measures.

SM 4.1. targets prioritary sectors within the analysis: swine, cattle, poultry, field crops, vegetables in protected areas and production of seeding material. The principle of association is approached synergistically contributing to the consolidation of position of small/medium-sized farms on the market. SM

1.2 will synergistically contribute to restructure/increase the competitiveness of farms.

SM 6.3 is contributing to restructure/integrate small farms on the market by guiding small producers to the market, through improvement of their performances and production marketing.

The interventions suitable for small farms, through their structure will prioritize namely the livestock sector (cattle, beekeeping, sheep and goats) and the vegetal sector (vegetables, fruit-growing sector, production of seeds and seeding material).

The elaboration of business plans for small farms restructuring/consolidation will be supported synergistically under M02.

Support for the permanent transfer of farms in exchange of a single payment will strengthen and consolidate the agricultural holdings under SM 6.5.

An integrated approach of fruit growing sector implies 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/consolidation of family farms and increased competitiveness of medium farms, by creating synergies at the level of the FA.

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 RO is related to the generational renewal in agricultural holdings. There is a high level of aging among farm owners and managers and reluctance to transfer their holdings, agriculture being often their main source of income. This has a negative effect on the modernization, competitiveness and application of good environmental practices of farms, as older farmers are generally less inclined towards innovation, investments in new technologies and streamlining of production.

M01, M02 and M06 are programmed ***to facilitate the generational renewal of farmers,***.

Compared to the identified needs the resources of this FA are mainly focused in the intervetions of M06 to cover the costs of setting-up of young farmers and of investments foreseen by them in their business plans aiming to reach the targeted objectives. The financial allocation compared to the target-indicators is adequate and justified in the explanatory annex to the indicator plan.

In order to support the formation of a new generation of farmers, SM6.1 will aim providing liquidity to help them implement business plans to develop their farms, which may include investments for the modernization of farms and efficient use of resources, compliance with requirements for environmental protection and efficient use of resources, hygiene and animal welfare, work safety. As identified at the needs level, priority will be provided mainly to the consolidation of agricultural holdings, as well as to certain prioritary sectors (cattle, beekeeping, sheep, goats, vegetables, fruit-growing sector, seeding material, production of seeds), activities suitable for relatively small sized farms.

Synergistically, the elaboration of realistic business plans adapted to the needs of young farmers will be supported under M02. M01 will contribute to enhancing the knowledge of young farmers in the agri-food sector, in order to develop on-farm activities and to practice an environmentally and climate friendly agriculture.

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

5.2.2.3. 2C+) Improving the economic performance of forests

5.2.2.3.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)

5.2.2.3.2. Combination and justification of rural development measures

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

Increasing the performance and competitiveness of the forestry sector from Romania is closely related to the accessibility degree to forest areas. There is a high level of fragmentation and an increased number of small sized forestry properties leading to an inefficient management of them. Moreover, a major problem in the effective management of the sector is the poor development of forest roads' network which is well below than other European countries with a similar topography.

M04 is programmed to facilitate **accessibility of forestry holdings.**

Considering the identified needs, the budgetary resources of this FA are focused on the interventions of measure 4 to cover the cost of forestry development and adaptation of infrastructure. The financial allocation compared to target indicators is adequate being justified under the explanatory annex of the indicator plan.

In order to facilitate accessibility of forestry fund for the effectiveness of forestry holdings and reduction of soil erosion (due to the long distances to collect wood), SM 4.3 will target investments for the setting-up, expansion and modernization of access roads under the forestry fund.

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 RO is related to a better integration in the value chain. Farms, especially small farms, have difficulties in integrating themselves on the market and in ensuring the mandatory standards. Processing units are affected by equipment wear, lack of production facilities and compliance with hygiene rules.

M01, M02, M04, M09, M14 and M16 have been selected to ***improve the competitiveness of primary producers through a better integration into the agri-food chain***.

Resources of this FA are focused on the interventions of M14 and SM 4.2, considering the value of current commitments opened between 2007-2013 and the complex investments leading to creation of food chains and increase of agricultural products' added value. Resources of M16 and M09 are necessary in terms of costs associated to the setting-up and operation of producer groups and short chains. The financial allocation compared to the target-indicators is adequate and justified in the explanatory annex to the indicator plan.

M14 (transitional measure) aims at ensuring higher animal welfare standards in swine and poultry farms, addressing the needs related to food safety and food quality.

M09 helps farmers to jointly capitalize their production, having a stronger negotiating position, and to provide the necessary raw materials to processors. The support is supplemented by advisory services for the preparation and implementation management of business plans for setting-up producer groups (SM 2.1). SM 16.4 and SM 16.4a will consolidate farms' role in the short supply chains. SM 16.1 and 16.1a will develop pilot-projects, new products, practices and technologies through operational groups.

The investments in post-harvest facilities up to processing and for ensuring product quality in compliance with the European standards, will generate higher added value of agricultural products, (SM 4.2, and 4.2a for fruit growing sector). Priority will be provided mainly to high added value products (organic products, traditional products, products participating in quality schemes, etc.) and to associative forms targeting the setting-up/modernisation of collection, storage, processing units, etc. Farmers complementing their primary production activities with processing activities will benefit from information under 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

Considering climate change, risks regarding plant and animal diseases and environmental incidents, the primary production on medium and long term is threatened may adversely affect the performance of the agri-food sector. The lack of knowledge in the sector 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 under M17 and supported under M01.

Considering the identified needs, the budgetary resources of this focus area are mainly focused on the interventions under M17, in relation to the multitude of risks that the farmers are facing and to the loss' compensation level within agricultural holdings. The financial allocation compared to the target-indicators is adequate being justified in the explanatory annex to the indicator plan.

Basically, 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 income foregone. Risk management at farm level can also imply the improvement of available knowledge and information. Such actions will be supported under

SM 1.2, through 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)
- M02 - Advisory services, farm management and farm relief services (art 15)
- 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, most important being the intensification of agricultural activities, abandonment of livestock local breeds animals in danger of abandonment, but important in terms of conservation of local genetic resources or, although secondarily, abandonment of agricultural activities in less productive areas. Advanced technologies, specific to modern agriculture, tend to replace extensive, traditional agricultural practices due to the much higher yield.

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

In the forestry sector, application of additional mandadory restrictions, will have a positive impact in the quiet areas created to preserve biodiversity. 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 to maintain the local breeds at risk of abandonment***, compensatory measures are programmed, namely M10 and M15. The consistency of agri-environment and climate commitments will be ensured by increasing beneficiaries' access to knowledge transfer and information actions (M01) or advisory services (M02).

Compared to the identified needs, the budgetary resources of this FA are mainly distributed to actions foreseen under M10, including the amounts for the on-going 5-year commitments of the NRDP 2007-2013 contributing also to the objectives of M10. Budgetary resources are allocated under for biodiversity conservation actions on forest lands, under M15. The target indicators for M10 were established mainly based on performances in the implementation of the agri-environment measure in the previous programming period. For M15, the target indicators were established mainly based on targeted forest fund areas. The financial allocation under both measures took into account the fulfilment of established targets.

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)
- M02 - Advisory services, farm management and farm relief services (art 15)
- 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 under good and very good quality classes. 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, may lead to increasing waters pollution risk.

M01, M02 and M11 are programmed to ***improve water management, including fertiliser and pesticide management*** on farmland.

Compared to the identified needs, the budgetary resources of this focus area are mainly distributed to the actions foreseen under M11. The target indicators for M11 were established mainly based on the performances in the implementation of the organic package under agri-environment measure from the previous programming period and on the implementation results of the previous specific support scheme for conversion to organic farming under the 1st Pillar of the CAP. The financial allocation under the measure aimed at achieving the established targets, their justification being in the explanatory annex to the indicator plan.

Improving knowledge, in order to properly apply farming practices specific to organic farming measure, farmers will benefit from information, advice and awareness actions through M01 and M02.

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)
- M02 - Advisory services, farm management and farm relief services (art 15)
- 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 show natural limitations in terms of agricultural productivity leading 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, may lead to soil degradation by erosion, salinization/ alkalization, compaction, decrease of biodiversity of soil and decrease of organic matter.

M10, M13 and M15 are programmed to ***prevent erosion and improve soil management*** on agricultural and forestry lands. These measures will be supported by M01 and M02.

By compensating farmers for income foregone and additional costs incurred as a result of applying special soil management conditions, respectively the ongoing use of green crops, M10 will contribute by improving soil management. Also, M13 will contribute by improving soil management, by encouraging the maintenance of agricultural activities in eligible areas, compensating farmers for the disadvantages encountered in carrying-out these activities, while decreasing the risk of abandonment of agricultural lands.

At the same time, M15 will contribute by preventing soil erosion on forest lands, by promoting the use of technologies with low impact on soils.

The support provided for information, advice and awareness actions under M01 and M02 will support the improvement of knowledge, in order to properly implement the agricultural practices necessary for soil protection.

Compared to the identified needs, the budgetary resources of this focus area are mainly distributed to the actions foreseen under M13. The target indicators for M13 were established mainly based on the performances in the implementation of measures 211 and 212 from the previous programming period. The financial allocation under the measure aimed at achieving the established targets, their justification being in the explanatory annex to the indicator plan.

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

- 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)
- M10 - Agri-environment-climate (art 28)

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

Due to climate scenarios on medium/long term of and amplification of extreme weather events technological solutions and agricultural practices are needed to provide alternatives to tackle drought through classic irrigation methods in order to adapt to climate change. There are issues related to the irrigation infrastructure, mostly non-functional, and the functional infrastructure is inefficient in terms of water and energy and irrigation capacity.

M01, M02, M04 and M10 are programmed to provide a more ***efficient use of water in agriculture***.

Compared to the identified needs, resources of this FA are focused on the interventions under M04 for complex investments related to the secondary irrigation infrastructure and the requirements deriving from the efficienct use of water resources. In the identified eligible areas, resources will be allocated to M10, which envisages the promotion of agricultural practices adapted to climate change .

The budget of M10 aims at achieving the established targets for the package targeting the adaptation to climate change, their justification being in the explanatory annex to the indicator plan. As regards M04, the financial allocation compared with the target indicators is adequate and justified in the same annex.

The modernization of irrigation infrastructure 3 and the promotion of sustainable agricultural practices are contributing to a more efficient use of water in agriculture and to the adaptation to climate change. Investments in the secondary irrigation infrastructure, compliant with the investments Strategy in the irrigation sector and with the hydrographical basin management plan, as well as investments contributing to water saving and reduced water consumption costs are targeted. The adoption of agricultural practices adapted to climate change effects, based on the use of plant varieties adapted to the variability of climate conditions and to extreme phenomena, on the long term ensures the adaptation of on-farm agricultural practices and a better use of inputs considering the lack of irrigation systems at a large scale.

Farmers will have access to training/advisory/demonstrative activities sessions regarding the use of irrigation and agricultural practices and methods enabling the application of a more efficient management of on-farm water resources and a better resilience to the climate change impact. The implementation of these measures contributes to tackling droughts improving 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

Not selected.

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

Considering the transition towards a low carbon economy, producing and using renewable energy is one of the means to reduce the GHG emissions. Romania has a wide range of renewable energy resources that may be capitalized through the actions proposed in rural development projects set out under the NRDP.

The supply and use of renewable energy sources will be supported under M06 – SM 6.4.

The budgetary resources allocated to this focus area are mainly focused on the interventions under SM 6.4, aiming to support the small-scale development in the fuel production from biomass sector. The relevance of the financial allocation compared to the target indicators is justified in the explanatory annex to the indicator plan.

This sub-measure will provide support for micro-enterprises and small enterprises in the rural area, in order to produce fuels from biomass providing renewable energy sources to the market. M04 (SM 4.1 & 4.2) will also have a secondary contribution, as investments projects may be supported where production of RES for on-farm use or in processing units as a component of a wide investment project.

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

5.2.5.4.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- 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 and ammonia emissions from agriculture has decreased in recent years, efforts are needed to maintain a low level of emissions as long as investments and agri-food production in the sector will increase. However, GHG and ammonia 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 under SM 4.1, which will support investments in modern facilities and equipment for manure management, as well as under M01.

The budgetary resources allocated to this focus area are mainly focused on the interventions under SM 4.1, aiming to support the setting-up and development of livestock farms requiring specific investments for an adequate manure management. The financial allocation compared to the target indicators is adequate being justified in the explanatory annex to the indicator plan.

In order to ensure the effective implementation of the support described above, in the information topics carried-out via the knowledge transfer measure topics on agricultural methods and practices contributing to the reduction of emissions (SM 1.2) will be included.

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 overall objective of reducing GHG emissions, Romania, among other measures addressing this sector, will also implement a measure dedicated to carbon sequestration, i.e. M08, the sub-measure for afforestation and creation of woodland.

The budgetary resources allocated to this focus area are exclusively focused on the interventions under SM 8.1, aiming to reduce the GHG emissions through the sequestration of the carbon from the atmosphere in the biomass of new forest plantations. The financial allocation compared to the target indicators is considered to be adequate being justified in the explanatory annex to the indicator plan.

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 are facing difficulties in terms of risk of social exclusion, reduced number of jobs, high degree of poverty, low access to financing, poor entrepreneurial skills among the rural population, etc.

Objectives of FA 6A are realized through M02, M04 and M06.

The resources of this FA are focused on the interventions under SM 4.2 for setting-up new processing units for agri-food products requiring consistent investments according to the mandatory requirements of the rules in force, generating new jobs in rural areas. Resources will be allocated to M06, for setting-up and development of small non-agricultural business in the rural area. The financial allocation compared to the target indicators is adequate and justified in the explanatory annex to the indicator plan.

An important role under this FA will be played by the diversification of activities in rural areas and the creation of new income alternatives that will be stimulated under SM 6.2 and 6.4. The support will be granted based on a business plan and will be directed towards the setting-up of new non-agricultural activities, in order to generate new jobs (SM 6.2).

The support will focus on activities such as production, handicrafts, agri-tourism and services. In order to generate alternative incomes, farmers/family members will be encouraged to diversify their activity to the non-agricultural sector.

SM 6.4 will target the stimulation of the business environment in the rural area, especially in regard to the setting-up of productive activities (including in sectors with growth potential) and to the provision of primary services to the population.

The potential beneficiaries of this measure will be supported to develop and implement business plans, through M02. In order to facilitate the access to financing, micro-enterprises and small non-agricultural enterprises will have access to financial instruments.

Both enterprises investment measures and support-measures will synergistically provide a higher living standard, increase the level of inclusion on the labour market and the economic development in the rural environment.

The choice and combination of these measures will create the necessary synergies which will balance the employment structure of the rural population, enhance the living conditions of the rural population, 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. 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.

Objectives of FA 6B are realized through M07 and M19.

The allocation of this FA will be focused on the interventions under M07, investments for the development of basic infrastructure in rural areas, especially for water/waste water, part of commitments undertaken by RO on the Water Framework Directive. The allocation of M19 will foresee small-scale actions complementary to those under M07, but important for local development.

The financial allocation compared to the target indicators is adequate and justified in the explanatory annex to the indicator plan.

The development of the rural infrastructure, basic services and local cultural heritage protection will be carried-out under SM 7.2 and 7.6, with emphasis on the compliance with the country's commitments for investments in water/wastewater infrastructure, the setting-up and modernization of local interest roads, in order to ensure the connectivity of population and increase the economic development potential at local level. Investments in the ante-pre-school and pre-school educational infrastructure and social infrastructure will complement the prioritary investments leading to a balanced development of the rural area.

Investments in local heritage and monachal/cultural settlements will have a positive impact on the preservation and promotion of specific local features and may contribute to economic development including rural tourism. LEADER will bring added value through the implementation of LDS in terms of local needs and innovation projects, for example improving the use of and access to ICT infrastructure. A specific amount will be allocated to ICT investments if identified as a priority within the local development strategies. LEADER will encourage rural communities to capitalize and promote their resources and traditions and will provide equal opportunities to the inhabitants from rural environment.

LEADER will cover the gaps between rural and urban areas, preserving the local identity and stimulating the concentration 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.

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

Not selected.

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 presents the contribution of the NRDP 2014-2020 towards the 3 cross-cutting objectives innovation, environment and adaptation to climate change supporting the 6 rural development priorities and the achievement of clever, sustainable and inclusive growth in compliance to the Europe 2020 Strategy.

Support for **innovation**/development, use and transfer of "new ideas that work in practice" has been a key priority for rural development. There are 5 main areas of ongoing support for innovation in the NRDP:

1. Innovation remains the key principle for **LEADER** and as long as the approach is developed the support for a broad range of innovative, community-based actions will be strengthened. LEADER will encourage the promotion at the LDS level of projects with a particular focus upon the identification of innovative solutions at local level;

2. Another bottom-up initiative - **EIP-AGRI -** will be implemented to promote projects targeted at developing innovative/new products, practices, processes and technologies in the agricultural/forestry sector with a particular emphasis upon enhancing the transfer of technology and information from science into practice. **M16** will support the setting-up and running of OG bringing together farmers/forest holders and other relevant actors (researchers, advisers, NGOs, etc.) that will implement projects to develop and test practical/economically-viable solutions to the specific problems the agriculture and forestry sectors are facing.

3. Innovation is strongly connected with knowledge transfer and information exchange. **M01** and **M02** foster innovation by encouraging farmers and rural enterprises to adopt innovative solutions through: dedicated vocational training, demonstration/information activities.

4. In compliance with Art. 54(2) of R (EU) No. 1305/2013, in 2014-2020 **NRDN** will target to "foster innovation in agriculture, agri-food production, forestry and rural areas". This will be carried-out through:

   - Facilitation of thematic and analytical exchanges, relevant to various aspects of innovation;
   - Training and networking of LAGs on innovation, including support for inter-territorial and transnational co-operation;
   - Search for partners for OG;
   - Networking activities with a focus on innovation;
   - Publicity and information regarding the EIP-AGRI;
   - Support for the dissemination and sharing of results from the projects implemented by OG;
   - Participation and contribution to the activities of the EIP-AGRI network at EU level.

5. Up to now, innovation has been a general principle influencing the selection and elaboration of sub-measures for the NRDP. It is anticipated that implementation of **SM 16.4** will lead to formation of new and alternative structures of rural actors, as short supply chains involving also NGOs and local public

authorities.

The **protection, conservation and responsible use of environmental resources** must be integrated into every aspect of the NRDP 2014-2020, to provide a broad range of environmental services (biodiversity, landscape, soil, water and air) through a extended series of mechanisms and to avoid the risk of a negative impact. The adopted approach may be summarised, as follows:

1. *The connection with national/EU/international strategies/conventions on environment* – Measures dedicated to achieving the objectives for environmental 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 EU directives on the preservation of biodiversity (Convention on the Biological Diversity from Rio de Janeiro, EU's Biodiversity Strategy 2020, Directive 92/43/EEC, Directive 2009/147/EC) and the sustainable management of natural resources (EU strategy on adaptation to climate change, Directive 2000/60/EC, Directive 91/676/EEC, Directive 128/2009/EC, Directive 2008/50/EC), Directive 81/2001/EC and Goteborg Protocol in terms of which RO has an active role, by assuming the specific national strategies (e.g. National Strategy for Sustainable Development of RO Horizons 2013-2020-2030, National Strategy and Action Plan for Biodiversity Preservation 2010 - 2020, National Strategy for Climate Change 2013-2020, the Action Plan for water protection against pollution with nitrates from agricultural sources, the National Action Plan on the reduction of risks associated to the use of plant protection products (PPP).

2. *Full compliance and complementarity with the regulatory framework of environmental protection legislation* – The relevant environmental legislation is referenced in the appropriate sections under the NRDP 2014-2020 and environmental ex-ante conditionalities are respected. Minimum activities, cross-compliance (GAEC/SMR) and greening elements of Pillar 1 (direct payments), minimum relevant requirements for use of fertilisers and plant protection products, as well as usual practices are fully taken into account regarding relevant compensatory payments. In all cases, projects supported under the NRDP will be implemented in compliance with the legislation in force on the environmental protection and management of natural resources, which is certified by obtaining the required agreements/approvals from competent authorities.

3. *For mitigation and adaptation to climate change and to reduce the issues related to environment,* in compliance to Art. 59 (6) of R (EU) no. 1305/2013, approx. 40% of the EAFRD budget has been allocated for measures: M4, 8, 10, 11, 13, 15.

4. *Enhancement and implementation of measures that* <u>*directly*</u> *target providing of environmental services* – **M10** and **M11** are key measures which will directly target the protection, conservation and responsible use of biodiversity, soil/water on agricultural lands through the maintenance of extensive traditional farming practices, significantly reduced use of agrochemical inputs, conservation of animal genetic resources from local breeds in risk of abandonment and introduction/maintenance of organic farm management practices.

- **M10** continues to support biodiversity conservation on agricultural lands, including by supporting the important concept of High Nature Value (HNV) farming being refined with additional actions targeted at biodiversity conservation also contributing to the implementation of directives on birds and habitats on the Natura 2000 areas. Although, pursuant to Art. 30 of the R 1305/2013, the measure Natura 2000 payments will not be implemented in the following period, mainly due to the very small number of management plans approved (10 MP approved at mid-2014), M10 addresses significant areas included in the Natura 2000 sites through voluntary farmer commitments. Currently, P3 covers 44% of the total area of the SPAs and 28% of the total area of the SCIs designated at national level. The eligible areas for the P7 covers more than 19% of the SPAs area and 14,19% of the SCIs area designated in RO. P4 contributes to the achievement of WFD objectives related to a good organic and chemical safety condition of waters and to the achievement of nitrates directive's objectives.
- **M11** will continue support the application of organic agricultural practices through the support granted for maintaining certification but will also contribute to fostering farmers to include in their activity agricultural practices specifc to agriculture through the support granted to conversion to organic farming. Protection of water resources against pollution from agricultural sources and preservation of biodiversity, soil protection and reduction of emissions from agricultural activities will be ensured.
- **M13** will contribute to the protection of local environmental factors (biodiversity, soil or landscape) and maintenance of rural areas' viability, by decreasing the abandonment of agricultural activities phenomenon. The use of practices beneficial for the protection of soil against forestry-specific works and the decrease of the number of forestry interventions promoted by **M15** will support the preservation of biodiversity and protection of soil resources on forest lands. The requirement of M10 and M11 imposed to beneficiaries to demonstrate they have knowledge/information or the technical expertise necessary for the implementation of commitments, both in terms of basic and specific requirements, will contribute to the achievement of environmental protection objectives.

5. *Implementation of measures indirectly supporting provision of environmental services* – many other measures will provide a less targeted (but equally important) support for the sustainable use of environmental resources during 2014-2020.

These include:

M01 – developing the environmental management skills/knowledge of farmers

M02 – supporting farmers, by elaborating business plans, including for farm manure management and the use of environmental-friendly methods and technologies.

M04 – investments 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 on-farm.

M07 – investments for setting-up, expansion and improvement of water/wastewater infrastructure, and reducing pollution of water courses caused by waste from rural households.

M08 – potential benefits for protecting biodiversity, reducing soil erosion and improving water quality.

M16 – potential support for OG to develop pilot projects, new and innovative technologies and practices which address specific issues related to environmental management.

6. *Avoidance of negative environmental impacts through inappropriate investments and other actions* – investments in new buildings and equipment under **M04** will be subject to the national environmental assessment procedures, where applicable and in the specific case of irrigation equipment, must comply with the obligations of Art. 46 of R No. 1305/2013 regarding the efficient use of water, as well as the relevant provisions in the national legislation that transpose the provisions of the WFD.

Climate change is a challenge for agriculture, forestry and rural development sector in RO. Agriculture is a source of GHG emissions and is expected to contribute towards the climate change mitigation objectives of the Europe 2020 Strategy. The sector is highly vulnerable to climate change impact 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 climate conditions.

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

1. *Implementation of measures for climate change mitigation*:

M01 and **M02** – important role in raising awareness of the importance of climate change and promoting knowledge transfer and information regarding the use of sustainable resources that may contribute towards climate change mitigation by farmers and other rural stakeholders.

M04 – supports the following categories of investments in technologies/installations relevant to the reduction of GHG emissions:

- Modern facilities and equipment for storage, spreading of livestock manure;
- Equipment for production and use of on-farm renewable energy sources, including energy efficiency;
- Production and use of energy from renewable resources within agri-food processing units and energy efficiency;

M06 – supports investments in production of fuels from bio-mass.

M08 – supports afforestation of agricultural/non-agricultural land, thus promoting the increase of carbon sequestration.

M11 – compensatory payments for conversion and/or maintenance of organic farming and is generally beneficial for reduction of GHG emissions by reducing inputs (such as synthetic fertilizers and pesticides) and reducing nitrous oxides emissions.

2. *Implementation of measures for climate change adaptation* :

M01 and **M02** – important role in raising awareness of climate change amongst farmers and other rural stakeholders, including a specific focus upon orientating them towards i) adapting their businesses to the increasingly uncertain climatie conditions experienced in RO, and ii) use of the climate adaptation actions from the NRDP 2014-2020.

M04 – supports investments in technology/installations relevant to climate change adaptation, including the setting-up, expansion and/or modernisation of on-farm water storage equipment and more efficient irrigation infrastructure/equipment.

M08 – support for afforestation greatly increasing the capacity for adaptation to climate change in areas with no forest.

M10 – includes pilot Package 5 providing support for on-farm appropriate technologies and management practices in selected ‘critical’ areas that are most sensitive to climate change effects and to desertification risk.

M16 – important tool for supporting farmer-oriented pilot projects on relevant climate actions such as water efficient technologies, selection of drought resistant species, development of alternative rotations and soil management techniques, etc.

M17 – framework for setting-up of mutual funds for insurance against economic losses caused by adverse climatie events, animal/plant diseases, pest infestations, as well as other environmental incidents.

5.4. A summary table of the intervention logic showing the priorities and focus areas selected for the RDP, the quantified targets, and the combination of measures to be used to achieve them, including the planned expenditure (table automatically generated from the information provided in sections 5.2 and 11)

<table>
<tr><th colspan="5">Priority 1</th></tr>
<tr><th>Focus Area</th><th>Target indicator name</th><th>Target value 2023</th><th>Planned expenditure</th><th>Combination of measures</th></tr>
<tr><td>1A</td><td>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)</td><td>1.79%</td><td></td><td>M01, M02, M16</td></tr>
<tr><td>1B</td><td>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)</td><td>211.00</td><td></td><td>M16</td></tr>
<tr><td>1C</td><td>T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)</td><td>184,430.00</td><td></td><td>M01</td></tr>
<tr><th colspan="5">Priority 2</th></tr>
<tr><th>Focus Area</th><th>Target indicator name</th><th>Target value 2023</th><th>Planned expenditure</th><th>Combination of measures</th></tr>
<tr><td rowspan="3">2A</td><td>T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</td><td>0.09%</td><td rowspan="3">1,282,470,656.31</td><td rowspan="3">M01, M02, M04, M06</td></tr>
<tr><td>Percentage of small size holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</td><td>4.10%</td></tr>
<tr><td>Percentage of medium size holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</td><td>2.66%</td></tr>
<tr><td>2B</td><td>T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)</td><td>0.24%</td><td>481,691,156.00</td><td>M01, M02, M06</td></tr>
<tr><td>2C+</td><td>Operations supported for investments in forest infrastructure (focus area 2C+)</td><td>83.00</td><td>100,000,000.00</td><td>M04</td></tr>
<tr><th colspan="5">Priority 3</th></tr>
<tr><th>Focus Area</th><th>Target indicator name</th><th>Target value 2023</th><th>Planned expenditure</th><th>Combination of measures</th></tr>
<tr><td>3A</td><td>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)</td><td>0.04%</td><td>792,367,203.72</td><td>M01, M02, M04, M09, M14, M16</td></tr>
<tr><td>3B</td><td>T7: percentage of farms participating in risk management schemes (focus area 3B)</td><td>0.39%</td><td>203,000,000.00</td><td>M01, M17</td></tr>
<tr><th colspan="5">Priority 4</th></tr>
<tr><th>Focus Area</th><th>Target indicator name</th><th>Target value 2023</th><th>Planned expenditure</th><th>Combination of measures</th></tr>
<tr><td>4A (agri)</td><td>T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)</td><td>10.12%</td><td rowspan="3">2,695,936,200.00</td><td rowspan="3">M01, M02, M10, M11, M13</td></tr>
<tr><td>4B (agri)</td><td>T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)</td><td>11.92%</td></tr>
<tr><td>4C (agri)</td><td>T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</td><td>3.80%</td></tr>
<tr><td>4A (forestry)</td><td>T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)</td><td>12.15%</td><td rowspan="3">117,803,922.00</td><td rowspan="3">M15</td></tr>
<tr><td>4B (forestry)</td><td></td><td></td></tr>
<tr><td>4C (forestry)</td><td>T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</td><td>1.22%</td></tr>
<tr><th colspan="5">Priority 5</th></tr>
<tr><th>Focus Area</th><th>Target indicator name</th><th>Target value 2023</th><th>Planned expenditure</th><th>Combination of measures</th></tr>
<tr><td rowspan="2">5A</td><td>T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)</td><td>294.28%</td><td rowspan="2">453,716,425.00</td><td rowspan="2">M01, M02, M04, M10</td></tr>
<tr><td>Percentage of viable lands for irrigations switching to more efficient irrigation</td><td>63.35%</td></tr>
</table>

	system (focus area 5A)			
5C	T16: Total investment in renewable energy production (€) (focus area 5C)	1,958,334.49	1,763,514.08	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)	0.40%	445,849,039.61	M01, M04
	T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	9.93%		
5E	T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	1.24%	124,513,043.00	M08
Priority 6				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
6A	T20: Jobs created in supported projects (focus area 6A)	24,474.00	629,806,487.53	M02, M04, M06
6B	T21: percentage of rural population covered by local development strategies (focus area 6B)	100.00%	1,933,886,250.00	M07, M19
	T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	26.63%		
	T23: Jobs created in supported projects (Leader) (focus area 6B)	2,055.00		

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 advisory services and information provided by the national public agricultural advisory system 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 advisory system aims at helping farmers to better understand and meet the EU's mandatory basic requirements on environment, public health and animal welfare and GAEC and SMR, as set out in art. 93 and Annex II of the R (EU) 1306/2013.

The current advisory system supports farmers and helps them to comply with the obligations at the level of agricultural holding from the regulatory requirements in terms of management, but also provides specific advisory related to production techniques and technologies.

In addition to the public services provided by the national system, the advisory services implemented under NRDP will be carried-out after selecting the providers of advisory services and will aim at farm modernisation, strengthening competitiveness, sectoral integration, association and short supply chain, innovation, market orientation and promotion of entrepreneurship in rural areas, 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), as well as the implementation of the commitments concluded for the environment and climate measures (agri-environment, organic farming).

Providing advisory services in Romania

The public agricultural advisory service provides advisory services such as provision of technological transfer, information and vocational training in agriculture. The technical and methodological coordination of this national service is done within the Ministry of Agriculture and Rural Development by the Department for Advisory, Extension and Vocational Training.

At territorial level, the public agricultural advisory service operates in all 41 counties within the county councils and at local level (NUTS5) in approximately 450 local centres that ensure direct links with farmers. The service has 850 advisers specialized in agriculture and related rural development sectors, including technological improvements and innovation actions. This service provides free advisory to farmers taking into account their specific needs.

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 paying agency (PIAA) (over 1 million farmers) as well as micro-enterprises in rural areas.

Periodically, they benefit from formation and training related to GAEC, SMRs, minimum requirements for use of fertilizers and plant protection products, code of good agricultural practices, etc.

In addition to these training and advisory programmes, the public advisory service, via qualified advisers provide individual advisory services to farmers on production and livestock techniques and technologies, organic farming and traditional products.

Besides the public advisory service there are over 360 private advisory service providers, registered at the Trade Register in Romania, most of them being 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 advisory related to farm inputs, for example, seeds and planting material, breeding material, etc.

The responsibilities of the public and the private sectors are set up and clearly stipulated in the current legislation, namely the public sector is mainly targeted towards the categories of small and medium farmers who represent the largest share in Romanian agriculture (80%) and have no financial power to ensure the counter value of their services, while the private advisory sector addresses a restricted category of farmers who may bear the costs of services, especially for the preparation of projects for companies, associations and large agricultural companies.

Strengthening the capacity of providers of public agricultural advisory services

In 2010, the coordination of the public system of advisory, information and vocational training was taken over by the MARD within the Department for Consultancy, Extension and Vocational Training, in view of the transition to a system of public-private Agricultural Chambers. Taking into account the low interest of the farmers for this approach, the reform of these services has not been finalized yet. Therefore, the public service previously described operates within normal parameters, and it is not affected by the undergoing reforms.

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

- Training of advisers 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 services provided by the Agricultural Chambers, through 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 providers, paying agencies and local authorities.

The National Rural Network (NRN), including its regional offices, will operate as important centres of information for local actors and will complement the other sources mentioned above. NRN will specifically inform the NRDP beneficiaries and will facilitate the innovation activities, including the establishment of links between farmers/foresters and researchers, advisers and other actors (EIP operational groups).

Moreover, the staff members of the Managing Authority and AFRI benefit annually from training courses both under the Annual Training Plan for Public Officials within the MARD and under the Annual Training Plan financed under the Technical Assistance measure.

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	M01, M16, M02, M19
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	M07, M19, M02, M06, M01, M16
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	yes	yes	6B, 6A	M06, M16, M07, M19
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	no	no	6B, 5C, 5A, 2C+, 2A, 5B	M04, M19, M16, M01, M07, M02
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	partially	partially	P4, 5C, 1B, 3B, 6A, 6B, 5E, 3A, 2C+, 1A	M16, M08, M17, M06, M04, M15, M19, M07
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.	partially	partially	P4, 5D, 2C+, 5A, 3A, 5C, 6A, 5E, 2A	M06, M10, M16, M11, M13, M15, M08, M07, M04
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	yes	yes	P4, 2C+, 1A, 5A, 3B, 2B, 1C, 1B, 5E, 6B, 2A, 3A, 5D, 5C, 6A	M19, M06, M11, M17, M01, M15, M13, M14, M08, M16, M04, M10, M09, M02, M07

progress towards results and to undertake impact evaluation.				
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	no	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	M13, M11, M10
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	M11, M10
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, M11
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.	no	no	5A	M04, M16
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	yes	yes	5C	M04, M06, M16, M19

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	GD no. 1194/2001 regarding the organization and functioning of National Council for Combating Discrimination http://www.madr.ro/ro/programare-2014-2020-pndr/comitet-consultativ-tematic/componenta.html http://www.madr.ro/ro/programare-2014-2020-pndr/comitet-consultativ-tematic/grupuri-de-lucru.html http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/comitet-monitorizare-2014-2020/componenta-CM-PNDR-2014-2020.pdf	GD no. 1194/2001 is the national legislative act regulating the organizing and functioning of National Council for Combating Discrimination (CNCD). In accordance with art.2, paragraph (1) let. f) of this Decision, CNCD is the national equality body, an autonomous, independent State authority in the field of discrimination, with a legal status, controlled by the Parliament and also a guarantor of the compliance with and implementation of the non-discrimination principle, in accordance with the applicable national legislation and the international documents to which Romania is part of. It has been developed a draft of a framework-document for consultation and, respectively, involvement of bodies responsible with anti-discrimination and a draft of a protocol between CNCD and MAs, the document now being in the consultation phase between the relevant programmes implementation authorities and CNCD. During the process of the 2014-2020 NRDP elaboration, a number of consultative meetings were organized 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), with thematic workgroups, was established as a partnership structure with an advisory role in

				setting and prioritizing the investments funded under the 2014-2020 NRDP, comprising the National Agency for Roma population (ANR) – CCT DRAP, the Foundation for Social Inclusion and Cohesion, the National Association for Women in Rural Areas as well – in Workgroups on Economic Development and LEADER. For the establishment of the Monitoring Committee for 2014-2020, MA NRDP aimed at involving some structure responsible with the promotion of anti-discrimination, respective National Agency for Roma population.
	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	http://www.cncd.org.ro/noutati/Comunicate-de-presa/Lansarea-proiectului-Formare-in-domeniul-antidiscriminarii-egalitatii-de-gen-si-al-drepturilor-persoanelor-cu-dizabilitati-212 http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Informative/anunturi/06.08.2014/Anunt.MFE.06.08.2014.pdf	CNCD implements the financing contract no. 1.3.174 from 14.05.2014 for the project "Training in anti-discrimination, gender equality and the rights of persons with disabilities" for the employees of the Managing Authorities, Intermediate Bodies, Audit Authority, Certifying and Paying Authority and the Ministry of European Funds. The courses will continue until the end of 2015. So far were conducted courses for module 1, antidiscrimination, 346 people being trained, of which 12 people from the MA NRDP.
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	www.mmuncii.ro/j33/index.php/ro/2014-domenii/egalitate-de-sanse-intre-femei-si-barbati/1849-legislatia-in-domeniul-egalitatii-de-sanse-intre-femei-si-barbati http://www.madr.ro/ro/programare-2014-2020-pndr/comitet-consultativ-tematic/componenta.html http://www.madr.ro/programare-2014-2020-pndr/comitet-consultativ-tematic/grupuri-de-lucru.html	The Ministry of Labor, Family, and Social Protection is a member of the Operational Programmes Monitoring Committees 2007-2013, including of MC NRDP 2007-2013. According to Article 4, letter c, paragraph 3 of GD. 344/2014 on the organization and operation of MMFPSPV, it has responsibilities for developing and implementing policies and national action plans of the Government in the field of equality between women and men. It was also developed a draft

				Framework Document for consultation and, respectively, involvement of anti-discrimination bodies and a draft protocol between the NCCD and MAs, the document being in the consultation process between the relevant programmes implementation authorities and CNCD. The National Council for Combating Discrimination is the national equality body, an autonomous, independent State authority in the field of discrimination, with a legal status, controlled by the Parliament and also a guarantor of the compliance with and implementation of the non-discrimination principle, in accordance with the applicable national legislation and the international documents to which Romania is part of. The promotion and integration of gender equality aspects in the 2014-2020 NRDP elaboration process have been ensured by the active involvement in the Workgroup on Economic Development of the Ministry of Labour, Family, Social Protection and Elderly People, but also the involvement of the National Association for Women in Rural Areas.
	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		CNCD implements the financing contract no. 1.3.174 from 14.05.2014 for the project "Training in anti-discrimination, gender equality and the rights of persons with disabilities" for the employees of the Managing Authorities, Intermediate Bodies, Audit Authority, Certifying and Paying Authority and the Ministry of European Funds. Expected results: the courses will continue until the end of 2015. So far were conducted courses for module 1 on antidiscrimination, 346 people being trained, of which 12 people from the MA NRDP. In February

				2015 module 2 of the project started aiming at training on gender equality.
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	http://www.cncd.org.ro/legislatie/ http://www.madr.ro/ro/programare-2014-2020-pndr/comitet-consultativ-tematic/componenta.html	MMFPSPV is a member of the Monitoring Committees of the Operational Programmes 2007-2013, including the MC NRDP. According to article 4, paragraph i) section 1 of GD no. 344/2014, MMFPSPV develops, coordinates and monitors the implementation of the national strategy in the field of disability and the national action plan. In the framework of the Monitoring Committee (MC) for NRDP 2014-2020, according to the Regulation of Organization and Operation, in order to ensure efficiency of the CM, technical working groups on specific areas will be organized. Currently, the process of establishment of working groups is in progress and, depending on the field, NCCD and Disability Protection Department of MMFPSPV will be co-opted. It was also developed a draft Framework Document for consultation and, respectively, the involvement of anti-discrimination bodies and a draft protocol between MMFPSPV, CNCD and MAs, the document being in the consultation process between the relevant programmes implementation authorities and CNCD. In accordance with Article 2 letter f in GD. 1194/2001, CNCD has responsibilities for supervising the enforcement and compliance with, by public authorities, businesses and individuals, the legal provisions on preventing, sanctioning and eliminating all forms of discrimination. The promotion of the rights of persons with disabilities 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 People (MMFPSPV). By its attributions in the implementation of the legislation on special protection and promotion of the rights of persons with disabilities, the Ministry of Labour, Family, Social Protection and Elderly ensures that the 2014-2020 NRDP preparation and implementation respects and promotes the rights of persons with disabilities.
	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	http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Informative/anunturi/06.08.2014/Anunt.MFE.06.08.2014.pdf	CNCD implements the financing contract no. 1.3.174 from 14.05.2014 for the project "Training in anti-discrimination, gender equality and the rights of persons with disabilities" for the employees of the Managing Authorities, Intermediate Bodies, Audit Authority, Certifying and Paying Authority and the Ministry of European Funds. The courses will continue until the end of 2015. So far were conducted courses for module 1, antidiscrimination, 346 people being trained, of which 12 people from the MA NRDP. Currently module 2 of the project is running and this will be followed by module 3 aiming at training on the rights of 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	Legea nr. 448/2006 privind protecţia şi promovarea drepturilor persoanelor cu handicap LEGE nr. 221/2010 pentru ratificarea Convenţiei privind drepturile persoanelor cu dizabilităţi	According to Art.2 of Law 221/2010 for the ratification of the CDPD, MMFPSPV through DDPD is the coordinating authority for the implementation of the Convention. The application of art. 9 UNCRPD is achieved by Law no. 448/2006 on the protection and promotion of the rights of persons with disabilities, The National Agency for

				Payments and Social Inspection has territorial representation and inspection tasks regarding the national social assistance system and participates in monitoring the implementation of art. 9 of the UNCRPD during the preparation and implementation of programs. Romanian legislation guarantees equal rights for citizens, in order to participate without discrimination in the economic and social life, including in the evaluation / selection / implementation of projects financed under the OP.
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.	No		EU public procurement directives were transposed in the Romanian legislation by Government Emergency Ordinance No. 34/2006, Government Decision No. 925/2006 and tertiary legislation. The National Authority for the Regulation and Monitoring of Public Procurement (ANRMAP) makes *ex-ante* verifications of the tender documentation. The Unit for Public Procurement Coordination and Verification (UCVAP) makes real-time checks of public procurement procedures. Also, MA NRDP has staff with specific responsibilities, responsible for checking the public procurement procedures. In order to improve public procurement procedures, further work is needed to strengthen the legal and institutional framework in this area, which is why this criterion is not considered fulfilled.
	G4.b) Arrangements which ensure transparent contract award	No		Government Emergency Ordinance 34/2006 on public

	procedures.			procurement establishes the principles governing the award of public procurement contracts: non-discrimination, equal treatment; mutual recognition; transparency, proportionality; efficient use of public funds and accountability. The ex-ante verifications made by ANRMAP/UCVAP provide guidance for the contracting authorities. The tender documents preparation and the offer evaluation are made by the contracting authority in accordance with tertiary legislation, avoiding the occurrence of situations identified by the European Commission/AA. The Electronic System for Public Procurement (SEAP) is constantly updated according to legislative amendments and is managed by MSI, containing all the calls for submitting offers of an estimated value lower than the threshold specified in the EU directives. The contracting authorities shall send notifications in the system for direct procurements of a value higher than EUR 5,000. www.e-licitatie.ro
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	No		The staff of MA NRDP participated, between September and October 2014, in training sessions on public procurement, including short presentation of the new European provisions. These training sessions were held within the technical assistance contract for preparing the programming period in the rural development field 2014-2020. In order to strengthen the administrative capacity of staff involved in the implementation of ESI funds, further training on public procurement is needed.

	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	No		The National Authority for the Regulation and Monitoring of Public Procurement (ANRMAP) has a fundamental role in developing, promoting and implementing the public procurement policy. The Ministry of European Funds developed Guidelines regarding the main risks in the field of public procurement. The guidelines are based on the recommendations made by the European Commission, issued as a result of audit missions. The guidelines help beneficiaries avoid the mistakes in this field. A standardized documentation for infrastructure projects (environment and transport sector) is currently in force, being used by the Contracting Authorities. http://www.anrmap.ro/documente
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.	No		Considering the current legislation on state aid, this conditionality should be considered as fulfilled. However, due to the new requirements laid down in the de minimis regulation, the criterion is considered as only partially fulfilled. This regulation provides that, as of January 2016, the cumulation of de minimis aid should be made through a database. Therefore, the Competition Council initiated the procedure for implementing a new database where the State aid will be entered at the time it is actually granted. This database will allow both the Competition Council, and the suppliers to verify *ex ante* the eligibility of the beneficiaries of State aid/de minimum aid and to check, as well, the cumulation rules or the compliance with the “Deggendorf” principle. The new database will be developed within a project financed through OPTA and is expected to become operational

				at the end of 2015. The experts of the Competition Council permanently assist the experts within the supplying authorities (including those which grant European funds) to draft new State aid schemes. The supplier / scheme administrator is mainly responsible to monitor the State aids granted and to comply with the "Deggendorf" principle. In addition, the Competition Council receives reports regarding the aids granted in Romania, on an annual basis. The data are aggregated and included in reports. The national monitoring process provides the Competition Council with the possibility of checking the compliance with the cumulation rules and the "Deggendorf" principle. If any irregularities are found, the Competition Council shall request the suppliers/administrators to recover any amount of money granted without following the rules.
	G5.b) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	www.renascc.eu www.ajutordestat.ro www.ajutordestat.eu	A specialized website regarding the State aid was permanently developed and updated. The staff of MA NRDP participated, between September and October 2014, in training sessions on State aid, including in sectors such as agriculture, forestry and the rural areas. These training sessions were held within the technical assistance contract for preparing the programming period in the rural development field 2014-2020. 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. The training activities will be carried-out with support from the Competition Council (the

				National State Aid Network), as well as with support from the National Agency of Civil Servants. The Competition Council experts permanently help the experts within the supplying authorities (including those which grant European funds) in developing new State aid schemes.
	G5.c) Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Yes	www.renascc.eu www.ajutordestat.ro www.ajutordestat.eu	The EU State aid legislation also applies to Romania since January 2007. The Competion Council (CC) is the central body that provides at national level the compliance with the State-aid rules, in accordance with GEO no. 77/2014 on the national procedures in the field of State aid, as well as for modifying and supplementing the Competition Law no. 21/1196. Also, CC provides legal and practic assistance on the applicability of State-aid legislation within operational programmes. The Competition Council has the administrative capacity to carry-out its tasks on the State-aid from both national and European budget. The national procedural rules are laid down in Government Emergency Ordinance no. 117/2006. Under those rules, all excepted and notifiable state aid schemes must be evaluated by the Competition Council, before being submitted to the European Commission. The Competition Council is member of the Thematic Advisory Committee for Rural Development, Agriculture and Fishery, a partnership-based structure within the process of development of NRDP 2014-2020. The General Division for European Affairs and International Relationships

				ensures the coordination with European Commission's departments in charge with state aid in the agricultural sector. 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.
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	Government Decision No. 445/2009 on the assessment of the environmental impact of certain public and private projects; Government Decision No. 1076/2004 establishing the procedure of developing environmental assessment for plans and programmes; Order MMP, MAI, MARD and MDRT no. 135/76/84/1284/2010 and GD no. 1000/2012; Order of the Minister of Waters and Environment Protection no. 864/2012 for approval of the procedure for assessing the impact on the environment in cross-border context and for participation of public in decision-making in the case of projects with cross-border impact. Order of the Minister of Waters and Environment Protection no. 863/2012 on the approval of methodological guides applicable to the stages of the framework procedure for assessment of the impact on environment; Methodological guide regarding the stage of project classification within the procedure for assessment of the impact on environment and Methodological guide regarding the stage of analysis of the quality of report of the study for assessment of impact on environment. Order of the Minister of Environment no. 1026/2009 on the approval of the conditions for developing the environment report, the report on the impact on environment, the environment balance, the security report and the study of proper evaluation.	Romania transposed the Directives SEA / EIA by GD no. 445/2009 and GD no. 1076/2004. From an institutional perspective, EIA / SEA procedure is unitary applied at the level of MMSC, ANPM, county environment protection agencies, according to the competencies arising from the Joint Order of MMP, MIA, MARD and MDRT no. 135/76/84/1284/2010 and GD no.1000/2012. The legal framework will be regularly updated.
	G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	No		Romania applies a system of dissemination and exchange of information for staff involved in the implementation of the EIA Directive and SEA Directive. On the websites of MMAP and ANPM there has been published information on the implementation of the EIA Directive and SEA Directive. Between 2014 and 2020, the training of environmental authorities will take place based on the strategy and plan for training of staff involved in the implementation of EIA and SEA at all relevant levels. Training will take place in two phases: 2014-2016 and 2017-2020, using funds from the 2007-2013 and 2014-2020 periods.

	G6.c) Arrangements to ensure sufficient administrative capacity.	Yes	There are documents which can be considered tools useful in carrying-out EIA/SEA activities (guidelines, procedures): - Guidelines on infrastructure: http://www.anpm.ro/ghiduri_eia-54776 - Sectorial guidelines: http://www.anpm.ro/articole/avizul_de_mediu-85 - Order No. 19/2010 approving the methodological assessment guidelines, according to the Habitat Directive: http://www.mmediu.ro/protectia_mediului/legislatie_orizontala/legislatia_specifica/Evaluarea-adecvata.pdf - Order No. 117/2006 approving the manual of procedures implementing the environmental assessment for plans and programmes: http://www.mmediu.ro/legislatie/acte_normative/legislatie_orizontala/04sea.pdf Order of MMP, MIA, MARD şi MRDT nr. 135/76/84/1284/2010 GD no. 1000/2012 GD no. 445/2009, Order Minister of Environment no. 1026/2009 Order of the minister of water and environmental protection no. 863/2002	Specialized structures in the field of EIA/SEA implementation are in place both at national and at county level (the National Environment Protection Agency and territorial structures) and have enough qualified staff to initiate the specific activities, according to the competencies arising from Minister Order No. 135/2010 and Government Decision No. 1000/2012. The specific legislation includes elements which help providing the information used within the EIA/SEA procedure, as well as Government Decision No. 445/2009, Order of the Minister of Environment No. 1026/2009 Order of the Minister of Water and Environmental Protection No. 863/2002
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.	G7.a) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation	Yes	The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States.	According to Annex 1, Part 4 of Regulation (EU) No. 808/2014 laying down rules for the application of Regulation 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States, contains the elements laid down under article 14 of the Regulation (EU) No. 808/2014 establishing the rules implementing Regulation 1305/2013.
	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	The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States.	According to Annex 1, Part 4 of Regulation (EU) No. 808/2014 laying down rules for the application of Regulation 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States, contains the elements laid down under article 14 of the Regulation (EU) No. 808/2014 establishing

				the rules implementing Regulation 1305/2013.
	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	The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States.	According to Annex 1, Part 4 of Regulation (EU) No. 808/2014 laying down rules for the application of Regulation 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States, contains the elements laid down under article 14 of the Regulation (EU) No. 808/2014 establishing the rules implementing Regulation 1305/2013.
	G7.d) An effective system of result indicators including: the establishment of targets for these indicators	Yes	The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States.	According to Annex 1, Part 4 of Regulation (EU) No. 808/2014 laying down rules for the application of Regulation 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States contains the elements laid down under article 14 of the Regulation (EU) No. 808/2014 establishing the rules implementing Regulation 1305/2013.
	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	The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States.	According to Annex 1, Part 4 of Regulation (EU) No. 808/2014 laying down rules for the application of Regulation 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States contains the elements laid down under article 14 of the Regulation (EU) No. 808/2014 establishing the rules implementing Regulation 1305/2013.

	G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators	Yes	The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States.	According to Annex 1, Part 4 of Regulation (EU) No. 808/2014 laying down rules for the application of Regulation 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System, developed by the European Commission together with the Member States contains the elements laid down under article 14 of the Regulation (EU) No. 808/2014 establishing the rules implementing Regulation 1305/2013.
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		
	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.	No		
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	Common 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. http://www.apia.org.ro/files/pages_files/Ghid_eco-cond_pt_2014_19_mai.pdf	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 791/1.381/2006 for the definition of the good agricultural and environmental conditions in Romania and the joint Order no 15/56/2008 of the minister of agriculture, forests and rural development and of the minister of environment and sustainable development on the adoption of the measures

				regarding the good agricultural and environmental conditions in Romania. 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) 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. 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. A draft joint MADR/MMAP/ANSVSA order approving the rules on cross-compliance within the support schemes and support measures for Romanian farmers (MARD/MMAP no. 352/2015, to be approved at ANSVSA level) that define all the cross-compliance rules (GAEC standards and SMR requirements) as provided by articles 93 and 94 of Regulation (UE) No. 1306/2013 of the European Parliament and the Council, under the framework laid down under Annex II to that regulation, is under development. The mandatory requirements and standards in the field for farmers, applicable between 2014 and 2020, are similar to those included in the current legislation.

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	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 - Government Decision No. 1559/2004 on the procedure for the approval of plant protection products for placing them on the market and use in Romania, with the subsequent amendments. - Government Ordinance No. 4/1995 on the production, marketing and use of plant protection against diseases, pests and weeds in agriculture and forestry - articles 28 and 55 of 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 - article 27, paragraph (1), letter e) of Government Ordinance No. 4/1995 on the production, marketing and use of plant protection products against diseases, pests and weeds in agriculture and forestry.	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 Minister of Environment and Water Management and the Ministry of Agriculture, Forests and Rural Development is under amendment in order to be compliant with the Action Plan for the protection of waters against pollution with nitrates from agricultural sources, 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. Integrated Pest Management (IPM) is ensured by legal obligations of national law, applicable to farmers. These legal obligations which are basic requirements for M10 and M11 are correlated with the principles from Annex III of Directive 2009/128. Romania transposed EU Directive 2009/128/EC on the sustainable use of pesticides. According to GO no. 34/2012 for establishing the institutional framework for action to the sustainable use of pesticides in Romania, which transposed the Directive, the principles of integrated pest management are considered voluntary. Regarding Principle 2: in accordance with the national legislation, pest monitoring is under the responsibility of national authorities (Phytosanitary Agency). As regards principle 8: professional pesticide users should keep records of used pesticides.
P4.3) Other relevant national	P4.3.a) Relevant mandatory national	Yes	Order No. 187/2.155/42/2011 of the Minister of Agriculture and Rural Development, Minister of	Romania started to implement the

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	standards are specified in the programmes		Environment and Forests and the president of the National Sanitary-Veterinary and Food Safety Authority that approves the statutory management requirements (SMRs) for environment and for identifying and registering the animals of Romanian farmers in schemes and measures, with subsequent amendments Joint Order No. 496/1632/65/2013 of Ministry of Agriculture and Rural Development/Ministry of Environment and Climate Change / the National Sanitary-Veterinary and Food Safety Authority MARD Order no. 765/2009 on the approval of the rule on reproduction animal from cattle species Order no. 20/2006 on the approval of the rule on reproduction animal from sheep and goat species, with subsequent amendments MAFRD Order no. 13/2006 on the approval of the rule on reproduction animal from swine species, with subsequent amendments GEO no. 113/2002 on the identification and registration of cattle in Romania GEO no. 23/2010 on the identification and registration of pigs, sheep and goats, with subsequent amendments Animal husbandry Law no. 72/2002, with subsequent amendments GD no. 1156/2013 on the approval of the Program of actions for supervision, prevention, control and eradication of animal diseases transmissible from animals to humans, protection of animals and environment, identification and registration of cattle, pigs, sheep and goats, horses.	statutory management requirements (SMRs) in 2012 , by Order no. 187/2.155/42/2011 of the Minister of Agriculture and Rural Development, the Minister of Environment and Forests and the president of the National Sanitary-Veterinary and Food Safety Authority (ANSVSA) that approves the statutory management requirements (SMR) for environment and the identification and registration of the animals of Romanian farmers into schemes and measures, with subsequent amendments. In 2013, this Order was amended by means of Joint Order No. 496/1632/65/2013 of the Minister of Agriculture and Rural Development/the Minister of Environment and Climate Change/the National Sanitary-Veterinary and Food Safety Authority in order to review a number of mandatory requirements and/or control elements for SMR 1- SMR 8. A draft joint order approving the rules on cross-compliance within the schemes and measures for supporting the farmers in Romania (MARD/MMAP no. 352/636/2015, to be approved at ANSVSA level), which define all the rules on cross-compliance (GAEC standards and SMR requirements) as provided by articles 93 and 94 of Regulation (EU) No. 1306/2013 of the European Parliament and the Council, under the framework established in annex II to this regulation, is currently being elaborated. The mandatory requirements and standards in the field for farmers, applicable between 2014 and 2020, are similar to those in the current legislation. Other relevant national standards: 1. The obligation of animals being thoroughbred and registered in the studbook of the

				breed - the main section: - CATTLE: according to art. 1 letter a and b of MARD Order nr.765 / 2009 approving the rule on breeding animals of the bovine species - SHEEP AND GOATS: art. 2 letter a and b of the MAFRD Order no.20 / 2006 - HORSES: art. 6 letter of Law nr.389 / 2005 - PIGS: art. 1 letter a and c of MAPDR no. 13/2006 2. Obligation to identify animals: - CATTLE: according to art. 1 letter a) of the GEO no.113 / 2002 - SHEEP AND GOATS: art. 1 letter a) of the Government Emergency Ordinance No.23 / 2010 - HORSES: art. 19 paragraph (1) of animal husbandry Law No. 72/2002 - PIGS: art. 1 letter a) of the Government Emergency Ordinance No.23 / 2010 3. The requirement for animals to be included in the program for supervision, prevention, control and eradication of animal diseases transmissible from animals to humans, animal protection and environmental protection, the identification and registration of cattle, pigs, horses, sheep and goats, approved by GD nr.1156 / 2013.
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	No		Law 241/2006 of water supply and sewerage service Government Decision No. 1202/2010 on the update of the amount of specific contributions for the management of water resources Order of the MARD No. 120/2011 for the approval of the

	of the region or regions affected.			methodological rules on the calculation and payment of tariffs for services for land improvements The water use contribution to the recovery of the water service costs is regulated by articles 80-82 of Water Law No. 107/1996, transposing article 9 of Water Framework Directive 2000/60/EC. Thus, specific water management contributions were set for the use of water, taking into consideration the water resource category and the various water users. The contribution set for water users takes into consideration environmental, economic and social effects and the specific geographic and climate conditions. To encourage the efficient use of water resources, the Water Law set a system of bonuses granted to the water users that constantly show a particular concern for the rational use of water and water quality protection, by constantly discharging, at the same time with treated waste waters, impurifying substances with concentrations and in amounts lower than those laid down in the water management authorization. Penalties shall be enforced against water users where deviations from the regulated provisions are found, *i.e.* exceeding both the water quantities used, and the concentrations and quantities of impurifying substances discharged into water resources. In the process of development of the 2nd River Basin Management Plan (PMBH) will be carried out an analysis regarding the identification of externalities as part of the environmental costs and the possible impact on water resources, based on methodologies recommended by the European Commission.

				Also, based on Order no. 120/2011 of the Minister of Agriculture and Rural Development, land improvement fees are set, in order to ensure an equitable use of the land development schemes, the irrigation systems or drainage systems and works for protection against floods or soil erosion, to protect the interests of all beneficiaries, to prevent the inefficient usage of water, humidity excess, soil erosion and pollution and in order to promote the environment protection according to the environmental standards.
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	The website of the Romanian Energy Regulatory Authority contains information about the promotion system, the green certificate market, guarantees, the legal framework http://www.anre.ro/informatii.php?id=388: Law No. 220/2008 establishing the system of promoting energy production from renewable energy sources, as republished Government Decision No. 90/2008 approving the Regulation regarding the users' connection to electric grids of public interest	Transportation system operators and distribution system operators guarantee the transportation and distribution of electricity from renewable sources, with priority access.
	P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC	Yes	The National Action Plan for Energy from Renewable Sources (NAPERS) http://www.minind.ro/energie/PNAER_final.pdf	The National Action Plan for Energy from Renewable Sources (NAPERS) 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.

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
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.	**Ensuring clear legislative framework, stable and coherent** • Empowering the competent authority to ensure consistency with sectorial legislation; • Monitoring and management of public procurement; • Impact assessment and consultation of stakeholders in drafting new legislation; • The translation of the new directives; • The promotion of the new legislation. **Ensuring effective institutional framework** • Institutional and inter-institutional coordination; • Accessible jurisprudence. **Verification and control mechanisms** • More efficient ex-ante controls • Strengthen UCVAP for implementing observations • Prevention and detection of conflict of interest **Strengthening the effectiveness of the system of means of appeal** • Discourage unfair complaints • Specialization of the judges from appeal courts • Predictable CNSC decisions The measures will be detailed, adjusted and monitored under the joint working group RO-EC (DG MarktRegio) based on a timetable mutually agreed	31-03-2016	The National Authority for Regulating and Monitoring Public Procurement (ANRMAP) The National Council for Solving appeals The ministry of European Funds

		The detailed action plan concerning public procurement		
	G4.b) Arrangements which ensure transparent contract award procedures.	The development of a good practices guide regarding the main stages to be followed during the evaluation process, regardless of the source of funds and the financing source	30-06-2015	Autoritatea Naţională pentru Reglementarea şi Monitorizarea Achiziţiilor Publice (ANRMAP) Ministerul Fondurilor Europene
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	It will be developed a national strategy on training of stuff, aiming at the following tasks: - The set-up of a group of experts for evaluation; - The examination of effectiveness of staff training actions. It will be developed a guide of good practices on the main steps that must be followed-up during the evaluation process, despite the funds and financing source.	30-09-2015	The National Authority for Regulating and Monitoring Public Procurement (ANRMAP) The ministry of European Funds
	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	The development, whenever relevant, of standard procurement documentation and help from OCA (central procurement bodies)	30-06-2015	National Authority for Regulating and Monitoring the Public Procurement (ANRMAP)
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.	Develop a database for ex ante verifying the eligibility of beneficiaries for state aid / de minimis aid, consisting of: - Signing the Protocol of Cooperation between the Competition Council, Ministry of European Funds and Special Telecommunications Service for creating, using and developing / modifying the database (including changes to national legislation on state aid). - The procurement of computer equipment and licenses - Purchase of equipment. - Uploading data from SMIS as part of the testing phase - Updating the database in real time (including the import of data from SMIS in real time). - Amendment to national legislation on state aid to introduce the obligation for initiators / providers of state aid to use the database.	31-12-2015	The competition Cuncil

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.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	For the 2014-2020 period the training of competent authorities involved in implementing the EIA / SEA Directives at all relevant levels will be achieved based on the strategy and plan developed through JASPERS assistance. The Strategy and Plan include 2 cycles: 2014-2016 and 2017-2020 Each cycle will be organized in two stages: • EIA training: 15 sessions, three days for each session; • SEA training: 15 sessions, two days for each session. Also, in the near future it is intended to identify new fields (domains) for which it may be necessary to have methodological guides and instruments similar to JASPERS guides, for carrying-out EIA. The detailed action plan for fulfilling this criterion is foreseen under annex no. 2 of Chapter 6.	31-12-2016	Ministry of Environment, Waters and Forests

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;	The main risks in Romania will be evaluated within a technical assistance project. The institutions with risk prevention and management responsibilities were identified in accordance with Government Decision No. 2288/2004. The main risks are evaluated in Romania through a Working Group for Risk Assessment at National Level (GLERN), supported through technical assistance, which has representatives of all central public administration authority who manage types of risks, representatives of academies/universities and institutions of research in this field. . A legal framework will also be developed and approved in order to render the working group operational. Risk assessment will be made based on a methodology, in accordance with EC guide for assessing and mapping the risks and will take into consideration all 3 categories of impact (human, economic and environmental, political and social), as well as cross-border aspects. Also, the assessment will provide prioritization of investments,	30-11-2016	Ministry of Interior Affairs – General Inspectorate for Emergencies
	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;	According to the Partnership Agreement (pt. 717), support from Community funds will be limited to the risk of which assessment has already been started. In this respect, regarding measure 17.2 - Mutual funds within the NRDP 2014-2020, in compliance with art. 19 (5) of Regulation no. 1303/2013, based on the provision of PA, till the achievement of national risk assessment, Romania will declare as eligible only administrative expenses of setting up mutual funds, the compensation paid to farmers not being reimbursed. After completion of this risk assessment, Romania will reassess the incidence of risks with impact on Measure 17.2.	30-11-2016	Ministry of Interior Affairs – General Inspectorate for Emergencies
	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.	The national strategy for adaptation to climate changes will be taken into consideration for prioritizing the investments addressed to specific risks, providing the resilience to natural disasters and the development of a system for managing disasters. The national strategy for adaptation to climate changes has been approved by GD no.529/2013 and addresses the impact of climate changes on the health of agriculture and forests, biodiversity and ecosystems, waters, sea and coastal areas, infrastructure and constructions, as well as the adaptation component.	30-11-2016	Ministry of Environment, Waters and Forests Ministry of Interior Affairs – The General Inspectorate for Emergencies

		http://www.mmediu.ro/beta/wpcontent/uploads/2012/10/2012-10-05-Strategia_NR-SC.pdf An extended presentation of sectorial actions will be developed through the National Action plan regarding Climate changes, whose preparation started in the second trimester 2014m, as part of a technical assistance project The detailed action plan for fulfilling the ex-ante conditionality on prevention and risk management is foreseen under annex 3 of Chapter 6.		
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.	Analysis of cost recovery for water services was fulfilled in the first PMBH, the costs of water services being recovered according to art. 9 Water Framework Directive. Cost recovery provisions are found in Law 241/2006 on water and sewage services and HG 1202/2010 on updating the specific contributions for water resources management. The Master Plans for water / wastewater investments have a chapter on economic analysis, being taken into consideration the accessibility of water prices, the economic effects of cost recovery of water services and specific geographical conditions. The update of the 11 PMBH will include a discussion on the identification of externalities as part of environmental costs and the impact on water resources. PMBH will include an assessment of diffuse pollution costs, based on a methodology that will be completed by 30/06/2015.	22-12-2015	Ministry of Environment, Waters and Forests

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)	1,864,161,812.31		15%	279,624,271.85
	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)	12,760.00		18%	2,296.80
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		Number of agricultural holdings participating in risk management schemes (focus area 3B)	15,000.00			
		Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)	1,368.00			

	X	Total Public Expenditure P3 (EUR)	995,367,203.72		39%	388,193,209.45
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry		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)	1,577,050.00			
	X	Total Public Expenditure P4 (EUR)	2,813,740,122.00		40%	1,125,496,048.80
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)	1,025,842,021.69		11%	112,842,622.39
		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)	401,875.00			

		Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)	9.00			
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X	Population covered by LAG (focus area 6B)	9,610,132.00		100%	9,610,132.00
		Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)	1,151.00			
	X	Total Public Expenditure P6 (EUR)	2,563,692,737.53		6%	153,821,564.25

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

7.1.1.1. Total Public Expenditure P2 (EUR)

Applicable: Yes

Target 2023 (a): 1,864,161,812.31

Adjustment top ups (b):

Milestone 2018 % (c): 15%

Milestone absolute value (a-b)*c: 279,624,271.85

Justification for the milestone setting:

Setting of intermediary milestones started from the existing situation in 2011 for the correspondent measures. Thus, for investments measure 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 2011 the paid value for finalized projects represented 13.27% of the allocation of measures 112 and 121) In the case of projects for the adaptation 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 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 in 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.

7.1.1.2. 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): 12,760.00

Adjustment top ups (b):

Milestone 2018 % (c): 18%

Milestone absolute value (a-b)*c: 2,296.80

Justification for the milestone setting:

Setting of the intermediary milestones started from the previous experience because the two measures contributing to the milestone have a corresponding measure in the 2007-2013 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 made for projects finalized at the end of the year 2011 were analyzed. (17% of the contracted projects were finalized and the paid value for the finalized projects represented 13.27% of the allocation). 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, as well as beneficiaries of transitional commitments from measure 112 (correspondent to sub-measure 6.1).

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

7.1.2.1. 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.

7.1.2.2. 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): 1,368.00

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”.

7.1.2.3. Total Public Expenditure P3 (EUR)

Applicable: Yes

Target 2023 (a): 995,367,203.72

Adjustment top ups (b):

Milestone 2018 % (c): 39%

Milestone absolute value (a-b)*c: 388,193,209.45

Justification for the milestone setting:

A significant part of the financial allocation for this priority corresponds to measure 14 Animal welfare and represents commitments concluded in the 2007-2013 period 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 this type of projects, 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 setting-up of mutual funds, its contribution to the milestones will be also insignificant.

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

7.1.3.1. 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): 1,577,050.00

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)".

7.1.3.2. Total Public Expenditure P4 (EUR)

Applicable: Yes

Target 2023 (a): 2,813,740,122.00

Adjustment top ups (b):

Milestone 2018 % (c): 40%

Milestone absolute value (a-b)*c: 1,125,496,048.80

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%. (taking into account an undersized budget related to axis 2 in 2011).

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. Considering that the payment applications for agri-environment (including certified organic farming) submitted in 2015 will be paid from the 2007 – 2013 budget, as well as that in the B3 table which will be the base for calculation the level of accomplishment of milestones in 2018 there are reported only payments paid entirely for 1 year of commitment, we are estimating that until 2018, 40% of the budget for P4 will be used (proportionally with the timeline).

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

7.1.4.1. Total Public Expenditure P5 (EUR)

Applicable: Yes

Target 2023 (a): 1,025,842,021.69

Adjustment top ups (b):

Milestone 2018 % (c): 11%

Milestone absolute value (a-b)*c: 112,842,622.39

Justification for the milestone setting:

85% of the allocation for this priority is for the measure for investments in physical assets, the amounts being dedicated to investments in livestock farms and investments for the 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 (10% of the contracted projects were finalized in 2011, the paid value for these represented 3.4% of the contracted value). In the case of 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 2011 no project targeting irrigations was finalized). 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 2014-2020 programming period.

7.1.4.2. 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): 401,875.00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0.00

Justification for the milestone setting:

Considering the important contribution of sub-measure 4.3 to focus area 5D, we shall use a KIS indicator, namely “Irrigated area by shifting to a more efficient irrigation system” (at the level of contracted projects). This indicator was chosen based on the previous experience within M125 that proved that investments 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.

7.1.4.3. 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 investments 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 (from biomass) from 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.

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

7.1.5.1. Population covered by LAG (focus area 6B)

Applicable: Yes

Target 2023 (a): 9,610,132.00

Adjustment top ups (b):

Milestone 2018 % (c): 100%

Milestone absolute value (a-b)*c: 9,610,132.00

Justification for the milestone setting:

One of the objectives for the 2014-2020 programming period is the increase of the area covered by LAGs and implicitly of the population, up to the threshold of 100% 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.

7.1.5.2. 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 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 based on experience of the 2007-2013 programming period requires a longer period for undertaking public procurement and then completion of works, and for focus area 6C no allocation is foreseen and no intermediary milestone can be set up for the performance framework.

7.1.5.3. Total Public Expenditure P6 (EUR)

Applicable: Yes

Target 2023 (a): 2,563,692,737.53

Adjustment top ups (b):

Milestone 2018 % (c): 6%

Milestone absolute value (a-b)*c: 153,821,564.25

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 infrastructure projects, 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 4,8% 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.

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 farms supported for animal welfare	497.00		70%	347.90
	X	Number of operations supported by 4.2	279.00		15%	41.85
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)”	6,277,050.00		80%	5,021,640.00
P5: Promoting resource efficiency and	X	Area (ha) concerned by investments for saving	362,745.00		40%	145,098.00

supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		water (e.g. more efficient irrigation systems…) – KIS				
	X	Nr of operations supported by 4.1 (e.g. manure storage, manure treatment)	870.00		13%	113.10
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	1,151.00		60%	690.60

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

7.2.1.1. Number of farms supported for 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 commitments concluded for animal welfare in the period 2007-2013 and finalized mostly in 2017, and for the year 2018 only the beneficiaries whose commitments started in 2014 will be in the tables as they have a reduced weight in the 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. Considering that there will be no new commitments and that the transferred commitments from the 2007 – 2013 period will be finalized before the beginning of 2023, the target will be achieved in the previous year and reflects the entire 2014 – 2023 programing period).

7.2.1.2. Number of operations supported by 4.2

Applicable: Yes

Target 2023 (a): 279.00

Adjustment top ups (b):

Milestone 2018 % (c): 15%

Milestone absolute value (a-b)*c: 41.85

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%. We estimate that in the 2014 – 2020 period due to the system simplification the absorption will be facilitated so that a 15% percentage may be set-up as a stage objective.

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

7.2.2.1. 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): 6,277,050.00

Adjustment top ups (b):

Milestone 2018 % (c): 80%

Milestone absolute value (a-b)*c: 5,021,640.00

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 landmark (M211, M212 and M214) reached to 76,5%, and 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

7.2.3.1. Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems…) – KIS

Applicable: Yes

Target 2023 (a): 362,745.00

Adjustment top ups (b):

Milestone 2018 % (c): 40%

Milestone absolute value (a-b)*c: 145,098.00

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 (beneficiaries are not farmers from sub-measure 4.1, the complex irrigations systems investments are targeted here and not the on-farm investments). In the programming period 2007-2013 the contracting percentage was 32,6 % of the milestones foreseen in the programme.

7.2.3.2. No. of operations supported by 4.1 (e.g. manure storage, manure treatment)

Applicable: Yes

Target 2023 (a): 870.00

Adjustment top ups (b):

Milestone 2018 % (c): 13%

Milestone absolute value (a-b)*c: 113.10

Justification for the milestone setting:

The chosen additional indicator 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.

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

7.2.4.1. Numărul de operațiuni contractate pentru a îmbunătăți serviciile de bază și infrastructura în zonele rurale (P6B și P6C) - KIS

Applicable: Yes

Target 2023 (a): 1,151.00

Adjustment top ups (b):

Milestone 2018 % (c): 60%

Milestone absolute value (a-b)*c: 690.60

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 60% also in the NRDP 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	1,629,254,821.40	1,551,445,234.38	93,086,714.04	77,572,261.72	108,601,166.41	6%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	846,212,509.00	865,471,341.92	51,928,281.00	43,273,567.10	60,582,993.93	6%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	2,392,187,412.43	2,446,630,873.38	171,264,161.14	122,331,543.67	171,264,161.14	7%
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	874,845,354.17	894,755,838.04	44,737,791.90	44,737,791.90	62,632,908.66	5%
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	2,207,128,386.00	2,257,360,114.28	119,922,856.04	112,868,005.71	158,015,208.00	5.31%

Total	**7,949,628,483.00**	**8,015,663,402.00**	**480,939,804.12**	**400,783,170.10**	**561,096,438.14**	**6%**

8. DESCRIPTION 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 and common provisions for investments, including the provisions of Articles 45 and 46 of regulation (EU) No 1305/2013

Scope of measures and sub-measures

Depending on their specificity, the scope indicated in the technical measures fiches and sub-measures under the National Rural Development Programme 2014-2020 may refer to the level of:

- the entire Romanian territory (administrative-territorial units LAU2 – municipalities, cities and communes): 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.
- the rural area (defined as the totality of communes at the level of administrative-territorial unit, a commune being the smallest administrative-territorial unit, NUTS 5 level), for sM6.2, sM6.4, M7 of NDRP.

From an administrative standpoint, the Romanian territory is represented by 320 localities as urban area and 2,861 communes comprising the rural area. 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 is represented by all the communes with composing villages;

- the rural area for M19, LEADER (specifically defined according to the LEADER approach as being composed of administrative-territorial units-communes and administrative-territorial units – small towns with a population of maximum 20,000 inhabitants).
- the administrative-territorial units placed in eligible areas for measures 10, 13, sM4.1a, sM4.2a, sM9a, and sM16.4a.

Specifications for beneficiaries and relevant definitions for several measures:

Beneficiaries of non-refundable funds are mentioned in the technical measures fiches and sub-measures under NRDP 2014 - 2020 in compliance of Reg. (EU) no. 1305/2013.

Relevant applicable definitions:

a. Agricultural activity, based on the provisions established in Art. 4(1)(c) of Reg. 1307/2013 and Ordinance no. 3/2015 *approving payment schemes that apply in agriculture in the period 2015-2020 and to amend art. 2 of Law no. 36/1991 on agricultural companies and other forms of association in agriculture*, means as appropriate:
   - production, rearing or growing of agricultural products including harvesting, milking, breeding animals and their ownership for agricultural purposes;
   - maintaining an agricultural area in a state that makes it suitable for grazing or for cultivation without any preparatory action, going beyond the usual agricultural methods and normal agricultural equipment, by following the cross-compliance rules or
   - carrying out a minimum activity on agricultural areas usually maintained in a suitable state for grazing or cultivation, on arable land by removing vegetation through mowing or disking or by using weed-killers at least once a year and on permanent pastures by grazing providing the equivalent of a minimum load of 0.3 LU/ha with the animals they breed or annual mowing, in

accordance with the stipulations of the specific legislation in the pasture sector. In the case of the permanent pastures, which are naturally kept in a good condition for grazing, located at altitudes higher than 1800 meters, the minimum activity consists of grazing, providing a minimum load of 0.3 LU ha with the animals they breed.

- in the case of vineyards and orchards the minimum agricultural activity requires at least one annual cutting for maintenance and at least one annual grass mowing between the rows or annual soil maintenance work.

b. Forestry - a branch of forestry economy which includes culture, development, protection and exploitation of the forest heritage, providing the raw material for the forest industry;

c. Support for investments - community and national public support granted as non-refundable financing and/or as financial instruments;

d. Processing of agricultural products - any operation on an agricultural product resulting in a product which is also an agricultural product, except on-farm activities necessary for preparing an animal or plant product for first sale. If notified as state-aid, EAFRD support may be extended also for processing and marketing of final agricultural products resulting in non-Annex I products;

e. Marketing of agricultural products - holding or exposing an agricultural product in order to sale it, offering it for sale, delivering it or any other manner of placing it on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale done by a primary producer to final consumers is considered as marketing of agricultural products if it takes place in separate premises reserved for that activity;

f. Integrated Project - combination of at least two operations covered by at least **two** different measures**,** one of them being measure 4, and provides access to financing to the same beneficiary. An integrated project may be submitted in a single financing application, may be evaluated as such in a single call and different operations may start simultaneously. The eligibility conditions related to all operations included in the integrated project must be fulfilled until the signing of the financing contract, even if the implementation of some of the operations is scheduled at a later stage. According to R 808/2014 laying down rules for the application of R (EU) 1305/2013, art. 11 (3), when an operation falls under two or more measures or under two or more different types of operations, Member States may attribute the expenditure to the dominant measure or type of operation. The specific contribution rate of the dominant measure or type of operations shall apply;

g. Farmers – natural or legal persons (public or private law) or a group of natural or legal persons, irrespective of their legal status, that such a group and its members have under national law, whose farm is situated in Romania and who exercises an agricultural activity;

h. Active farmers – definition of the farmer established by national legislation, based on the provisions art. 9 of Reg (EU) No. 1307/2013;

i. Small farm - a holding with economic size between 8,000 -11,999 € SO (standard output value);

j. Medium size farm - a holding with economic size between 12000-250 000 € SO (standard output value);

k. Family Farm - a holding belonging to the family business or legal person whose associates are exclusively members of the same family. The economic size of the family farm is between 8000-250

000 € SO. By members of the family is understood the husband/wife and relatives up to the third degree inclusive according to the Ordinance 43/2013 with subsequent amendments and completions.

The specific conditions relating to beneficiaries and other specific definitions are described in the measures/sub-measures fiches.

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, beneficiaries shall be notified that their data will be published 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 in order to protect 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:

- **Reg (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 Reg. (EU) no 807/2014** supplementing R (EU) no. 1305/2013 – art. 13 on investments;
- **Reg (EU) no. 1303/2013** –art. 6 on compliance with Union and national law, Title IV Financial instruments of Reg. 1303/2013 (art. 37 on financial instruments, art. 42 on eligible expenditure at closure) and Chp. III of Title VII of Reg. 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, according to article 45, paragraph 2 letter c) of R (EU). 1305/2013, 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 according to article 45 (2) (d): software purchase or development and purchase of patents, licenses, 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 will be set out in the national legislative implementation framework.

The eligible expenditure for financial instruments are detailed in the section below on Financial instruments.

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 (according to art. 45 (1) from *R 1305/2013, Order no. 135 of 10th of February 2010 on the approval of the Methodology for the application of environmental impact assessment for public and private projects; Resolution no. 445 of 8th of April 2009 on the assessment of certain public and private projects on the environment*).

Further details of the environmental assessment process for EAFRD projects are in NRDP annex of Chp. 8.1, for information only.

Standard Costs

Regarding the eligibility of the standard costs, these will be eligible according to Art. 62 R (EU) no.1305/2013 and art. 67 R (EU) no. 1303/2013, as follows:

- for sM 4.1 in the case of table grape plantations, only for the costs of setting up/replacement of plantations (e.g. seedlings, work, support system, etc.)
- for sM 4.1 a) related to fruit-growing sub-programme. These will be used only for the costs of reconversion and setting-up of plantations (e.g. seedlings, work, support system, etc.).
- for sM 8.1 – afforestation. These will be used for expenditure related to the setting-up of plantations.

Also, based on the evaluation of standard costs assessed by calculation methodologies, compensation payments for rural development provided for M.8, M.10, M.11, M.13 and M.15, as well payments related to afforestation works under M8 are also granted.

In-kind contribution

Contributions in kind, shall be only eligible for sM 4.1 table grape plantations and sM 4.1 a) corresponding to the fruit-growing sub-programme, in accordance with the provisions of art. 61(3) 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.

In-kind contribution under financial instruments is not eligible.

Using right

Regarding the using right of buildings and agricultural land (e.g. lease) contracts which confer this right shall be concluded for a period of at least 10 years from the date of submission of the support application, except sM 6.5 for which the period shall be 20 years.

The beneficiaries of environmental and climate measures should prove the right to use the land for a period covering at least the commitments period.

In case of conversion and setting-up of fruits plantations (TSP) the beneficiary shall hold the using right on buildings and agricultural land which is object of the investments for a period of minimum 15 years from the date of submission of the support application. An exception applies for nurseries, strawberry, raspberry, blueberry, gooseberry and agris crops where the minimum period is of 10 years.

Advance payments

Pursuant to the provisions of Art. 42, Art. 45 and Art. 63 of Reg. (EU) 1305/2013, Romania opted to include in the NRDP 2014-2020 the facility that beneficiaries of investments support as well as the Local Action Groups may request the payment of an advance up to 50% of the public aid granted by the competent paying agencies. Payment of advances is subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100% of the advance value. The measures under which beneficiaries may request the payment of an advanceare: M 4 (including TSP) sM 6.4, M 7, M16, (including TSP) sM 19.2, sM 19.4.

Area based payments measures 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: sM.8.1 – except for setting-up costs, M.10, M.11, M.13, M.14 and M.15.

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 selection principles has a general but sufficient character in order to reflect what the financial support is targeting, who are 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 most closely 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. A certain score will be assigned to selection criteria, according to their importance, enabling the adequate implementation of the evaluation/selection activity.

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. Certain selection criteria have been elaborated based on specialty studies carried-out and undertaken by MARD.

Projects selection will follow a transparent and well documented procedure and will be conducted on the basis of established selection criteria and rules presented below. Projects/applications selection applies to measures 1, 4, 6, 7, 8, 9, 15, 16, 19.1 and 19.3 considering the principle of proportionality in terms of the operation's size.

For measure 2, and in exceptional cases for measure 1, the selection of beneficiaries will be carried-out according to the procedure of public procurement regulated by national legislation.

Projects selection for measures 4, 6 and 7 will be organized based on the following principles:

- Organization of continuous annual sessions with a pre-determined annual budget allocation with monthly/quarterly selection
- Priority in evaluation/selection of projects with higher scores at the beginning of year;
- Minimum quality score to be respected throughout the year.

In the case of M9 and M16, projects selection will be organized based on the following principles:

- Organization of two sessions per year with a pre-determined annual budget allocation.
- Minimum quality score to be respected throughout the year.

In the case of M1, the calls of applications will be organized on vocational training themes established by MA.

Regarding M8, the number of application sessions, as well the allocated budget will be established following the consultation of the Monitoring Committee.

In the case of M15 there will be one annual period of payment application and commitments signing, established by the MA.

For sM 19,1 only one session for selecting projects will be organized, in a limited period, which will be a preliminary stage for selection of the LDS. LDS selection will be based on a specific selection procedures applied at the level of the MA. For sM 19.2 the selection process will be undertaken by LAGs based on similar principles, and is described in subchapter 8.2.

In order to ensure planned expenditures under measures, sub measures and focus areas, Romanian authorities will organize project sessions considering this distribution of expenses. This will ensure consistency between the financing plan, indicator plan and performance framework.

General non-eligible expenditures applicable to several/all measures:

- expenditure on purchase of second hand goods and equipment;
- expenditure incurred before signing of the financing contract of the project with the exception of:
    - general costs as defined in Art. 45, paragraph 2, c) of R (EU)1305/2013 which may be made prior to submitting the financing application
    - expenditure required for the implementation of projects envisaging setting up/conversion of fruit plantations under sM 4.1a
    - expenditure for preparatory activities under sM 16.1 and sM 16.1a that may be incurred after the application was submitted in accordance with art. 60 (2) of R 1305/2014);
- expenditure on the purchase of vehicles for personal use and for passengers transport, except for means of transport used by the LAG team, as mentioned under sM 19.4 and those mentioned under the technical assistance chapter;
- investment expenditure subject to double funding of the same eligible costs;
- expenditure pursuant to art. 69, paragraph (3) of R (EU). 1303/2013, namely:

    a. interest rates, except those relating to grants awarded in the form of interest rate subsidies or guarantee fee subsidies and mutual funds under the conditions mentioned under M 17;
    b. purchase of built and unbuilt lands, except for those under sM 6.1, sM 6.2 and sM 6.3;
    c. added value tax except where it is non-recoverable pursuant to the national law on VAT or to the specific provisions on financial instruments;

- in case of leasing contracts, other costs related to leasing contracts, such as lessor’s margin, interest refinancing costs, general costs and insurance charges

Non eligible expenditure on specific investments for each measure will be provided in Section 8.2. Detailing the non-eligible expenditure specific to measures will be presented in the national legislative implementation framework.

Financial instruments

Considering the financing needs of farmers and entrepreneurs in the rural areas and the difficulties which persisted during the 2007-13 programming period to access financial services to secure their private contribution for implementing EAFRD projects, the NRDP will make adequate financial instruments (FI) available to private beneficiaries, so as to address their private co-financing needs.

For this purpose, at MARD level, an ex-ante assessment of FI was carried out in 2014 by an external consultant, pursuant to the provisions of art. 37, para. 2 of Reg. (EU) no. 1303/2013, to assess the existence of market failure or suboptimal investment situations, and to identify the estimated level and scope of public investment needs and the most appropriate types of FI to be supported. This ex ante assessment will be presented in the Monitoring Committee for NRDP and the summary findings and conclusions will be published within 3 months of the date of their finalisation.

The ex ante assessment identified the need for implementation of FI at national level under the responsibility of the Managing Authority, pursuant to art. 38 (1) b and art. 38 (3) b of Reg. (EU) no. 1303/2013.

Based on its results, MARD has identified the need to develop FI to be implemented in combination with grants, so as supporting beneficiaries of private investments projects co-financed by the following NRDP measures under all Priorities/Focus Areas to which they contribute:

- M 4 „Investments in physical assets”- sM 4.1 „Investments in agricultural holdings” and sM 4.2 „Investments for processing/marketing of agricultural products” (including processing of agricultural products where final product is non-agricultural, through a state-aid scheme),
- M 6 „Farm and business development”- sM 6.4 „Investments in the creation and development of non-agricultural activities”,
- sM 4.1a and 4.2a (including processing of agricultural products where final product is non-agricultural, through a state-aid scheme).
- Projects financed by LEADER and contributing to the objectives of the above-mentioned sub-measures.

Following the results of the ex-ante assessment, the two FI recommended to address the needs of Programme’s beneficiaries are:

- An EAFRD-specific guarantee instrument covering the credit risk for financial intermediaries at the level of individual loans;
- a risk-sharing loan instrument combining public resources and resources of the financial intermediaries in order to ensure the financing of the final recipients.

MARD decided to introduce in the NRDP, in a first stage, the guarantee instrument.

The risk-sharing loan instrument represents an additional option and may be implemented in a next stage of the programme implementation. Romania will also examine the possibilities for the loan instruments to be combined under a single instrument with other EU funded financial instruments.

The indicative EAFRD amounts included in the financial table under Chapter 10 covers both recommended FI. Funds’ amounts to be included in the respective funding agreements will be based on the outcome of the ex-ante financial assessment, revised and updated when necessary. The disbursement of funds will be on basis of signed funding agreements only.

Selection of financial managers and intermediaries. FI shall be managed by selected "Fund managers", according to the provisions of the Regulation no 1303/2013.

The selection of the fund managers will be pursuant to the public procurement law, in accordance with Article 37 of Reg. 1303/2013 and the selection criteria as set out in Article 7 of Delegated Reg. 480/2014.

Fund managers shall carry out selection procedures in order to select the financial intermediaries who will participate at the implementation of FI, according to the principles and rules in the funding agreements concluded with MARD and AFRI (Agency for Financing Rural Investments). The selection process will be open and transparent to all financial intermediaries who fulfils the required conditions.

Responsibilities of the involved entities. The methods for allocating the amounts to the selected managers of the FI, their relation with MARD and AFRI and the financial intermediaries, as well as the terms and conditions of the implementation of the FI shall be regulated through funding agreements drawn up in accordance with Annex IV of Reg. 1303/2013, and encompassing the detailed requirements for such bodies set out in Article 6 of the Delegated Reg. 480/2014. FI shall be managed as distinct blocks of finance within the financial institutions assigned as fund manager or financial intermediary. Fund managers will keep separate accounting for the expenditure of the FI.

Description of the guarantee financial instrument (GFI). Following the signature of the funding agreement with the GFI manager, funds from NRDP shall be committed for FGI and shall be declared to the Commission as eligible expenditure in instalments in line with disbursement of the funds, in accordance with Article 41 of Reg. 1303/2013. The estimation of the average loss rate for the GFI set up within the ex-ante risk assessment may be subsequently revised and updated, if the Managing Authority sees that the analysis may no longer faithfully represent the conditions of the existing market during implementation. GFI shall cover the risk at the level of each credit up to maximum 80% of the outstanding loan. According to the funding agreement to be concluded between GFI manager and the financial intermediaries, the financial intermediaries shall reutilise any amounts returned to the guarantee instrument to create a portfolio of new credits addressing eligible beneficiaries of sub-measures 4.1, 4.1a, 4.2, 4.2a and 6.4 from Chapter 8.2 of NRDP, including LEADER beneficiaries whose projects contribute to the accomplishment of the objectives of the sub-measures previously mentioned.

GFI will respect the following conditions:

- The applicant must have a project selected for financing under one of the sub-measures that are object of the instrument or a project financed through LEADER addressing the objectives of these sub-measures;
- The applicants in financial difficulty shall not be granted guarantees, according to the Communication from the Commission no. 244/2004;
- The guarantees shall be granted strictly related to the loans contracted for the private co-financing needed for the implementation of the project selected for financing and additionally, for ancillary working capital. Regarding working capital, it shall be eligible only under sub-measures 4.1, 4.1a, 4.2, 4.2a and for LEADER projects concerning investments in agriculture and forestry sectors, when duly substantiated and not exceeding 30% of the total amount of the eligible expenditure for the investment supported by the financial instrument;
- The amount granted through GFI shall be maximum 80% of the value of the credit granted for the eligible expenditure under FI (which comprises the private co-financing contribution, the working capital according to the previously mentioned provisions, and the VAT in accordance with Art. 37 of

Reg. 1303/2013).

The fee to be paid by the final recipient of the guarantee is calculated as a percentage applied to the amount guaranteed, according to the provisions of the Communication from the Commission 2008/155, „safe-harbour" premium system being used.

In terms of the administration of the instrument, the NRDP financial contribution shall be placed temporary by the fund manager in the banking system and/or State securities, in accordance with the principles of sound financial management. The interests and other gains paid from placing the amounts allocated from NRDP shall be cumulated to the NRDP contribution and shall be used according to art. 43 (2) of Reg. (EU) no. 1303/2013.

The expenditure of GFI shall be supported from the received funding sources (i.e. guarantee fees, paid interests, the amounts allocated from the EAFRD, from the relevant national contribution and recoveries from the executed credit contracts).

Implementation of FI will respect the provisions of Article 37(7)(8)(9) with regards the combination between grants and FI. When IF falls under state aid rules, the provision of support will respect the maximum aid intensity specified under the relevant measures, in line with the applicable state aid rules.

Management costs and fees within FI. Management expenditure and fees of the fund managers shall be considered eligible expenditure and covered from the NRDP contribution at a level set up within the maximum limits mentioned under art. 13 (2) in the Delegated Regulation no 480/2014 for the application of the Regulation (EU) no 1303/2013 or, if the selection procedure proved the need to set up a superior level for the management expenditure and the eligible charges, based on the market practice in comparable cases. The administration costs and the maximum eligible charges at the level of the fund managers shall comprise a base remuneration and performance based remuneration according to art. 13(2) of Reg. 480/2014.

The aggregate amount of management costs and fees over the eligibility period shall in no case exceed the limit of 10% of the total EAFRD contribution paid to GI in accordance with Article 13(3) of Delegated Reg. 480/2014.

The management costs and fees will be paid annually.

No other remuneration or advantage will be provided to fund managers or financial intermediaries in terms of FI. The Monitoring Committee shall be informed of the management and performance related costs applicable to FI on an annual basis, in accordance with Article 12(2) of Delegated Regulation No 480/2014.

The application period of FI shall be until December 31st 2023. At closure of the programme, the eligible expenditure shall be defined according to art. 42 of the Regulation (EU) no 1303/2013.

The Managing Authority will send on an annual basis a specific report to the Commission on the implementation of FI, as an annex to the annual implementation report in accordance with Article 46 of Reg. 1303/2013.

Specifications on cross-compliance and relevant baseline level

Cross-compliance

Pursuant to the provisions of art. 92 of Regulation (EU) no. 1306/2013, beneficiaries of measures foreseen under art. 21(1)(a) (M8.1), 28 (M10), 29 (M11), 31(M13), 33(M14) and 34 (M15) in R (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), the Statutory Management Requirements (SMR). The cross-compliance standards applied as of 2015 are those established by Joint Order MARD/MWFEP/SVFSNA no.325/2015 *on the approval of cross-compliance norms under the schemes and support measures for farms in Romania*, transposing the provisions of Title VI – Ch. I of Reg. (EU) no. 1306/2013.

<u>Relevant baseline</u>

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 MARDMWFEP/SVFSNA no. 325/2015 on the approval of cross-compliance norms under the schemes and support measures for farms in Romania (with subsequent amendments and supplements).

Also, 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 Ordinance no. 3/2015 for approval of payment schemes which are applied in agriculture between 2015 – 2020 period.

The minimum relevant requirements on the use of fertilizers and of plant protection products were foreseen by the national legislation (Order on the approval of the Code of Good Agricultural Practice for the protection of waters against pollution caused by nitrates from agricultural sources, 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, Order no. 1378/1071/2010 amending and supplementing the Regulation on organization and functioning of the Interministerial Commission for authorization of fertilizers in order to enter the list of authorized fertilizers mentioning RO-FERTILIZER for use and distribution in Romania – legal acts with subsequent amendments and additions).

Romania transposed the EU Directive 128/2008 on Sustainable Use of Pesticides. Pursuant to GO 34/2012 which transposed the Directive, the integrated management principles of pests are considered voluntary. Regarding principle 2, monitoring of pests is under the responsibility of the national authority (Phytosanitary Agency) and regarding principle 8 the professional users of pesticides should keep records of the used pesticides.

Other relevant mandatory requirements foreseen by the national legislation in case of M11 is Order no. 1253/2013 on the approval of rules regarding registration of organic farming operators. For package 8 of M10 a certain series of other legislative norms presented in the measure fiche foreseen other relevant mandatory requirements specific to each species of animals related to the identification and registration of animals in the studbook.

In case of M15, the Forest Code, the subsequent forestry legislation, as well as the system of technical, forestry, economic and legal rules that comprise the forestry regime include the relevant mandatory requirements foreseen in the national law of forests or the relevant national legislation. The measure fiche foreseen the most relevant requirements applying specifically to the two packages supported.

Combination of commitments and avoidance of double funding or overcompensation in case of combined commitments

The rules applicable for combining environment and climate measures or their packages, where they are complementary and compatible (M.8.1 and M15, or M.10.1, M.11 and M.13) are foreseen in the technical measure fiches. Calculation methodologies ensure the avoidance of double financing or overcompensation in the case of combining different measures or packages. A list of allowed combinations of commitments and measures is under the annex of chp. 8.1 of the NRDP – commitments combination M.10, M.11, M.13.

In addition, avoidance of double funding with payments granted under Pillar 1 for agricultural practices beneficial for climate and the environment (greening requirements) is ensured through the calculation methodology of compensatory payments provided under M10 and M11. Thus, in order to ensure that any risk of double funding is excluded, the calculation of the additional costs and income foregone for compensatory payments took into consideration the mandatory greening practices where relevant. Also, it was taken into account the demarcation between environmental and climate measures and cross-compliance standards.

Transfer between Pillars

Romania opted for transfer from Pillar I to Pillar II of 112.3MEUR. This transfer will be used for sub-measure *6.5 Small farmers' scheme.* The transfer was notified by Romania in August 2014 and approved through the Delegated Reg. no. 1378/2014.

8.2. Description by measure

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

8.2.1.1. Legal basis

Article 14 of Regulation (EU) no. 1305/2013
Article 6 and 14 of Regulation (EU) no. 808/2014
Article 5 and 8 Regulation (EU) no. 807/2014

8.2.1.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Most of Romanian farmers, especially farmers with small and medium holdings, do not possess adequate knowledge on management methods, modern production technologies and standards, especially in the livestock and horticultural sectors, and they carry-out their activity mainly based on traditional practical experience. Also, the level of the mentioned farmers on awareness, knowledge and abilities regarding modern and innovative processing and marketing methods of agricultural products, including in the context of short supply chains, is insufficient to be able to cope with market's demand and to comply with the European standards. Moreover, farmers possess insufficient knowledge on environmental practices generating benefits for biodiversity, soil and water and they do not have information on agricultural practices contributing to a better adaptation to climate change effects in risk areas and to the reduction of GHG emissions. The evolution of the Romanian agri-food sector in terms of small food processors requires, a high level of information on technical, economic and business management sectors, in order to successfully fulfil the EU standards (food safety, animal health, environmental standards, etc.) and to cope with a competition-based environment.

There is a need for an increased capacity to access knowledge and information within the food chain, including through actions of dissemination of information.

The actions related to knowledge transfer and information actions aim to accompany the measures for increasing competitiveness and diversification in agriculture and the need to restructure and modernise the agricultural sector, fostering market-oriented business, 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, and application of technological solutions and agricultural practices to provide alternatives to tackle drought through irrigations methods.

The evolution and specialization of agriculture require an adequate support of technical and economic vocational training as well as higher capacity to access knowledge and information, including through dissemination of information.

Knowledge transfer and information actions will be adapted to the needs of the targeted groups. Therefore, vocational training and skill acquisition actions, demonstration activities and information actions, which will contribute to the creation and implementation of an efficient management of holdings and to the adoption of environmentally friendly practices, shall be equally supported.

Knowledge and information gained through knowledge transfer and information actions will allow farmers and small food processors to increase their competitiveness, to use innovative technologies and processes, to use resources more efficiently, and to improve environmental performances.

Also, it will allow farmers and small processors to gain knowledge for better risk management faced by farms, using appropriate production technologies, risk prevention measures as well as accessing insurance systems and mutual funds for agriculture to compensate losses related to adverse climatic events or animal and plant diseases.

Link of the measure with the needs:

Support under this measure will help meet the needs on: Adequate knowledge among farmers (001), Adaptation of research activities and results of the research to the needs of farmers and processors (003), Integrated food chains (009).

In order to meet the identified needs, under Measure 01 - "Knowledge transfer and information actions" support will be provided in two directions: 1) vocational training and skills acquisition and 2) information actions and demonstration activities. Therefore, two sub-measures are proposed to be implemented.

Contribution of the measure to FA:

1A *– Fostering innovation, cooperation and the development of the knowledge base in rural areas*;

The support granted under this sub-measure through information actions, as well as vocational training actions will help knowledge transfer, promote cooperation and application of innovative techniques for food chains, including dissemination of the output resulted after the activities carried-out in the operational groups. These actions will contribute to restructuring and modernization of farms in order to increase competitiveness and productivity, as well as adaptation to climate changes. Furthermore, farmers will have access to knowledge and information for a good management of climate risks and other risks that holdings are facing.

1C *– Fostering life-long learning and vocational training in the agricultural and forestry sectors;*

The support granted under this sub-measure, through information actions, farmers will have acces to information and knowledge that will contribute to developing their capacities under the agricultural sector, adopting environmentally-friendly farming practices, management of risks that holdings are facing and they will ensure effective and professional management of holdings.

Provision of vocational training courses will contribute to upgrading of professional skills in the Romanian agricultural and agri-food sectors and to the acquisition of skills aiming at the practice of an effective technological and economic management at the level of holdings and the adoption of environmentally-friendly practices.

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

The support granted under this sub-measure, through information actions and demonstrativon activities will provide information to farmers on the possibilities to improve efficiency of their activity and diversification of production through innovative techniques and technologies in order to ensure participation and market orientation.

The vocational training actions will be oriented in order to ensure the development of skills and competencies necessary for improving the performance and the viability of farms for a better integration on the market as well as for improving management knowledge.

FA 2B *– Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal.*

The support granted under this sub-measure, through vocational training actions will contribute to the specific training of young farmers for improving their agricultural knowledge level in order to enhance the general performance of farms where they are established.

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 inter-branch organizations*

The support granted under this sub-measure, through information actions will facilitate the access of farmers (including producer groups and organizations) and small processors to updated information both by presenting information materials and by carrying-out visits within certain successful investments, by presenting practical models of how they may improve the quality of products, add value to their products, develop short supply chains and producer groups.

FA 3B *– Supporting farm risk prevention and management*

The support granted under this sub-measure, through information actions will contribute to the farmers' access to information on risk management such as production methods for minimization or risk management associated with adverse climate phenomena, plant or animal diseases, technologies and agricultural practices adapted to climate conditions, actions preventing outbreaks of diseases, in order to minimize it at the farm level. Also, information will be presented on the possibilities offered by joining and contributing to the mutual fund for compensating potential losses related to adverse climatic events and animal or 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 land;*

The support granted under this sub-measure, through information actions as well as through vocational training and skills acquisition actions will contribute to the correct implementation of agri-environment and climate commitments from the expected impact perspective through participation of farmers to the respective actions.

FA 4B *– Improving water management, including fertilizer and pesticide management;*

The support granted under this sub-measure, through participation in information actions and demonstration activities as well as through vocational training actions will contribute to improving farmers' knowledge in order to adequately implement specific practices of organic farming.

In order to improve water management including the management of fertilizers and pesticides on agricultural lands, conversion measures for the specific practices and methods of organic farming and their maintenance are planned.

FA 4C *– Preventing soil erosion and improving soil management*

The support granted under this sub-measure, through information actions will contribute improving farmers' knowledge on the application of good agricultural practices leading to combating soil degradation (erosion caused by water and wind, salinization/alkanlinization, soil compaction, decline of soil biodiversity and reduction of organic matter etc.).

Adoption of agri-environmental practices aimed at soil conservation is necessary and will be provided by supporting vocational training actions and skills acquisition. .

FA 5A – *Increasing efficiency in water use by agriculture;*

The support granted under this sub-measure, through participation in information actions as well as in the vocational training actions will contribute to information and training of farmers in order to identify technological solutions and adaptation of agricultural practices (eg. drought-resistant varieties) to provide alternatives for tackling drought through irrigation methods in order to increase water use efficiency, thus contributing to adaptation to climate change and improvement of local climate.

DI 5D *– Reduction of greenhouse gas and ammonia from agriculture*

The support granted under this sub-measure, through information actions as well as through vocational training and skills acquisition actions will complement the support for investments that promote the reduced use of inputs and mechanical works, practices that protect the soil as well as adequate techniques for manure management.

Reducing greenhouse gas and ammonia emissions from agriculture will be supported through investments in physical assets, respectively efficient technologies to reduce pollution and through standards' compliane, including compliance with the environmental legislation.

Secondary effects:

Measure 01 is directly programed under the Focus Areas indicated above. In addition, it is expected that the measure will contribute indirectly to the objectives of **FA 6A**.

Contribution to cross-cutting objectives

Environment and climate

A particularly important role in understanding and taking over responsibility by farmers regarding the commitments on environmental protection, including protection of biodiversity, and actions to adapt to climate change and reduction of GHG concentrations in the atmosphere (limiting emissions from agriculture, generated by key activities and livestock production and use of fertilizer and carbon sequestration increased activity) is held by information and knowledge transfer, training and acquisition of skills.

Knowledge transfer plays an important role in understanding and taking over the responsibility by farmers regarding the commitments to protect biodiversity both in Natura 2000 areas and HNV as well as outside these areas, sustainable management of agricultural land and correlation or synergies with the requirements provided by greening and cross-compliance package under direct payments (Pillar I of the CAP). Application of gained knowledge by farmers through knowledge transfer will contribute to both achieving RDP objectives in terms of environmental protection, as well as of those set out in national and European strategies aimed at sustainable resource management (biodiversity, water, soil) .
An important component of information and knowledge transfer, training and acquisition of skills must focus on actions for adaptation to climate change and reduction of GHG concentrations in the atmosphere, by promoting practices and technologies aimed at seizing carbon, the adoption of drought tolerant crops, buildings enveloping methods, identification of renewable energy sources leading to limitation of emissions from agriculture, generated by key activities such as livestock production and use of fertilizers both at farm level, large sizes agricultural units or at the community level. Fostering demonstration and information activities on farms level is targeting a more eloquent transfer and an openness of farmers to adopt new practices that contribute to better environmental protection and adaptation to climate change.

Innovation

Vocational training and information actions to be supported under this measure will play an important role in the acquisition of knowledge, skills and new concepts among farmers and active individuals in the agri-food sector. Also, demonstration projects enable them to be in contact with modern equipment and machinery, innovative technologies, to benefit from the transfer of new practices etc. Training courses and demonstration sessions may foster innovation including by co-opting innovative practitioners who can act as dissemination factors for the farmers in the neighborhood. Also, group interaction, exchanges of experience, practices and ideas can act as a catalyst for the innovation process. By exposure to new ideas, methods and principles, by interaction and learning, farmers become better prepared, more receptive to new ideas and concepts and more willing to apply innovative technologies and practices in their activity sector

Knowledge transfer and information play an extremely important role within the National Rural Development Programme for 2014-2020 as they support innovation and facilitate the development, use and transfer of new ideas, products or technologies in order to improve the production systems, products or services.

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 regard to the setting of selection criteria

8.2.1.3.1. 1.1 Support for vocational training and skills acquisition actions

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.1.1. Description of the type of operation

Scope of the sub-measure:

Under this sub-measure, the target is to improve skills and basic knowledge as well as dissemination/assimilation of research results and innovation through vocational training and skills acquisition actions among farmers (especially for young farmers receiving support under sub-measure 6.1, farmers operating under small farms that will be supported under sub-measure 6.3 and beneficiaries of the agri-environment and climate M10).

The purpose of the support granted under this sub-measure is to contribute to:

- Improvement of technical and economic knowledge, specific to the practice and management of activities in the agricultural and food sectors of farmers as well as the general management of farm. The expected result is that young farmers receiving support under sub-measure 6.1, farmers operating under small farms that will be supported under sub-measure 6.3 will put in practice agricultural techniques and technologies including results of the research.
- Acquisition and improvement of knowledge and skills on aspects related to environment, climate change, efficient management of natural resources as well as implementation of agri-environment and climate and organic farming commitments. The expected result is that beneficiaries of agri-environment and climate measure as well as of organic farming measure to acquire production methods that are compatible with the maintenance and improvement of the landscape, respectively protection of environment, observing the cross-compliance conditions and adaptation to climate change and reduction of GHG concentrations in the atmosphere.

Operations/actions eligible for support

The sub-measure provides support for short-duration vocational training courses (ex: initiation, upgrading), with differentiated training periods, according to the training level of the final beneficiaries as well as according to the curricula of the vocational training programme.

Vocational training programmes:

- Improvement of farmers' knowledge towards the practice of agricultural and innovation techniques and technologies, including based on research results especially young farmers receiving support under sub-measure 6.1, farmers operating under small farms that will be supported under sub-measure 6.3 – maximum 35 hours
- Improvement of knowledge related to community standards at farm level, management of manure, improvement of production quality – especially young farmers receiving support under sub-measure 6.1 – maximum 24 hours
- Diversification of activities in agricultural holdings – especially young farmers receiving support under sub-measure 6.1, farmers operating under small farms that will be supported under sub-measure 6.3 – maximum 24 hours
- Acquisition and improvement of knowledge on sustainable management of agricultural lands, acquisition of knowledge regarding the implementation of agri-environmental and climate and organic farming commitments covering at least aspects of completion and submission of commitments and payment applications, management measures applicable at farm level, necessary to comply with the basic requirements and requirements specific to the commitments, as well as to acquire production methods compatible with the maintenance and enhancement of the landscape, the protection of the environment and adapting to climate changes and reduction of greenhouse gas concentrations in the atmosphere – especially beneficiaries of agri-environment and climate M10 – 40 hours maximum
- Overall management of the farm (accounting, marketing, ICT knowledge etc.) - especially young farmers receiving support under sub-measure 6.1, farmers operating under small farms that will be supported under sub-measure 6.3 – maximum 40 hours.

The selection process of beneficiaries is carried-out by the Ministry of Agriculture and Rural Development through MA-NRDP and consists in the evaluation and selection of submitted projects under calls for project proposals (for grants). In exceptional cases, which will be defined under the national implementation framework, the evaluation and selection of beneficiaries may be carried-out based on a procedure elaborated by MA-NRDP pursuant to the legislation on awarding public procurement contracts harmonized with the EU legislation on public procurement.

Vocational training needs identified following consultations with professional associations from agriculture/agri-food sectors, including NGOs or results of studies carried-out at national level as well as the necessary funds to cover them will be included in an annual programme developed by MA-NRDP, which will be used for the elaboration of calls for project proposals or public procurement documentation.

8.2.1.3.1.2. Type of support

Reimbursement of eligible costs incurred and paid.

8.2.1.3.1.3. Links to other legislation

EU Legislation

R (EU) no. 1336/2013 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council in respect of the application thresholds for the procedures for the awards of contract

National Legislation

Government Ordinance no. 34/2006 on the award of public procurement contracts, public works concession contracts and service concession contracts with the subsequent changes and completions.

Government Decision no. 925/2006 for the approval of the norms for application of provisions related to the award of public procurement contracts from GO no. 34/2006;

Law no. 31/1990 on commercial companies;

Government Ordinance no. 26/2000 on associations and foundations;

Government Ordinance no. 44/2008 on economic activities carried-out by authorized individuals, individual enterprises and family enterprises with the subsequent changes and completions;

Law no. 1/2011 on the national education;

Government Ordinance no. 8/2013 of 23rd of January 2013 amending and completing Law no. 571/2013 on the Fiscal Code and regulation of financial and tax measures;

Other normative acts applicable in the tax field.

8.2.1.3.1.4. Beneficiaries

- Public or private entities operating in the field of adult vocational training and fulfilling the eligibility and selection criteria.

Participation in vocational training and skills acquisition actions, is free of charge.

8.2.1.3.1.5. Eligible costs

Eligible expenditure:

- Expenditure for provider’s fees (including salaries, accommodation, meals and transportation);
- Expenditure for implementation of actions, as follows:
    - Accommodation, meals and transportation for the participants, as applicable;
    - Teaching materials and consumables;
    - Renting of the required equipment;
    - Renting of rooms to carry out the training actions.
- Other expenditure strictly related to the implementation of vocational training actions (e.g. costs for renting, costs for utilities of spaces where the project management activity is carried-out)

Non-eligible expenditure:

- Costs relating to vocational training courses which are part of the educational programmes or systems at secondary or higher level of education;
- Costs related to vocational training financed under other funds;
- Costs of investments

All expenditure shall be reasonable, justified and shall correspond to the principles of a sound financial management, in particular in terms of price-quality ratio.

8.2.1.3.1.6. Eligibility conditions

- The applicant shall fall under the category of direct eligible beneficiaries;
- The applicant shall be a legal person constituted 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 qualified staff;
- The applicant shall prove its previous similar experience in vocational training projects;
- The applicant has the technical and financial capacity required to carry out the specific training activities;
- The applicant shall not have a bankrupt or liquidation status;
- The applicant fulfilled his obligations to pay taxes and social security contributions to the state budget;
- In exceptional situations when the potential beneficiary is selected through public procurement procedure it is necessary that it fulfils the requirements foreseen by the specific legislation in force.

The eligibility criteria will be detailed in the national implementation documents/public procurement procedures.

8.2.1.3.1.7. Principles with regards to the setting of selection criteria

Selection principles are defined in order to select beneficiaries (service providers) who are likely to better implement the measure, as follows:

- Principle of the quality and technical level in terms of course curricula, experience and/or qualification of trainers;
- Principle of efficient and accelerative implementation of project/vocational training contract;
- Principle of partnership with nationwide representative associations and educational institutions and/or research and development institutes in the launching of project proposals;
- Principle of topics and target-group which implies adapting and detailing the general topics established to the needs of the target-group in a certain territory, depending on the zonal scope of the project/public procurements procedure (national, regional, county);
- The principle of efficiency in using the funds

Selection principles will be detailed in the subsequent national legislation and will 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.

8.2.1.3.1.8. (Applicable) amounts and support rates

The public aid granted under this measure is 100% of the total eligible expenditure.

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.

8.2.1.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.1.9.1. Risk(s) in the implementation of the measures

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8.2.1.3.1.9.2. Mitigating actions

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8.2.1.3.1.9.3. Overall assessment of the measure

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8.2.1.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.1.11. 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 license diploma with a specialization convergent with the course topic;
- Professional experience of at least 1 project according to the course topic;
- Trainers shall participate, at least once in 3 years in a training activity that is specific to the topic of the respective training field.

Specification of minimum qualifications of the bodies providing knowledge transfer.

The bodies providing knowledge transfer shall fulfil, as a minimum, the requirements mentioned under the eligibility criteria chapter.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

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8.2.1.3.2. 1.2 Support for demonstration activities and information actions

Sub-measure:

- 1.2 - support for demonstration activities and information actions

8.2.1.3.2.1. Description of the type of operation

Scope of the sub-measure:

Under this sub-measure the target is to improve the basic knowledge of farmers/processors operating in the agri-food sector, by extending the scope and supporting other short-term actions, such as demonstration activities and information actions.

The aim of the support is to contribute to:

- Increase of the awareness level of individuals involved in the agricultural and food sectors, regarding specific fields where they carry-out their activities such as the environmental protection or other fields of general interest. The expected result is understanding the objectives of the NRDP 2014 – 2020.
- Increase of information degree of farmers on the possibility of introducing new innovative technologies, development of innovation capacities under the agri-food chain.
- Information on the possibility of accessing farmers' contribution to mutual funds. The expected result is the accession of mutual funds to restore the production potential and to compensate income foregone. Risk management at farm level assumes improvement of knowledge and available information to minimize this risk.

Operations/Actions eligible for support:

- **Demonstration activities:** will be carried out by practical sessions that aim at:
  - new methods for protection of crops or specific production technics, e.g:preserving biodiversity or adaptation to climate change. The activity may take place in a farm or in other locations, such as: research centers, exhibitions, specialized fairs, etc., and beneficiaries may be especially farmers receiving support under the organic farming M 11, farmers that envisage under their project, investments in equipment and irrigations through sub-measure 4.1, 4.3 (members of OUAI implementing irrigation projects, including methods and production techniques leading to water saving and combating of climate change.

- **Information actions:** dissemination of information actions aimed at:
  - agriculture, environmental protection (e.g. preserving biodiversity on HNV pastures or pastures important for important species of birds and butterflies, soil and water protection on arable lands, preserving biodiversity on arable lands), climate change (including the adaptation of agricultural practices to climate change effects), agri-food sector aiming at warning the target group on the relevant knowledge for the activity carried-out at the work place. Participants may be farmers, producer groups (sub-measure 9.1), farmers under partnerships constituted to implement sub-measure 16.4, potential participants to mutual funds, small processors from the small and micro-enterprises category, from agri-food industry, (sub-measure 4.2), farmers operating under small farms that will be supported under sub-measure 6.3 etc.
  - Identification of technological solutions and agricultural practices providing alternatives to

tackle drought through irrigation methods and to counteract the effects of drought, climate change, agricultural practices and methods that allow farmers to have an efficient management of water resources at farm level and consequently, a better resistance to climate change impact, especially farmers that envisage under their project investments in equipment and irrigations under sub-measure 4.1, members of OUAI that implement projects under sub-measure 4.3.

The selection process of the beneficiaries is carried-out by the Ministry of Agriculture and Rural Development and consists in the evaluation and selection of submitted projects under calls for project proposals. In exceptional cases, which will be defined under the national implementation framework, the evaluation and selection of beneficiaries may be carried-out based on a procedure elaborated by MA-NRDP in accordance to the legislation on awarding public procurement contracts that is completely harmonized with EU legislation on public procurement.

Vocational training needs identified following consultations with professional associations from agriculture/agri-food sectors, including NGOs or results of studies carried-out at national level as well as the necessary funds to cover them will be included in an annual programme developed by MA-NRDP, which will be used for the elaboration of calls for project proposals or public procurement documentation.

8.2.1.3.2.2. Type of support

Reimbursement of eligible costs incurred and paid.

8.2.1.3.2.3. Links to other legislation

EU Legislation

R (EU) no. 1336/2013 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council in respect of the application thresholds for the procedures for the awards of contract

National Legislation

Government Ordinance no. 34/2006 on the award of public procurement contracts, public works concession contracts and service concession contracts with the subsequent changes and completions.

Government Decision no. 925/2006 for the approval of the norms for application of provisions related to the award of public procurement contracts from GO no. 34/2006;

Law no. 31/1990 on commercial companies;

Government Ordinance no. 26/2000 on associations and foundations;

Government Ordinance no. 44/2008 on economic activities carried-out by authorized individuals, individual enterprises and family enterprises with the subsequent changes and completions;

Law no. 1/2011 on the national education;

Government Ordinance no. 8/2013 amending and completing Law no. 571/2013 on the Fiscal Code and regulation of financial and tax measures;

Other normative acts applicable in the tax field.

8.2.1.3.2.4. Beneficiaries

- Public and/or private entities that have information/demonstration and/or dissemination actions included in their object of activity.

Participation in demonstration activities and information actions is free of charge.

8.2.1.3.2.5. Eligible costs

- Expenditure for provider's fees (including salaries, accommodation, meals and transportation);
- Expenditure 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 information actions and demonstration activities.

- Other expenditures strictly related to the implementation of information actions and demonstration activities.

All these expenditure shall be reasonable, justified and shall correspond to the principles of a sound financial management, in particular in terms of price-quality ratio.

Non-eligible expenditures:

- Investments within demonstration projects/other investments
- Expenditure that are not exclusively subject to information actions and demonstration activities

8.2.1.3.2.6. Eligibility conditions

- The applicant shall fall under the category of direct eligible beneficiaries;
- The applicant shall be a legal person constituted 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 the technical and financial capacity required to carry out the specific information actions;
- The applicant shall prove its previous similar experience in information/demonstration and/or dissemination projects;
- The applicant shall not have a bankrupt or liquidation status;
- The applicant fulfilled his obligations to pay taxes and social security contributions to the state budget;
- In exceptional situations when the potential beneficiary is selected through public procurement

procedure it is necessary that it fulfils the requirements foreseen by the specific legislation in force.

The eligibility conditions will detailed in the national implementation documents/public procurements procedures.

8.2.1.3.2.7. Principles with regards to the setting of selection criteria

Selection principles are defined in order to select beneficiaries (service providers) who are likely to better implement the measure, as follows:

- Principle of quality and technical levels regarding the course curricula, experience and/or qualification of trainers
- Principle of partnership with nationwide representative associations and with educational institutions and/or research bodies;
- Principle of topics and of the target-group which implies adapting and detailing the general topics established to the needs of the target-group in a certain territory, depending on the zonal scope of the procedure (national, regional, county);
- Principle of efficient and accelerative implementation of project/vocational training contract;
- Principle of efficiency in using the funds

Selection principles will 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.

8.2.1.3.2.8. (Applicable) amounts and support rates

The non-refundable **public aid** granted under this measure is 100% of the total eligible expenditure.

The financial allocation for sub-measure 1.2 „Support for information actions and demonstration activities” shall be 30% of the total allocation of the sub-measure.

8.2.1.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.2.9.1. Risk(s) in the implementation of the measures

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8.2.1.3.2.9.2. Mitigating actions

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8.2.1.3.2.9.3. Overall assessment of the measure

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8.2.1.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.1.3.2.11. 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, qualifications and competencies:

- University studies proven by a university license diploma with a specialization convergent with the information topic;
- Professional experience of at least 1 project according to actions that will be organized;
- The experts shall participate, at least once in 3 years in a training activity that is specific to the topic of the respective training field.

Specification of minimum qualifications of the bodies providing information and demonstration actions:

The bodies providing information actions and demonstration activities shall fulfil, as a minimum, the requirements mentioned under the eligibility criteria.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

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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

Considering the measure addresses public and/or private beneficiaries in the programming period 2014-2020, whose selection is based on calls for proposals and only in exceptional cases under a procedure developed within the public procurement rules, it is estimated that there may be a series of specific risks such as:

- Insufficient staff for the simultaneous implementation of more calls for proposals/ public procurement procedures, an issue met during the 2007-2013 period;
- Risk of non-availability of training generated by the long term required for the implementation of evaluation stages and selection for calls for proposals/public procurement procedures, caused by the large number of submitted projects compared to the staff involved in the process of evaluation and selection activity/possible appeals in public procurements procedures;
- Lack of a database containing all farmer’s identification data/non-updated databases identified as potential final eligible beneficiaries;
- Price reasonableness: risk of paying costs above the normal rate.

8.2.1.4.2. Mitigating actions

Among the actions taken and envisaged to improve measure implementation and reduce risks, there are:

- Improvement of the vocational training in the field of evaluation of project proposals/public procurement of the staff involved in the vocational training activity/information actions;
- Strengthening the transparency of calls for proposals/public procurement procedures before and after awarding the grants/public procurement contracts;
- Monitoring and evaluation by using specific tools, such as: periodic activity reports; on-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 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 for a better correlation with the payment applications.
- Correlation between the initiation of calls for proposals/public procurement procedures and the number of staff involved in the evaluation and selection of projects activity/public procurements procedures implementation;
- Planning of several calls for proposals/public procurement procedures organized at regional/county level, of a smaller value, to prevent the risk of non-availability of training;
- Protocols/exchange of data with other institutions, computerized system for inter-connection with other institutions;
- Introduction of additional conditions related to records entered into the training providers' database;
- Introduction of a system to verify the reasonableness of prices
- The project's value shall be established proportionally to the duration and level (territorial area, target group, topics) of the project implementation (national, regional or county level);
- The value of a project will be calculated according to the results of market studies on costs applied by market operators for the implementation of vocational training courses/information actions/demonstration activities but also on the value of other projects/EU funds contracts/contracts completed during 2007-2013 programming period.

8.2.1.4.3. 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 a balanced and sustainable development in NRDP preparation and mechanisms are identified to ensure an appropriate demarcation and complementarity between interventions of EAFRD and other funds in the focus areas covered by the measure.

Also, the measure aims equal treatment of applicants, better use of financial resources, and their targeting in accordance with the Union priorities for rural development.

Following the analysis carried out by the Managing Authority and the Paying Agency based on the experience in the period 2007-2013, it can be concluded the verifiability and controllability of the measure is ensured both in terms of effective delivery of vocational training/ information actions/demonstration activities support and in terms of improved work procedures, so that the financial interests of the European Union are not prejudiced.

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 appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

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Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

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8.2.1.7. Other important remarks relevant to understand and implement the measure

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8.2.2. M02 - Advisory services, farm management and farm relief services (art 15)

8.2.2.1. Legal basis

Art 15 of Regulation (EU) no. 1305/2013
Art. 7 of Regulation (EU) no. 808/2014
Art. 5 and 8 of Regulation (EU) no. 807/2014

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, with a low training level, on 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 number of people that have graduated or will graduate 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 through provision of individual advisory services.

In the context of the support provided to final beneficiaries in order to initiate and develop the business, specific elements will be covered, such as:

- farm individual assessment and necessary measures in order to increase competitiveness;
- preparation and implementation of business plans;
- sectorial integration, promotion of innovation and market-orientation, organic farming;
- role and benefits of association in order to increase competitiveness of the business;
- promotion of entrepreneurship spirit;
- management and/or compliance with standards for good agricultural and environment conditions organic/bio farming, crops, production techniques with high added value;
- solutions at farm level for the mitigation and adaptation to climate change effects, biodiversity, water protection,
- risk management in farms related to unfavorable meteorological conditions, pest infestations, plant and animal diseases.
- application of mandatory legislation (e.g. tax-accounting on functioning permits, social insurance etc.) in the field as well as the application of marketing plans;
- other specific advisory themes that are needed.

Currently, the agricultural advisory services in Romania are insufficient and do not cover the market's requirements, especially for the following categories: young farmers, small processors, agricultural cooperatives and producer groups, beneficiaries of environmental and climate commitments and organic farming, micro and small non-agricultural enterprises from the rural environment.

Lack of agricultural advisory services affects especially young farmers who want to set-up as heads of the holding as well as small farmers. They need access to quality advisory services adapted to their requirements for on-farm development, adaptation to standards and market's requirements, market orientation, creation of associative forms, promotion of entrepreneurship, diversification of on-farm activities and innovation.

For small processors, this measure provides specific advisory services leading to the development of competitiveness of the entire processing activity of agricultural products, cooperation and innovation. There are needed advisory services aimed at identifying individual solutions designed to improve production, employment performance, efficiency and processes at the level of small and micro-enterprises. All these aspects are contributing to improving and maintaining results at the market level.

Considering the specific needs, mainly caused by the excessive fragmentation of the agricultural holdings and lack of associative forms, adapted advisory services are needed in order to encourage association and improve the economic and environment performances. Therefore, the need for setting-up/consolidating/developing cooperatives and producer groups will be promoted.

Beneficiaries of environmental and climate commitments and organic farming (AECM) need advisory services to address at least aspects related to completing and submitting of commitments and application forms, management measures applicable at the farm level necessary to comply with the basic requirements and specific requirements of commitments.

For the advisory sector with benefits for micro and small non-agricultural enterprises (in order to access sM 6.2 and 6.4), support will be granted for the preparation and implementation of business plans, marketing, and application of mandatory legislation in the field.

Moreover, at the level of these entities that are developing non-agricultural business, specific recommendations on initiation of new activities are needed. Therefore, the advisory service provided for initiation and development of business in rural area will contribute to stimulation of entrepreneurship spirit and economic development of rural areas.

Therefore, this measure shall complete the need for free services provided by the public advisory system, especially for small and medium farms, young farmers, cooperatives and producer groups as well as small entrepreneurs in the rural area, potential beneficiaries of the investment measures in the NRDP 2014-2020, who do not have the necessary resources to purchase private services provided for a fee by the private system. Advisory services shall be granted for the initiation and business development, including the preparation and implementation of the business plan.

Link of the measure with the needs:

In order to answer to the identified needs, the support under measure 02 - "Advisory services, management of agricultural holdings services and farm relief services" will be granted under one sub-measure: **advisory**

services for farmers, young farmers, micro-enterprises and small enterprises in rural areas. Support granted under this measure will contribute to meeting the needs regarding Advisory services (003).

Contribution of the measure to focus areas

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

Support granted under sub-measure 2.1 will accompany the support granted to restructure and modernize holdings, diversification of economic activities in rural area and organization of the agri-food chain by advising and introducing in the development of business plans new methods and practices.

FA 2A *Improving the economic performance of all farms and facilitating farm restructuring and modernization, notably with a view to increasing market participation and orientation as well as agricultural diversification*

Support granted under sub-measure 2.1 will provide advice of small farmers on the modernization of farms and viability of agricultural business, the introduction of the result of research activities in the technological, economic, environmental protection, adaptation to climate changes sectors and on cooperation actions.

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

Support granted under sub-measure 2.1 to young farmers will provide individual advisory services related to provision of technical support (business plans for setting-up), on the results of research activities in the technological, economic, environmental protection, adaptation to climate change sectors. 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*

Support granted under sub-measure 2.1 will be provided to farmer groups that need advisory support both in terms of setting-up and organization in cooperatives and producer groups, as well as to existing cooperatives and producer groups in technical terms (access to advice in the technological, economic, environmental protection, adaptation to climate changes sectors and cooperation actions within short supply chains). It will also provide advice for the setting-up and development of associative forms of farmers.

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;*

Support granted under sub-measure 2.1 from the perspective of the expected impact, will contribute to increasing the access of beneficiaries to actions regarding the provision of advisory services related to the consistency of the agri-environment and climate commitments (M10) that they hold.

FA 4B - *Improving water management, including fertilizer and pesticide management;*

Support granted under sub-measure 2.1 will provide advice in order to improve water management, including the management of fertilizers and pesticides on agricultural lands where conversion actions are programmed to practices and methods specific to organic farming and their maintenance (M11).

FA 4C - *Preventing soil erosion and improving soil management;*

Support granted under sub-measure 2.1 will contribute to increasing farmers' understanding level in using fertilizers and pesticides, as well as practicing agricultural technologies and works for a better soil management and preservation of biodiversity;

FA 5A – *Increasing efficiency in water use by agriculture;*

Support granted under sub-measure 2.1 will contribute to identify technological solutions and agricultural practices providing alternatives to fight against drought by classical methods of irrigations, in order to adapt to climate change effects and improve local climate.

FA 6A *Facilitating diversification, creation and development of small enterprises, as well as job creation;*

Support granted under sub-measure 2.1 will provide advice for small entrepreneurs in the rural areas and will target the preparation of the business plan, information on the specificity of the area's activities and opportunities provided by the market.

Secondary effects

Measure 02 is directly programed under the Focus Areas indicated above. In addition, it is expected that the measure will contribute indirectly to the creation of new jobs as well as to the objectives of the following Focus Areas: **1C** – Fostering life-long learning and vocational training in the agricultural and forestry sectors, **3B –** Risk management in agriculture and **5C, 5D -** Supporting resource efficiency and the transition to a low carbon economy and resilient to climate change in agriculture, food products.

Contribution to cross-cutting objectives

Environment and climate

Advisory service has a central role in the transfer of knowledge, ideas and good practices to farmers. Through their role of intermediaries between research and practice, advisors may make the last discoveries and news in the agri-food sector accessible to a wider public. The advisory measure is especially important for the agri-food sector in Romania, as the knowledge transfer between the academic environment 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 as well as micro and small enterprises will have privileged access to latest information of good agricultural practices, environmentally-friendly practices for agri-food industry, and innovative techniques for mitigating climate change. Also, fostering association, cooperatives or producer groups will be more prepared to face competition, market and adaptation to climate change.

Innovation

Advisory service will have a decisive role also in developing non-agricultural business 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 regard to the setting of selection criteria

8.2.2.3.1. 2.1 Servicii de consiliere pentru fermieri, tinerii fermieri, microîntreprinderi si întreprinderile mici

Sub-measure:

- 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.1.1. Description of the type of operation

Scope of the sub-measure:

- Facilitation through advisory services provided to small and young farmers to prepare the business plan and to manage its implementation in order to develop their agricultural holdings to market-orientation and to improve the management in compliance with community standards. The expected result is related especially to access sub-measures 6.1 and 6.3;
- Advisory service to non-agricultural small and micro-enterprises from rural area for the initiation and business development including the preparation of business plans and their implementation. The expected result is related especially to access sub-measures 6.2 and 6.4.
- Provision of advisory services to set up and develop associative forms of farmers. The result will be the reduction of fragmentation degree and increase of the size of agricultural holdings as well as the increase of competitiveness at business level.
- Advising beneficiaries that have agri-environment and organic farming commitments (M10, M11). This will facilitate ensuring necessary pre-requisites for the implementation of agricultural practices that jointly contribute to ensure the sustainable management of natural resources (biodiversity, soil, water), as well as reducing GHG and ammonia emissions from agriculture. At the same time, the promotion of appropriate farming methods will provide better adaptation to climate change effects, manifested increasingly more often by extreme manifestations of phenomena. By providing the necessary skills to implement commitments, by accessing advisory services, it is expected that beneficiaries of the measure to ensure the pre-requisites for achieving the set-up objectives and maximize the budgetary effort impact for the agri-environment and climate commitments.
- Advising farmers for qualitative reorientation of the production, application of competitive production practices, complying with community standards, but also for acquiring the necessary knowledge to manage a holding, especially for beneficiaries of sub-measures 4.1 and 4.2. The

expected result is that agricultural holdings become viable in terms of economy and performances related to environment and climate.

Operations supported:

- holding modernization, strengthening competitiveness, sectorial integration, innovation and market-orientation, as well as promotion of entrepreneurship;
- fulfilling national and community standards, including safety standards at the working place or safety standards related to farm;
- preparation and management of the business plan implementation, including the management of aspects related to environmental protection for:
    - small farms;
    - setting-up of young farmers.
- setting-up and development of new non-agricultural activities for the non-agricultural microenterprises and small enterprises from rural area;
- advisory and animation activities for setting-up and development of agricultural cooperatives and producer groups;
- advisory activities for beneficiaries of the agri-environment and climate measure, organic farming, including the fulfilling of cross-compliance standards established under Title VI, Chapter I of the Regulation (EU) no. 1306/2013;
- advisory activities regarding on-farm level obligations resulting from regulatory requirements on management (SMR) and/or from standards for good agricultural and environmental conditions established under Title VI, Chapter I of the Regulation (EU) no. 1306/2013;
- advisory activities regarding the requirements resulting from the implementation of art. 55 of Regulation (EC) no. 1107/2009, especially compliance with the general principles of integrated pest management as referred to in art. 14 of Directive 2009/128/EC;
- advisory on fostering investments aiming at streamlining/saving water consumption, use of renewable energy in agri-food sector, waste and residues treatment, as well as greenhouse gas emissions reduction and ammonia in agriculture.
- advisory on investments in processing industry that will target the reduction of the environmental footprint by encouraging new methods of preserving the agri-food production to increase food safety, products better adapted to market requirements, methods of use of waste and water treatment to protect the environment as well us on requirements resulting from the application of art. 11 (3) of Water Framework Directive.

Advisory services are offered free of charge to farmers.

The selection process of 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.

In order to provide quality services, the public procurement procedure shall be structured so that potential service providers may apply for provision of advisory services in a specified geographic area (for example, a county/region) and for a certain type of advisory service (e.g. only for the preparation of business plans, or for the preparation of applications for agri-environment measures).

The identified advisory needs after consulting the professional associations in the agricultural/agri-food sector, including NGOs or resulted from studies carried-out at national level, as well as the funds necessary to cover them shall be included in the annual procurement programme developed by GDRD - MA for NRDP, based on which the calls will be developed.

8.2.2.3.1.2. Type of support

Reimbursement of eligible costs incurred and paid.

8.2.2.3.1.3. Links to other legislation

EU Legislation

R (EU) no. 1336/2013 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council in respect of the application thresholds for the procedures for the awards of contract;

Art 13(2) of R (EU) no. 1306/2013 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;

National Legislation

Government Ordinance no. 34/2006 on the award of public procurement contracts, public works concession contracts and service concession contracts with the subsequent changes and completions.

Government Decision no. 925/2006 for the approval of the norms for application of provisions related to the award of public procurement contracts from GO no. 34/2006;

Law no. 31/1990 on commercial companies;

Government Ordinance no. 26/2000 on associations and foundations;

Government Ordinance no. 44/2008 on economic activities carried-out by authorized individuals, individual enterprises and family enterprises;

Law no. 566/2004 on agricultural cooperative with the subsequent changes and completions;

Law no. 1/2005 on organization and operation of cooperative with the subsequent changes and completions;

Government Ordinance no. 37/2005 on the recognition and operation of producer groups and producer organizations for marketing of agricultural and forestry products;

Government Ordinance no. 8/2013 amending and completing Law no. 571/2013 on the Fiscal Code and regulation of financial and tax measures;

Law no. 346/2004 on stimulating the setting-up and development of small and medium enterprises with the subsequent changes and completions;

8.2.2.3.1.4. Beneficiaries

- Advisory services providers that are public and/or private entities set-up according to the legislation in force selected based on a public procurement procedure.

Eligible costs

Eligible costs:

- Advisory's service provider's fees (including salaries, accommodation, meals and transportation);.
- Expenditure for renting premises and/or costs of utilities related to the location where the advice is delivered;
- Other justified expenditure related to the supported advisory services.

Non-eligible costs:

- Investments expenditure;
- Expenditure that are not used exclusively to advisory services provided under the sub-measure;
- Expenditure that exceed the maximum established limits.

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.

8.2.2.3.1.5. Eligibility conditions

The eligibility conditions for the **providers of advisory services**:

- The applicant shall fall under the category of direct eligible beneficiaries;
- The applicant's object of activity shall include activities specific to the field;
- The applicant shows previous experience in providing similar advisory services;
- The applicant shall not have a bankrupt or liquidation status;
- The applicant fulfilled their obligations to pay taxes and social security contributions to the state budget;
- The applicant shall prove that possesses the technical, financial, and qualified staff to carry out the specific advisory activities.

Other commitments for the providers of advisory services:

- The technical and human resources shall be provided during the whole period of implementation not only at the moment of selection of beneficiaries;
- The applicants should keep clear and accurate records of the advisory fields and their beneficiaries at firm level in order to ensure that the maximum amount is of 1,500 euro/beneficiary.

The eligibility conditions will be detailed in the public procurement procedure.

8.2.2.3.1.6. Principles with regards to the setting of selection criteria

- Principle of topics and target-group shall involve the adjustment and detailing of the general topic established according to the needs of the target group from a certain territory depending on the coverage area of the public procurement procedure (national, regional, county);
- Principle of efficient use of funds;
- Principle of efficient and accelerative implementation of advisory services contract;
- Principle of quality of the offer.

Selection principles will be detailed in the public procurement documentations, 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.

8.2.2.3.1.7. (Applicable) amounts and support rates

The public aid granted under this measure shall be 100% of the total eligible expenditure.

The support granted under this measure cannot exceed the maximum eligible amount of 1,500 Euro/beneficiary on a 3 years period foreseen under annex II of R (EU) 1305/2013.

8.2.2.3.1.8. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.1.8.1. Risk(s) in the implementation of the measures

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8.2.2.3.1.8.2. Mitigating actions

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8.2.2.3.1.8.3. Overall assessment of the measure

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8.2.2.3.1.9. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.2.3.1.10. 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

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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

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:

- Insufficient staff at the level of the MA to simultaneously carry-out more procurement procedures an issue met during the 2007 – 2013 period;
- The risk of not providing advisory services, generated by the long term for carrying out public procurement procedures caused by the large number of submitted offers reported to the staff involved in the evaluation process as well as the possible appeals submitted;
- The lack of a database comprising all the identification data of the farmers/outdated database with farmers identified as potential final beneficiaries;
- Reasonableness of costs: risk of costs that are above the normal level.

8.2.2.4.2. Mitigating actions

Among the steps taken and envisaged to improve measure implementation and reduce risks, there are:

- Correlation of launch of procurement procedures with the number of employees involved in the procedures;
- Improvement of documentation for public procurement awarding, through involvement of adequate staff in their preparation;
- Improvement of the vocational training in the field of public procurement of the staff preparing the procedures and monitoring the advisory activity;
- 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 advisory activity; 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 advisory service) within the project/activity carried-out, etc.
- Planning more procedures for procurement organized at regional/county level of smaller value in order to prevent this risk and discourage ungrounded appeals;
- Protocols/data exchanges with other institutions, information system of interconnection with other institutions;
- Introduction of additional conditions regarding the records registered in the database for advisory providers.
- Introduction of a system for verifying costs reasonableness;
- The value of the contract will be established proportionally with the duration and the level (territorial area, target group, advisory type) to which it will be implemented (national, regional, county);

The procedure for the award of advisory contracts take into consideration the estimated value of the project, value that is calculated according to legal provisions respectively, by reporting to results of certain market studies on applied costs of market operators on carrying-out certain advisory services but on the value of other advisory services contracts finalized in the programming framework of 2007 – 2013. As a result of calculating the estimated value the unitary cost will be calculed per project. The value of the unitary cost shall be limited to an amount up to 1.500 EUR/beneficiary/3 years.

8.2.2.4.3. 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 a balanced and sustainable development in the preparation of the NRDP and there are identified mechanisms ensuring an adequate demarcation and complementarity between the EAFRD interventions and other funds in the focus area covered by the measure.

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 analysis carried out by the Managing Authority and the Paying Agency based on the experience in the period 2007-2013, it can be concluded that the verifiability and controllability of the measure are ensured so that the financial interests of the European Union are not compromised.

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

General principles ensuring 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.

- Bodies providing advisory must accomplish the minimum requirements mentioned as eligibility criteria.
- At least once every 3 years, depending on the specificity of the topic, the expert advisors have to take a training course in the field of that topic.

Definitions:

Family Farm - a holding belonging to the family business or legal person whose associates are exclusively members of the same family. The economic size of the family farm is between 8000-250 000 € SO. By members of the family is understood the husband/wife and relatives up to the third degree inclusive;

Small farm - a holding with economic size between 8,000 -11,999 € SO;

Young farmer is a person who is no more than 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competences and is setting-up for the first time in an agricultural holding as head of that holding*;*

8.2.2.7. Other important remarks relevant to understand and implement the measure

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8.2.3. M04 - Investments in physical assets (art 17)

8.2.3.1. Legal basis

Article 17, Art. 45, Art. 46 of Regulation (EU) no. 1305/2013,
Article 13 of the **Delegated Regulation (EU) no. 807/2014**

8.2.3.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

As stated in the Partnership Agreement and by the SWOT analysis, there is a series of needs for investments in physical assets in agriculture and food processing sector in Romania, in order to modernize and improve productivity and competitiveness in the agri-food sector, such as:

- technical endowment of farms, such as performant equipment, machinery, efficient on-farm irrigation systems (on-farm irrigation technologies that would lead to water saving),
- fostering the cultivation and storage of vegetables – fruits (autochthonous varieties, adapted to the soil and climate conditions, constructions, protected areas for cultivation of vegetables), field crops (autochthonous varieties), livestock breeding (swine, cattle and poultry) and capitalization of autochthonous breeds,
- investments in order to diversify the agricultural activities within the holdings and to add value to agricultural products,
- stimulation of association and investments serving associative forms of farmers,
- investments to promote resource efficiency, including the production of renewable energy for own-use, as well as for reduction of GHG and ammonia emissions in agriculture,
- development and adaptation of agricultural and forestry infrastructure.

The relatively low level of endowment and the outdated technologies used in most specialized agricultural holdings and units reflects in the low level of labor productivity in the sector and in the quality of products. Therefore, the introduction of new, modern and environmental- friendly technologies is required (covered by the section on contribution of measure to FA mentioned below), in order to increase the overall performance of farms. The focus will be especially on medium-sized farms that have potential to develop and become more competitive through investments.

Moreover, a better market integration of agri-food producers is needed, as well as a better integration at the level of food supply chains. For small producers, the focus will be on fostering association and accessing support for collective investments in the interest of members, while larger stakeholders require investments for modernization and compliance with the new EU requirements, with emphasis on sectors offering the highest added value and recording market’s demand.

The cooperatives and producer groups have an important role in a better correlation between supply and market requirements and in providing an increased efficiency through joint marketing of products produced by their members, particularly in case of small farms. Therefore, they will be encouraged and prioritized to make investments for development and also for the interests of their members. Thus, the issue of consolidation and restructuring of small farms will be addressed in a coherent manner, so that through cooperatives and producer groups they may benefit from support for acting together for a better market integration.

At the same time, the promotion of investments for the integration of production with processing at farm level (such as on-farm processing and adding value to agricultural products) will ensure the increase of their economic viability and create additional income for farmers.

Furthermore, there is a wide range of potential resources for renewable energy production (vegetal residues resulting from harvesting agricultural products or waste from livestock), but the use and capitalization level of these resources is low due to technological limitations, economic efficiency and environmental restrictions. These resources, along with other renewable resources (solar, wind, geothermal energy, etc.) may be used to obtain renewable energy to be used for farms or processing units‘ own production process, thus helping to reduce energy costs (electricity and heating agent) and contributing to efforts developing a low carbon economy.

Improper manure management methods carried-out by livestock farms are an important risk factor, not only in terms of greenhouse gas (GHG) and ammonia emissions but also in terms of water punctiform pollution. In order to mitigate the actual level of greenhouse gas and ammonia emissions from agriculture, in terms of intensification of agriculture, there is a need to support investments in manure management. There is also a need to reduce the GHG emissions of machinery used in agriculture, to use technologies and equipment ensuring a good management of the use of fertilizers, as well as the application of good soil management practices.

Taking into account the low area cultivated with autochthonous varieties and the low number of autochthonous breed animals adapted to the local conditions, special priority will be given to farms producing/cultivating or are obtaining/breeding these kind of breeds.

Also, due to a major decrease of cultivation of vegetables on protected areas in the last period, as well as the decline of the Romanian market of local products, despite a favorable climate for their production, investments envisaging such crops will also be prioritized.

Regarding the fruit-growing sector, the social-economic analysis highlights a series of aspects underlying the need for restructuring and carrying-out investments in this sector. These are needed in order to improve the overall performance of the agricultural holdings.

The analysis on the situation of fruit-growing plantations, based on criteria regarding the evolution of the occupied area, the replacement and set-up rate, age and production potential, showed the need to make investments to recover the fruit-growing areas, by setting-up new plantations and by reconversion of existing plantations, in order to increase sector’s competitiveness.

In order to be able to ensure the necessary quality seedlings, adapted to the pedoclimatic conditions of Romania, increasing the area covered with fruit nurseries and the diversification of cultivated species and varieties are needed.

At the level of fruit-growing holdings old and outdated technological endowments may be found, therefore, having a negative impact on productivity, profitability, competitiveness of these holdings, as well as on environment and climate. Due to the lack of resources for investments, the existing plantations have a low access to modern equipment for cultivation, maintenance and harvest. In order to capitalize the potential of these holdings, modernization investments such as constructions, equipment, machinery, etc. are needed. Therefore, cost efficiency, income diversification by promoting processing at farm level, increase of labor productivity and achievement of quality standards will be improved.

Investments in processing units at the level of fruit-growing farms will lead to the increase of agricultural products' added value and to the creation of jobs in the primary fruit production and in the fruit-processing industry, a sector where Romania has potential and tradition, but due to reduced investments and fragmentation of holdings has registered a significant decline over the last two decades.

In order to increase sector's competitiveness and address the fragmentation of fruit-growing holdings, the small agricultural holdings, associative forms from the fruit-growing sector, young farmers and farmers with a degree in agricultural education are prioritized.

The number of agri-food products processing units from Romania is still declining due to the dismantling of integrated food chains and high costs for ensuring compliance with the European standards.

New jobs needs to be created to assimilate the excess labor in the (semi) subsistence agriculture, by stimulating the creation of new processing units for agricultural products, where there is demonstrated agricultural potential and relevant raw material supply capacity. At the same time, the modernization and development of existing processing units will help improve their labor productivity and increase the added value to agricultural products and will facilitate a better promotion of supply chains.

Regarding the fruit-growing sector, the processing of primary fruit production leads to the increase of the share of processed products with high added value and may create jobs for different population categories, with high possibilities to efficiently capitalize both raw materials and human resources. This branch is insufficiently developed and needs investments to increase economic efficiency and productivity that consist in modernization/construction/purchase of production spaces and modern technologies, collection systems, selection, calibration, storing, conditioning, packaging, marketing, but also in the development of new local products and brands.

Furthermore, supporting marketing actions and improvement of strategic planning of business and management of resources leads to increasing economic efficiency and productivity.

Considering the high level of fragmentation of fruit-growing holdings and the need to increase the added value for the products in this sector, under sub-measure 4.2a associative forms, integrated supply chains and quality products with high added value are prioritized.

Considering the foregoing, under this measure, in the context of TSP, investments in fruit-growing holdings but also setting-up and modernization of fruit-processing units will be supported.

Both investments in fruit-growing holdings and investments in fruit-processing units will address only the perennial species listed in Chapter 20 of the NRDP, Annex I of TSP, fig.18.

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 (e.g.: irrigation arrangements, investments with water saving potential, as well as water storage or access roads).

As regards accessibility to forestry fund, the target level envisages an increase of at least 50% of the current average density from 6.4 m/ha to approx. 9m/ha. In order to increase the efficiency of the forestry exploitations and decrease soil erosion (due to large distances for wood collecting) it is necessary that the average distance for wood collecting to not exceed 1.2 km corresponding to an average forestry roads' density of 8-9 m/ha.

Climate change have an impact on the existing water resources, especially in the rural areas. Considering the poor adaptation of the existing infrastructure to the new agricultural and forestry structures, these sectors remain vulnerable to climate conditions (alternation of drought 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.

According to Annex 7 – Water for irrigations from Law no 171/1997 on the approval of the National Territory Improvement Plan, with subsequent amendments and completions, approx. 1.5 million ha are proposed for rehabilitation, which is a priority on short and medium term. Out of this area, according to the Strategy for investments in the irrigation sector, a strategy prepared in 2011, following the Project of Rehabilitation and Reform of the Irrigation Sector carried out by the World Bank and managed by the Ministry of Agriculture and Rural Development, 823,130 ha are viable from the economic point of view. The evaluation of systems considered the following: utilization rate of the system, coverage of water users associations, aridity index and irrigation costs.

Although the area prepared for irrigations has not decreased, the effective irrigated area differs from year to year due to different causes, such as weather conditions, lack of capital for investments for the modernization of secondary irrigation infrastructure and lack of technologies leading to improvement of energy efficiency and reduction of water losses as well as water cost due to liberalization of electricity prices for irrigations.
Investments in the modernization of irrigation systems are needed in order to improve the efficiency of these systems (reduced water leakage, improved energy efficiency), to reduce agricultural production's dependency on weather conditions, to increase competitiveness of farmers and to help the sector face the long-term challenges generated by climate change.

Link of the measure with the needs

Support under this measure will contribute to addressing the needs "Adequate level of capital and technology for carrying out modern agricultural activities" (004), "Modernizing the agri-food processing sector and its adaptation to EU standards" (005), "Integrated food chains" (009), "Adaptation to climate change effects" (017), "Low level of greenhouse gases (GHG) emissions from agriculture and the transition towards a low carbon economy" (018), as well as "Supporting a sustainable forest management" (013), as identified in section 4.2 of the programme.

Also, in the context of the TSP, support under this measure will contribute to addressing the needs: “Increasing fruit-growing plantations and nurseries areas, rejuvenate existing plantations and diversification of fruit assortments” (001), “Competitive fruit-growing farms” (002), “High value added products and jobs in fruit-growing areas” (003), “Easy access to adequate financial instruments for farmers, micro-enterprises and small enterprises from fruit-growing areas” (006), as identified in section 4.2 of the TSP.

Five sub-measures will be operated in order to address the identified needs:

- investments in agricultural holdings, sM4.1,
- investments in fruit-growing holdings, sM4.1a,
- investments in processing/marketing of agricultural products, sM4.2,
- investments in processing/marketing of products from the fruit-growing sector, sM4.2a,
- investments in developing, modernization and adaptation of agricultural and forestry infrastructure, sM4.3.

Contribution of the measure to focus areas

FA 2A *Improving the economic performance of all farms and facilitating farm restructuring and modernization, notably with a view to increase market participation and orientation as well as agricultural diversification*

The support granted under sub-measure 4.1 aims at investments leading to the increase of the technical endowment level of holdings with potential to implement viable investment projects, ensuring the continuation of the modernization process of agricultural holdings, by modernizing farm constructions, technical equipment and machinery (including performant on-farm irrigation installations, improvement of assets quality), adoption of Community standards, decrease of energy consumption and aiming at the diversification of agricultural production, in order to improve the economic viability of the agricultural holding.

The support granted under this sub-measure aims at increasing competitiveness and viability of fruit-growing holdings, both through investments such as equipment, machinery, on-farm irrigation and processing equipment and investments leading to the increase of the area covered with fruit-growing plantations and/or reconversion of existing plantations (e.g. setting up new plantations and/or replanting with new varieties, more productive and better adapted).

The support granted under sub-measure 4.3- Improving the accessibility of agricultural and forestry holdings by modernizing and adapting the access roads, will have a positive impact on holdings’ competitiveness, ensuring a good supply and easier access to consumers and markets**.**

FA 2C *Improving the economic performance of forests*

The support granted under sub-measure 4.3. - Improving the accessibility of forest holdings by modernizing and adapting the access roads, will have a positive effect, by improving the conditions for carrying-out forestry-cultural works, prevention of forestry fires and firefighting and for the exploitation of forests in ecological and profitable conditions.

FA 3A *Improving the 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 interprofessional organizations*

The support granted under sub-measure 4.2 through individual and/or collective investments will lead to developing and modernizing processing and marketing capacities of agricultural products, compliance with Community standards, including modern technologies, innovations and new ideas, as well as facilities to increase the efficiency and productivity of enterprises and the added value of agricultural products. Facilities for storing and packaging, quality management systems, environment-friendly systems, labelling, promotion and marketing within supply chains may be accomplished.

The support granted under this sub-measure will contribute to the stimulation of marketing products through short supply chains and a better integration of farmers on the market, through the support granted for the modernization and expansion of collection and conditioning systems and processing units for fresh fruits and products processed from fruits, corroborated with marketing activities and increase of products' quality.

FA 5A *Increasing efficiency in water use by agriculture*

The support granted under sub-measure 4.3 through investments in modernization of secondary irrigation infrastructure will promote new modern technologies contributing to water saving in agriculture and decrease of costs related to water consumption.

FA 5D *Decreasing greenhouse gas and ammonia emissions from agriculture*

The support granted under sub-measure 4.1 through investments in livestock farms will aim at reaching an adequate 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 and ammonia emissions, as well as technologies that contribute to supporting a low carbon economy.

FA 6A *Facilitating diversification, creation and development of small enterprises, as well as job creation*

The support granted under sub-measures 4.2 and 4.2a will contribute to the setting-up of new processing units for local agricultural products, including fruits-processing units and to the promotion of short supply chains. These actions will have a direct impact on the creation of jobs, therefore contributing to promotion of employment.

Secondary effects

Measure 4 is directly programed under the Focus Areas previously indicated. In addition, it is expected that the measure will contribute indirectly to the objectives related to the following Focus Areas: **3A,** through fostering a better integration of the agricultural producers on the market and at the level of the integrated food chains, as well as by fostering their association and the access to support for collective investments in the interest of members, **5A,** through investments in irrigation equipment/systems, including facilities for

water storage, carried out at farm level, **5B,** through investments for improving energy efficiency at farm level and in the agri-food industry and **5C,** through investments in the production and use for own consumption of the renewable energy at farm and processing units levels.
Under the TSP, measure 4 is directly programed under the Focus Areas previously indicated (2A, 3A, 6A). In addition, it is expected that the measure will contribute indirectly to the objectives of focus areas 4C and 5E , mainly by setting up new fruit-growing plantations and also by the reconversion of old plantations.
Moreover, the measure contributes indirectly (in the context of TSP) to the objectives of focus areas 5A (by supporting the use of efficient irrigation equipment at farm level) and 5B, 5C, 5D by promoting the use of renewable energy resources in farms and processing units, upgrading obsolete storage and conditioning facilities, machinery modernization and reducing the amount of nitrogen based fertilizers used.

Contribution to cross-cutting objectives

Environment and climate

This measure will foster investments targeting a more efficient water consumption and water saving, the use of renewable energy in the agri-food sector, waste and residue processing as well as reducing green gas emissions and ammonia in agriculture, including the fruit-growing sector. Investments in modernization of irrigation systems will be carried out according to provisions of the hydrographic basins management plans according to Water Framework Directive, ensuring the metering and streamlining of water and energy consumption.

Investments in the processing industry will aim at reducing the footprint on environment by fostering new methods for maintaining agri-food production, for increasing food safety, products better adapted to market’s requirements, methods for waste use and water treatment for environmental protection, envelopment of buildings.

Innovation

The support for carrying-out investments in innovative physical assets in the field of agricultural production, processing and agricultural and forestry infrastructure, will improve the economic performance of holdings, including the fruit-growing ones and will lead to obtaining high value processed products. In agriculture, the support will aim in particular the use of plant varieties better adapted to drought, 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 wider use of modern technologies will be fostered.

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 regard to the setting of selection criteria

8.2.3.3.1. 4.1 Support for investments in agricultural holdings

Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.3.3.1.1. 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 compared to the current agricultural structure, as well as investments for farms' modernization (priority will be granted to medium-sized farms and associations of small and medium-sized farms) and improving the quality of fixed assets.

Under this sub-measure, support shall be granted also for on-farm processing of the agricultural products for which a combination of the elements both under sub-measure 4.1 and 4.2 (based on art. 17(1) and 17 (1) (b) is relevant.

Although at individual level agricultural holdings with economic size over 8,000 € SO are eligible through associative forms, the support may be accessed by all agricultural holdings even though they have an economic size under 8,000 € SO.

The support will prioritize medium-sized farms (meaning the agricultural holdings with an economic size between 12,000 – 250,000 € SO standard output value) and the associative forms of small and medium-sized farms, in order to stimulate the consolidation of agricultural holdings. As defined in this programme, a small farm is the agricultural holding with an economic size between 8,000 – 11,999 € SO, the value of the standard output.

The purpose of the support granted under this sub-measure will contribute to:

- The improvement of the general performances of agricultural holdings, by increasing competitiveness of agricultural activity, diversification of agricultural activities and increase of the quality of obtained products;
- Restructuring the small and medium-sized holdings and turning them into commercial holdings;
- The compliance with Community standards applicable to all types of investments;
- The increase of the added value of agricultural products, through on-farm processing of products and their direct marketing, in order to create and promote integrated food chains.

Operations/actions eligible for support:

- Investments in the setting-up, extension and/or modernization of livestock farms, including efficient technologies for reducing pollution and for compliance with Union standards that will become compulsory for holdings in the near future and standards related to appropriate manure storage/management in areas where this requirement is being implemented;
- Investments in the setting-up, extension and/or modernization of vegetal farms, including capacities for storage, conditioning, selection, packaging of vegetal production, in order to increase the added value of products;

- Investments for compliance with Community standards in the case of young farmers pursuant to Article 17 (5) of Reg. 1305/2013 where support may be granted for a maximum period of 24 months from the setting-up date and investments to comply with the new standards for modernizing agricultural holdings pursuant to art. 17 (6) where support may be granted for a maximum period of 12 months from the date when the new standard has become mandatory for the holding;

- Setting-up and/or modernization of access ways on farm, including utilities and connections;
- Investments in on-farm processing of agricultural products*, as well as investments in marketing (such as farm gate shops or food trailers (caravans) where own agricultural products will be exclusively marketed); on-farm processing investments will be made only together with investments in farm modernization/development (considered as projects targeting an integrated food chain and addition of value at farm level);
- Investments in the setting-up and/or modernization of on-farm irrigation installations, including water storage at the farm level, provided they represent a secondary component within an on-farm investment project;
- Investments in production and on-farm use of energy from renewable sources with the exception of biomass (solar, wind, produced by means of heating pumps, geothermal) as a secondary component of an investment project and the obtained energy shall be dedicated exclusively to own consumption;
- Investments in installations for production of electric and/or thermal energy, by usage of biomass (from residue /by products from the own agricultural activity), as a secondary component of an investment project and the obtained energy shall be dedicated exclusively to own consumption;
- Intangible investments: purchase or development of computer software and purchase of patents, licenses, copyright, trademarks pursuant to art 45 (2) (d) of Reg. 1305/2013;

8.2.3.3.1.2. Type of support

- Reimbursement of eligible costs incurred and paid.
- Advance payments, subject to the establishment of a bank or an equivalent guarantee corresponding to 100% of the amount of the advance, pursuant to art. 45 (4) and art. 63 of the Reg. 1305/2014.
- Standard costs and contribution in kind in the case of table grape plantations.
- Financial instrument (subject to conditions detailed in Chap. 8.1).

8.2.3.3.1.3. Links to other legislation

EU Legislation

R (EU) no. 1303/2013 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 Fishery Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fishery Fund and repealing Council Regulation (EU) No 1083/2006.

R (EU) no. 1307/2013 establishing the rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EU) No 637/2008 and Council Regulation (EU) No 73/2009.

Recommendation 2003/361/EC of 6 May 2003 regarding the definition of micro, small and medium-sized enterprises.

R (EU) no. 1242/2008 setting a Community typology for agricultural holdings.

Commission Communication no. 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty regarding State aid in the form of guarantees.

Commission Communication no. 2008/C14/02 on the revision of the method for setting the reference and updating rates.

Management plans of river basins established according to WFD with subsequent amendments and completions.

National Legislation

Law no. 566/2004 on agricultural co-operation with subsequent amendments and completions, for the beneficiaries of agricultural cooperatives,

Law no. 1/2005 on the organization and operation of co-operation, with subsequent amendments and completions, for the beneficiaries of agricultural cooperative companies,

Government Ordinance no. 37/2005 on the recognition and operation of producer groups and organizations for marketing agricultural and forestry products, with subsequent amendments and completions, for beneficiaries producers groups,

Order no 119/2014 for the approval of hygiene and public health rules regarding population's living environment, with subsequent amendments and completions,

Order 10/2008 regarding the approval of sanitary-veterinary rule laying down the procedure for sanitary-veterinary marking and certification of fresh meat and marking of products of animal origin intended for human consumption, with subsequent amendments and completions

Order 111/2008 on the approval of the sanitary veterinary and food safety rule regarding the sanitary-veterinary and food safety registration procedure of the activities for obtaining and direct and/or retail selling food of animal or non-animal origin, as well as activities for production, processing, storage, transportation and marketing of non-animal origin food products, with subsequent amendments and completions,

Order 57/2010 for approving the sanitary-veterinary rule regarding the procedure for sanitary-veterinary authorization of the units that produce, process, store, transport and/or distribute animal origin products, with subsequent amendments and completions.

8.2.3.3.1.4. Beneficiaries

- Farmers, except non-authorized individuals;

- Cooperatives (agricultural cooperatives and agricultural cooperative companies) and producer groups set up based on the national legislation in force, serving members 'interests.

8.2.3.3.1.5. Eligible costs

Specific eligible* expenditure:

Eligible expenditure will follow the provisions of art. 45 and 46 from R (EU) no 1305/2013 and art. 13 from Delegated R (EU) no 807/2014 and refer to:

- Construction, expansion, modernization and endowment of on-farm constructions, meant for productive activity, including ways of access to farms, on-farm irrigations and farm's connection to utilities;
- The organization and the endowment of outlets, as well as other marketing expenses, within an integrated food chain;
- The purchase, including by leasing, of new machinery and equipment, within the limit of the market value for that product;
- The purchase, including by leasing, of compact frigorific transportation means, including trailers and semitrailers specialized for agricultural products marketing within an integrated food chain;
- Expenditure generated by the setting-up of plantations for table grapes and other perennial crops (provided the planting material is certified), except expenditure eligible within the fruit-growing sub-programme and those supported by Pillar I (PNS 2014-2018):
    - Setting-up table grapes plantations, including costs of planting materials, support systems, soil preparation, planting works, systems for protection against hail and rain, irrigation systems at the level of farms;
    - Replacement of table grapes plantations, including costs for clearing, planting material, support systems, soil preparation, planting works, systems for protection against hail and rain, irrigation systems at the level of farms;
    - In-kind contribution in the case of the establishment/replacement of table grape plantations is eligible in compliance with Article 69 from R no.1303/2013.
- The expenditure determined by compliance with Community standards in the case of young farmers pursuant to Article 17 (5) and the investments for compliance with the new standards ** (foreseen in the section "List of new requirements imposed by the EU legislation") in the case of modernizing agricultural holdings pursuant to art. 17 (6);
- Purchase or development of computer software and purchase of patents, licenses, copyright, trademarks.

*The general eligible expenditure are foreseen under chapter 8.1.

**The expenditure will be eligible when new standards applicable to agricultural holdings are available.

Specific non-eligible*expenditure:

- Purchase of buildings;
- Construction and modernization of home;

- Purchase of rights for agricultural production, payment rights, animals, annual plants and their planting;
- Expenditure generated by investments in energy crops from forestry species with short cycle of production (including expenditure generated by the purchase of seedlings);
- Expenditure for maintenance of agricultural crops.

* The general non-eligible expenditures are foreseen under chapter 8.1.

8.2.3.3.1.6. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The investment must be made in a farm with a minimum economic size of 8,000 € SO;
- The investment must fall under at least one of the eligible actions provided in the sub-measure;
- The applicant must demonstrate the capacity to ensure the co-funding of the investment;
- The economic viability of the investment must be demonstrated based on the technical-economical documentation;
- The investment will be preceded by an evaluation of the impact foreseen on the environment if it may have negative effects on the environment, in accordance with the legislation in force mentioned under chapter 8.1;
- In all the cases where the investment project also foresees investments in on-farm irrigation systems/equipment, they are eligible only if the specific conditions mentioned under the section "Other aspects relevant for understanding the measure" are followed;
- 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 in maximum 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 the new requirements imposed on farmers by the European legislation will be granted 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);*
- Investments in installations having as main purpose the production of electricity, by usage of biomass must comply with the provisions of art.13 (d) of R.807/2014, by providing of a minimum thermal energy percentage of 10%;
- The investment will be compliant with the legislation in force (mentioned in the chapter Links to other legislation) in the public health field, sanitary-veterinary and food safety field;
- The applicant shall prove that the annual average profit (as an average of the last three fiscal years) does not exceed 4 times the value of the support requested;
- In case of on-farm processing the processed raw material will be agricultural product (according to Annex I of the Treaty) and the resulted product will be only product of Annex I of the Treaty.

8.2.3.3.1.7. Principles with regards to the setting of selection criteria

- The principle of holding size aiming at medium-sized holdings;
- The principle of agricultural potential of the area aiming at areas with potential determined based on specialty studies;
- The principle of priority sector according to the social-economic analysis, such as: livestock sector

(swine, cattle and poultry) and vegetal sector (cereals, oilseeds and protein crops, potatoes and vegetables in protected areas, including the production of seedlings);

- The principle of integrated food chain, respectively the combination within the same project of investments in the primary agricultural production with processing and/or marketing of the obtained production;
- The principle of association of farmers who own small and/or medium-sized holdings, within cooperatives or producer groups established based on the national legislation in force;
- The principle of the agricultural holding manager's level of qualification in agriculture;
- The principle of autochthonous breeds/varieties;
- Water saving principle for projects requiring investments in modernization of irrigation systems at farm level, prioritizing investments aiming for higher water savings.

The selection principle will be further detailed in the subsequent national legislation and shall consider the provisions laid down in art. 49 of R(EU) no 1305/2013 aiming to ensure equal treatment of applicants, better use of financial resources and their targeting, in accordance with the Union's priorities for rural development.

Selection principles will also ensure the balanced development of agriculture in Romania, the share of selection criteria being carried out depending on the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.1.8. (Applicable) amounts and support rates

Non-refundable public support

I. In case of farms with an economic size up to 500,000 SO:

The rate of **non-refundable public support** will be **50%** of total eligible expenditure and shall not exceed:

- **in case of projects foreseeing simple purchases** – maximum EUR 500,000, respectively EUR 100,000 for **small farms**;
- **in case of projects foreseeing construction-assembly** – maximum EUR 1,000,000 for the 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 foreseeing the creation of on-farm integrated food chains** – maximum EUR 2,000,000, respectively EUR 400,000 for small farms;

The intensity of non-refundable support may be increased by 20 additional percentage points, but the combined support rate cannot exceed **90%**, in the case of small and medium farms (with a size up to 250,000 SO), respectively **70%** in the case of farms that have between 250,000 and 500,000 SO, in the case of:

- Investments carried out by young farmers, aged under 40, on the date of submitting the financing application (as defined in art.2 of R (EU) no 1305/2013) or those who have set up in the five years previous to the request for support, in accordance with Annex II of EU Reg. 1305/2013);

- Integrated projects;
- Operations supported within the EIP;
- Investments related to operations laid down in Art. 28 (Agri-environment) and art. 29 (Organic farming) in Reg. (EU) no. 1305/2013;
- Investments in areas facing natural and other specific constraints, as laid down in Art. 32 in Reg. (EU) no. 1305/2013.

II. In the case of farms with an economic size above 500,000 SO:

The rate of **the non-refundable public support** will be of **30%** and will not exceed:

- **in the case of projects that foresee simple purchases** – maximum 500,000 EUR;
- **in the case of projects that foresee constructions-assembly** – maximum 1,000,000 EUR for the vegetal sector, respectively maximum 1,500,000 EUR for vegetables in protected areas (greenhouses) and the animal husbandry sector;
- **in the case of projects that foresee the creation of on-farm integrated food chains** - maximum 2,000,000 EUR;

The intensity of non-refundable support may be increased by 20 additional percentage points, but the combined support rate cannot exceed **50%** in the case of:

- Integrated Projects;
- Operations supported within the EIP
- Investments in areas facing natural and other specific constraints, as laid down in Art. 32 R (EU) no 1305/2013.

III. In the case of cooperatives and producer groups – 50% intensity of support and shall not exceed maximum 2,000,000 EUR regardless of the type of investment;

The intensity of non-refundable support may be increased by 20 additional percentage points, but the maximum combined support rate cannot exceed **90%** in the case of:

- Collective investments carried out by farmer associations (cooperatives and producer groups) and integrated projects;
- Operations supported within the EIP;
- Investments related to operations laid down in Art. 28 (Agri-environment) and art. 29 (Organic farming) in R(EU) no.1305/2013;
- Investments in areas facing natural and other specific constraints, as laid down in Art. 32 of Reg. (EU) no. 1305/2013.

In the case of projects that include on-farm processing activities, the support rates applicable to actions concerning processing and marketing products listed in Annex I to the Treaty for Operation of the European Union (TFEU) will respect the applicable support rates specified in Annex II of R

1305/2013 (specific to sM 4.2).

For family farms, within the calls for this sub-measure, a distinct allocation shall be provided, which shall be communicated to beneficiaries at the same time with the publication of the call notification.

In the case of **table grapes** plantations, for the entire eligible value of the project, the maximum thresholds and the support rates mentioned above will be respected. The private contribution of the beneficiary may be represented by the contribution in-kind as works carried out in own administration, which will be evaluated based on the standard costs for the works provided by the ICDVV Valea Călugărească and detailed in the annex that is attached to this section.

ANEXA sM 4.1

VALORI PENTRU COSTURI STANDARD* ŞI CONTRIBUŢIE ÎN NATURĂ*, APLICABILE INVESTITIILOR
privind înfiinţarea plantaţiilor de struguri de masă
SUB-MASURA 4.1

înfiintare plantatii viticole pentru struguri de masa

Nr. crt	Specificare	Costuri in Euro /ha			
		in regie proprie	in antrepriza	in regie proprie	in antrepriza
	Desime de plantare: vite/ha	<= 3333		**peste 3333 si <=4167**	
1.	***Proiectare, analize sol***	**350,00**	**385,00**	**350,00**	**385,00**
2.	***Defrisare***	**713,42**	**784,76**	**713,42**	**784,76**
	din care: - lucrari mecanice	98,57	108,43	98,57	108,43
	- lucrari manuale	608,11	668,92	608,11	668,92
	- materiale	6,74	7,42	6,74	7,42
3.	***Pregatirea terenului:***	**758,42**	**834,26**	**758,42**	**834,26**
	din care: - lucrari mecanice	679,52	747,47	679,52	747,47
	- lucrari manuale	78,90	86,79	78,90	86,79
4.	***Fertilizarea solului:***	**737,66**	**811,42**	**737,66**	**811,42**
5.	***Sistem de sustinere***	**5605,61**	**6166,17**	**10991,22**	**12090,35**
6.	***Instalat sistem sustinere***	**826,78**	**909,46**	**665,53**	**732,08**
	din care: - lucrari mecanice	41,29	45,42	44,70	49,17
	- lucrari manuale	785,49	864,04	620,83	682,92
7.	***Echipament de irigare localizata***	**2527,41**	**2780,15**	**2527,41**	**2780,15**
8.	***Instalat sistem de irigare localizata***	**379,11**	**417,02**	**379,11**	**417,02**
9.	***Sistem plasa antigrindina***	**7824,64**	**8607,10**	**16327,96**	**17960,76**
10.	***Instalat sistem antigrindina***	**1173,70**	**1291,07**	**2449,19**	**2694,11**
11.	***Sistem protectie antiploaie***	**5250,00**	**5775,00**	**8400,00**	**9240,00**
12.	***Instalat sistem antiploaie***	**787,50**	**866,25**	**1260,00**	**1386,00**

Cost unitar in EURO per/material saditor si plantare		cost in regie proprie	in antrepriza	cost in regie proprie	in antrepriza
13.	***Materiale saditor***	**1,58**	**1,73**	**1,59**	**1,75**
14.	***Plantarea vitei de vie*** *(lucrari mecanice, lucrari manuale si alte materiale)*	**1,19**	**1,30**	**1,21**	**1,33**

Nr. crt	Specificare	**Costuri in Euro /ml**	
		in regie proprie	in antrepriza
15.	***Sistem imprejmuire***	12,00	13,20
16.	***Instalat sistem imprejmuire***	2,00	2,20

Nota

Costurile nu contin TVA

Annex sM 4.1

8.2.3.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.1.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the section applicable to Measure 4. As regards the specific risks identified for sub-measure 4.1, these are:

- The risk of creating artificial conditions for obtaining a higher support rate, by introducing within the project some components/actions/activities exclusively for the purpose of obtaining additional advantages as regards the support rate or selection criteria, claiming expenditures larger than the real cost of the investment, breaching the eligibility criteria due to the non-compliance with the technical project, by changing the technical solution in the case of construction-assembly projects.

8.2.3.3.1.9.2. Mitigating actions

In order to decrease the specific risks identified, the following actions will be considered:

- Verifications and specific methodology will be detailed, where applicable, e.g. verifications regarding the scoring/financial advantage, on the basis of the principle of proportionality, will be performed;
- The introduction of a payment system based on the standard cost for setting-up/replacing table grape plantations, in accordance with the provisions of art. 62 (2) of R. (EU) 1305/2013;
- Carrying-out several verifications related to the implementation of the technical project and the involvement of the responsible state authorities.
- The introduction, at the level of the Paying Agency, of a system to verify the reasonableness of costs, by creating a database with reference prices for the simple purchases of machinery and equipment.

8.2.3.3.1.9.3. Overall assessment of the measure

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8.2.3.3.1.10. Methodology for calculation of the amount or support rate, where relevant

It is applied in the case of table grapes plantations for which support is granted as simplified standard costs. The methodology was established in accordance with art. 62 (2) and takes into account the expenses detailed under section”Specific eligible expenses”.

The support shall be granted as standard costs and contribution in-kind only for the operations detailed in the section”Support and amount rates”.

The methodology and costs were certified by the Institute of Research-Development for wine growing and wine making (ICDVV) Valea Călugărească, and data having as reference year 2014, used for calculating the standard costs were taken from the competitive market of specialized companies and lowest costs were selected as well as from the 7 viticulture and wine research stations under the coordination of ICDVV located in the main vineyards of the country.

The basis for standard costs were the technological estimates per category of works carried-out for the density of 3333 cattle/ha, corresponding to plantation distances of 2.5x1.2m, Guyot form of administration and for the density of 4167 cattle/ha, corresponding to plantation distances of 3,0x0,8m, Pergola Trentini form of administration.

In developing estimates on categories of works (deforestation, land preparation, planting, installation support system, irrigation system, hail system, rain system) were taken into account the following elements:

- for mechanical works were used: fuels consumption and remuneration of the mechanic.
- for manual works were used the current practiced tariffs on the free marked and by the viticulture and wine research stations, with a value of 60 Ro Lei/day.
- biological material prices used for the certified category are compatible with those of the EU market, enabling the possibility to use the most valuable wine assortment.
- prices used in other types of material: chemical fertilizers, pesticides, pickets, irrigation water etc. were taken from the competitive market, including offers from specialized companies.
- for investment works (support system, irrigation system, hail system, the rain system) offers were requested from specialized companies and lowest costs were selected.

Under chapter 18 are presented documents issued by ICDVV Valea Calugareasca certifying the methodology and calculation of standard costs according to provisions of art. 62 of Regulation (EU) 1305/2013.

8.2.3.3.1.11. 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 others.

These investments will serve the interests of the members of cooperatives and producer groups.

Definition of integrated projects

"Integrated Project" represents a combination of at least two operations covered by at least **two different measures,** one of them being measure 4 and provides access to financing to the same beneficiary. An integrated project may be submitted in a single financing application, evaluated as such in a single call and different operations may start simultaneously. The eligibility conditions related to all operations included in the integrated project must be met prior to the signing of the financing contract, even if the implementation of some of the operations is scheduled at a later stage. According to Regulation 808/2014 laying down the rules for the application of Regulation 1305/2013, art. 11 (3), if an operation falls under two or more different types of operations, Member States may assign the expenditure to the predominant measure or type of operation. The specific contribution rate related to the dominant measure or type of operation shall apply.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

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 output value) potentially viable for investments. Medium-sized agricultural holdings and associations of farmers who own small and/or medium-sized holdings, in cooperatives or producer groups, are prioritized in order to stimulate the land consolidation and consolidation of the small-sized holdings.

Therefore it will stimulate agricultural holding restructuring and increase competitiveness. The support for restructuring and modernization (sM 4.1.) will mainly be targeted towards the sectors identified as priority sectors within the analysis, namely swine, cattle, poultry, vegetables (including production of seedlings) and field crops and will be targeted depending on the agricultural potential of the area. In particular, the support aims to increase the productivity of field crops (cereals, oilseeds and protein plants, potato) since it is a widely unexploited sector which has interesting growing margin in the European and national market.

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

Accomplishment of the requirements of the Action Programme for protection of waters against pollution caused by nitrates from agricultural sources 2013

EU legislation

Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources

National legislation

Government Decision 964/2000, with subsequent amendments and completions

Decision no 221.983/GC/12.06.2013

Date when the standard becomes mandatory

12.06.2017

Date when the grace period ends

12.06.2018

Types of investments

Investments in constructions, equipment, machinery and specialized transportation means needed to ensure a sustainable management of manure and other animal waste to ensure the protection of waters against pollution caused by nitrates.

Justification regarding the need for support for newly introduced Community standards

Considering the stage of implementation of the Action Plan for protection of waters against pollution caused by nitrates from agricultural sources, and the existence of vulnerabilities to nitrate pollution from agricultural sources, by Commission Decision 221.983/GC/12.6.2013 for the action plan for protection of waters against pollution caused by nitrates from agricultural sources, the Ministry of Environment and Climate Change and Ministry of Agriculture and Rural Development approved the action programme for protection of waters against pollution caused by nitrates from agricultural sources, with a validity period of 4 years from the date of approval until June 12th 2017.

Prior to this Action Programme, the old programme (approved by Decision 21130/DC/14.10.2010) required for all the holdings between 8-100 LSU from the areas envisaged under Order 1552/743/2008 to have minimum mandatory facilities for manure management. The deadline set by this programme as date when the standard becomes mandatory (14.10.2010) was extended for holdings applying for EAFRD support by another 36 months (2013). Therefore, compliance investments are no longer eligible for holdings between 8-100 LSU in NVA, according to the Order above mentioned.

The new programme from 2013 extended the implementation of measures to protect waters against pollution caused by nitrates from agricultural sources from the previous set NVZ's (covering 58% of territory) to the entire territory of Romania, for all farmers who own or manage agricultural holdings and for local public administrations of communes, towns and municipalities on whose territory are agricultural holdings.

The support targeted by this measure will contribute to the accomplishment of objectives in the Action Programme for protection of waters against pollution caused by nitrates from agricultural sources, by supporting investments for the sustainable manure management and other animal waste that would ensure the protection of waters against pollution caused by nitrates and will be provided by the end of the grace period (June 12th 2018) allowed by R1305/2013.

Thus, in the context of the new Action Programme 2013, investments for compliance with the requirements of this programme will be eligible for all holdings in the other areas other than those previously designated by Order 1552/743/2008 and only for the agricultural holdings that have less than 8 LSU and are situated in the NVA designated by the Common order ME/MARD no 1552/743/2008, with subsequent amendments and completions. Also, it is applied the derogation foreseen under art. 17(6) in the Reg. 1305/2013 according to which young farmers can benefit from the support necessary to comply with the Action Programme 2013, regardless of the area they come from or the number of animals.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Taking into account that there are no minimum standards for energy efficiency at national level, the provisions of Art. 13 c) do not apply for investments in the infrastructure for production and use of energy from renewable sources.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Taking into account that investments for production of bioenergy/biofuels from agricultural crops referred to in Art. 13 e) are not supported, it is not necessary to set the threshold required under Art. 13 e), because the agricultural holdings will get this bioenergy only from waste/by-products from their own agricultural activity; therefore this threshold is set at zero level.

8.2.3.3.2. 4.1a Support for investments in fruit-growing holdings

Sub-measure:

- 4.1 - support for investments in fruit-growing holdings

8.2.3.3.2.1. Description of the type of operation

Under this sub-measure support will be also granted for on-farm processing of agricultural products from the fruit-growing sector, for which a combination of elements of both sub-measures 4.1 and 4.2 (based on art. 17(1)(a) and 17(1)(b)) is relevant.

Holdings targeted for support under sub-measure 4.1a have a minimum economic size of 8,000 € SO in the case of reconversion and setting-up of fruit-growing plantations and a minimum size of the owned/used fruit-growing areas of 8,000 € SO in the case of simple purchases.

The purpose of investments supported under this sub-measure is to increase the competitiveness of the fruit-growing holdings by endowment with machinery and equipment, setting-up, modernization and/or extension of processing units, setting-up of fruit-growing plantations, reconversion of existing plantations and increase of areas covered with fruit nurseries.

The support granted under this sub-measure will contribute to:

- increase of competitiveness, diversification of production, increased quality of obtained products and improvement of the general performance of fruit-growing holdings;
- increase of added value of products, by supporting on-farm fruit processing* and direct marketing* of the obtained products;
- development of short supply chains;
- more efficient production costs, by promoting the on-farm production and use of energy from renewable sources and by reducing energy consumption.

Operations/actions eligible for support:

- Investments in modernization of fruit-growing farms, including in the setting-up and reconversion of fruit plantations and modernization of the agricultural machines and machinery park.
- Investments in modernizing fruit nurseries, including increasing areas covered by seedlings.
- Setting-up and modernization of processing units at farm level and investments for marketing (such as farm gate shops or food caravans that will sell exclusively own agricultural products), only as a secondary component of the project.
- Investments in production and on-farm use of energy from renewable sources with the exception of biomass (solar, wind, produced by means of heating pumps, geothermal) as a secondary component of an investment project and the obtained energy shall be dedicated exclusively to own consumption;
- Investments in installations for production of electric and/or thermal energy, by usage of biomass (from residue /by products from the own agricultural activity), as a secondary component of an investment project and the obtained energy shall be dedicated exclusively to own consumption;
- Setting-up and/or modernization of access roads on farm, including utilities and connections;

- Investments in order to meet EU standards for young farmers, in accordance with Article 17 (5) of Reg. 1305/2013 where support may be granted for a maximum period of 24 months from the time of installation (setting-up).
- Investments in intangible assets: purchase or development of software and purchase of patents, licenses, copyrights, trademarks pursuant to Article 45 (2) (d) of Reg. 1305/2013;

Operations/actions not eligible for support:

- Purchase of rights for agricultural production, payment rights, animals, annual plants and their planting;
- Purchase of buildings;
- Obtaining of alcoholic beverages.

*The definitions for processing and marketing laid down in the European Union guidelines for State aid in the agriculture and forestry sectors and in the rural areas for the 2014 – 2020 period are applied.

8.2.3.3.2.2. Type of support

- Reimbursement of eligible cost incurred and paid;
- Advance payments, subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100% of the amount of the advance, pursuant to art. 45 (4) and art. 63 of the Regulation 1305/2014;
- Standard costs and in kind contribution for the setting-up/conversion of fruit growing plantations and setting-up of nurseries;
- Financial instrument according to conditions detailed in chap. 8.1.

8.2.3.3.2.3. Links to other legislation

EU Legislation

R (EU) no. 1303/2013 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 Fishery Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fishery Fund and repealing Council Regulation (EU) No 1083/2006

R (EU) no. 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EU) No 637/2008 and Council Regulation (EU) No 73/2009

R (EU) no. 1242/2008 setting a Community typology for agricultural holdings.

R (EU) no. 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, the European Food Safety Authority and laying down procedures in matters of food safety

R (EU) no. 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs

Commission R (EU) no. 2073/2005 of 15 November 2005 on microbiological criteria for foodstuffs

Commission R (EU) no. 1881/2006 of 19 December 2006 setting the maximum levels for certain contaminants in foodstuffs

R (EU) no. 1333/2008 of the European Parliament and of the Council of 16 December 2008 on food additives

Communication from the Commission No 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees;

Communication from the Commission No 2008/C14/02 on the revision of the method for setting the reference and discount rates

National Legislation

Government Ordinance no. 37/2005 on the recognition and operation of producer groups and organizations for marketing agricultural and forestry products, as supplemented and amended

Law no. 1/2005 on the organization and and operation of cooperatives, as supplemented and amended

Law no. 566/2004 on cooperatives,, as supplemented and amended

GD 445/2009 on the assessment of the impact of certain public and private projects on the environment, as supplemented and amended

Order no. 135/2010 on the approval of the methodology for the application of environmental impact assessment for public and private projects, as supplemented and amended

Order no. 111/2008 of the president of the National Sanitary Veterinary and Food Safety Authority for approving the sanitary-veterinary and food safety rules, as supplemented and amended

Order no. 119/2014 for the approval of hygiene and public safety rules for the living environment of the population, as supplemented and amended

8.2.3.3.2.4. Beneficiaries

- farmers, except non-certified natural persons;
- producer groups and cooperatives (agricultural cooperative companies and agricultural cooperatives), established under the national legislation in force (presented in section Links to other legislation), operating in the fruit-growing sector, provided that the investments carried out serve the interests of their own members.

8.2.3.3.2.5. Eligible costs

Specific eligible expenditure*:

- Reconversion of existing plantations, including costs for deforestation, planting materials, support systems, soil preparation, planting works, protection systems against hail and rain, on-farm irrigation equipment;

- Setting-up of new fruit-growing plantations, including costs for planting materials, support systems, soil preparation, planting works, protection systems against hail and rain.
- Setting-up of fruit nurseries for production of propagating material and fruit planting material, including costs for seedlings, support systems, soil preparation, planting works, anti-hail nets;
- Setting-up, extension and/or modernization of storage systems, conditioning and packaging and on-farm processing units.
- Purchase, including by leasing, of new machines/machinery and equipment, within the limit of market's value of that product;
- Purchase, including by leasing, of compact frigorific transportation means, for the marketing of products within short chains;
- Arrangement, construction, endowment of farm shops for direct sales and other marketing activities (e.g. food caravans)
- Investments aiming at improving environmental performances of the fruit-growing holdings (increasing energy efficiency of buildings, purchase of production installations for on-farm production of renewable energy);
- Enclosure of areas where the investment is carried-out and exploitation roads;
- Filling the empty spaces with seedlings in plantations of trees and shrubs (replanting);
- Compliance with EU standards, in the case mentioned under art. 17 (5) of R1305/2013
- Purchase or development of software and purchase of patents, licenses, copyrights, trademarks pursuant to Article 45 (2) (d) of Reg. 1305/2013;

Investments under 1st, 2nd, 3rd, 9th (excepting exploitation roads) and 10th bullet points will be based on standard costs and contributions in-kind.

*****The general eligible expenditure are foreseen under chapter 8.1 as well.

Specific non-eligible expenditure:**

- Expenditure for plantations' maintenance;

**The general non-eligible expenditures are foreseen in chapter 8.1.

8.2.3.3.2.6. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The investment must fall into at least one of the eligible actions/operations foreseen under the sub-measure;
- The applicant must demonstrate the ability to ensure the co-financing of the investment;
- The economic viability of the investment must be demonstrated through the presentation of the technical and economic documentation.
- The investment shall meet the requirements on the compliance with the standards imposed by the European and national legislation (presented in the section Links to other legislation and in chapter 8.1 of the NRDP), including those regarding the effects on the environment; where it can have negative effects on the environment, the investment will be preceded by an assessment of the expected impact on the environment;

- The investment must be made only in the territorial-administrative units presented under the annex relevant for the TSP, of the National Implementation Framework and must be compliant with the zoning of the species covered by the above mentioned annex, except the crop of strawberries in greenhouses and solariums;
- In case of setting-up and/or reconversion, the applicant must use only certified fruit material from the biological category;
- In case of fruit-nurseries, the applicant commits that the material resulted will be certified fruit material from the biological category;
- The holding must be compliant with the viable economic sizes:
    - The minimum size of fruit-growing plantations/of areas covered with fruit nurseries, under ownership or just used by an agricultural holding, must be of minimum EUR 8,000 SO in the case of simple investments, which do not involve reconversion and setting-up of fruit-growing plantations and in the case of investments that involve the production of propagating and fruit planting material.
    - In the case of investments that involve reconversion and setting-up of fruit-growing plantations, the economic size of the agricultural holding must be minimum EUR 8,000 SO.
- The set-up/replanted area foreseen in the project must be equivalent to minimum:
    - EUR 7,000 SO for strawberry crops in the field and protected spaces;
    - EUR 6,000 SO for production of propagating material and fruit planting material;
    - EUR 3,000 SO for all the other species and crop systems.
- The in-kind contribution is eligible only if the conditions laid down in Article 69 (1) of the R 1303/2013 are fulfilled.
- In all the cases where the investment project includes an investment in irrigation systems/equipment at the farm level, they are eligible only if the conditions mentioned in the section **"Other important remarks relevant to understand and implement the measure"** are fulfilled.
- In the case of on-farm processing, both raw material and the resulting processed product must be included in Annex I to the TFEU. In the case of marketing, only products included in Annex I to the TFEU will be supported.
- Investments in processing at the farm level are eligible only with investments in modernization/farm development (primary agricultural production development), as secondary component, in order to add value at farm level.
- Investments in setting-up and/or upgrading of irrigation installations and the production of renewable energy on farm are eligible provided they represent a secondary component in a project that aims at farm development / modernization (primary agricultural production development).
- Investments in installations having the main purpose the production of electricity, by usage of biomass must comply with the provisions of art.13 (d) of R.807/2014, by providing of a minimum thermal energy percentage of 10%,
- The applicant shall demonstrate that the average profit per year (averaged over the last three fiscal years) does not exceed 4 times the amount of support requested.

- According to Article 17 (5) of Reg. 1305/2013, the investments for adaptation to EU standards, applicable to agricultural production obtained by young farmers who set-up for the first time in an agricultural holding, must be made in maximum 24 months from the time of set-up

8.2.3.3.2.7. Principles with regards to the setting of selection criteria

- The principle of prioritary fruit species (peach, nectarine, apple, shrubs, apricot and cherry);
- The principle of size (small farms);
- The principle of prioritary crop system (intensive, super intensive, organic, crops in protected areas);
- The principle of integrated food chains (investments covering the entire food chain: production-conditioning-storage-processing-marketing);
- The principle of association (investments carried-out by producer groups and cooperatives in the fruit-growing sector);
- The principle of property (agricultural holdings which own fruit-growing plantations under reconversion and/or the land on which the setting-up of the fruit-growing plantations is done);
- The principle of qualification level (university studies in the project field; secondary education in the project field);
- The principle of age (young farmers aged under 40);
- The principle of reconversion (investments that involve reconversion).
- The principle of water saving, for investment projects that include modernization of irrigation systems at farm level, prioritizing projects aiming for higher water savings.

Selection principle will be further detailed in the subsequent national legislation and will 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's priorities for rural development.

Selection principles will also ensure the balanced development of agriculture in Romania, the share of selection criteria being carried-out depending to the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.2.8. (Applicable) amounts and support rates

Small and medium farms and in the case of obtaining propagating material and fruit planting material

Small farms

- The support rate is **50% of the total eligible expenditure** and shall not exceed:
  - 100,000 € for simple purchases;
  - 300,000 € in the case of investments in production activity (machinery, setting-up, reconversion etc.);

- 450,000 € for investments leading to an on-farm integrated food chain (production, processing, marketing).

Medium-sized farms:

- The intensity of the support is **50% of total eligible expenditure** and shall not exceed:
  - 200,000 € for investments involving simple purchase;
  - 600,000 € in the case of investments in production activity (machinery, set-up, reconversion etc.);
  - 900,000 € for investments leading to an on-farm integrated food chain (production, processing, marketing).

In the case of obtaining propagating material and fruit planting material

- The intensity of the support is **50% of total eligible expenditure** and shall not exceed:
  - € 600,000 in case of investments in production activity (machinery, setting-up etc.);

In the case of small and medium farms and for obtaining propagating material and fruit planting material the non-refundable support rate may be increased by 20 percentage points, but the maximum combined support rate shall not exceed 90%, for:

- Investments carried out by young farmers, aged under 40, on the date of submitting the financing application (as laid down in art. 2 of R1305/2013) or who have already set up in the last five years preceding the application for support, pursuant to Annex II in R1305/2013*;
- Integrated projects;
- Operations supported within the EIP;
- Investments related to operations foreseen in Art. 28 (Agri-environment) and Art. 29 (Organic farming) from R (EU) no 1305/2013;
- Areas facing natural constraints and other specific constraints mentioned in article 32.

Large farms:

- The support rate is **50% of total eligible expenditure** and shall not exceed:
  - 250,000 € for investments involving simple purchase;
  - 750,000 € in case of investments in production activity (machinery, setting-up, reconversion etc.);
  - 1,050,000 € for investments leading to an on-farm integrated food chain (production, processing, marketing).

The intensity of non-refundable support may be increased by 20 percentage points, for:

- Operations supported within the EIP.

Associative forms

- The support rate is **50% of total eligible expenditure** and shall not exceed:

- 350,000 € for investments involving simple purchase;
- 600,000 € for obtaining seedling and fruit plantation material;
- 750,000 € in case of investments in production activity (machinery, setting-up, reconversion etc.);
- 1,050,000 € for investments leading to an on-farm integrated food chain (production, processing, marketing).

The intensity of non-refundable support may be increased by 20 percentage points, but the maximum combined support rate shall not exceed 90%, for:

- Collective investments and integrated projects;
- Operations supported within the EIP
- Investments related to operations foreseen in Art. 28 (Agri-environment) and Art. 29 (Organic farming) from the R (EU) no 1305/2013;
- Areas facing natural constraints and other specific constraints mentioned in article 32.

For projects including processing activities at farm level, the support rates applicable to actions concerning processing and marketing of products listed in Annex I to the Treaty on the Operation of the European Union (TFEU) will respect the applicable aid intensities specified in Annex II of Reg. 1305/2013 (specific to sM 4.2a).

The eligible costs per ha of fruit-growing plantation will follow the limits of standard costs provided and assumed by ICDP Mărăcineni. Also, the full eligible amount of the project will comply with the maximum limits and aid intensities.

The private contribution of the beneficiary may be represented by in-kind contribution, works carried-out for its own, which will be assessed, also based on standard costs for works provided by ICDP Mărăcineni.

The support will be given in the form of standard costs and in-kind contribution only for operations detailed in the annex attached to these section. The methodology for calculating the support is detailed in the values' table for standard costs and in kind contribution for the TSP.

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VALORI PENTRU COSTURI STANDARD* ŞI CONTRIBUŢIE ÎN NATURĂ*, APLICABILE INVESTIŢIILOR DIN CADRUL SUB-PROGRAMULUI TEMATIC POMICOL SUB-MĂSURA 4.1a

I. Valori aplicabile tuturor speciilor

Nr. Crt.	Specificare	Cost Standard EUR/ha	Contribuţie în Natură EUR/ha
1.	Proiectare, analiză sol, asistenţă tehnică	620	-
2.	Pregătirea terenului	840	714
3.	Defrişare plantaţie**	760	646
4.	Echipament irigare localizată	3500	-
5.	Instalare echipament irigare localizată	500	425
	Specificare	**Cost Standard EUR/ml perimetru**	**Contribuţie în Natură EUR/ml perimetru**
1.	Sistem împrejmuire	10	-
2.	Instalare sistem împrejmuire	2	1,7

***Defrişarea nu se aplică culturii de căpşuni şi pepinierelor pomicole*

II. Valori aplicabile culturilor de cireş, măr, mur cu ghimpi, păr, prun, vişin şi zmeur

a) Achiziţionare şi instalare sistem de susţinere:

Nr. crt	Specificare	Cost Standard EUR/ha pentru densităţile:		Contribuţie în Natură EUR/ha pentru densităţile:	
	Număr pomi la hectar	*<1250*	*=>1250*	*<1250*	*=>1250*
1.	Sistem de susţinere	8.850	10.550	-	-
2.	Tutori	885	2.380	-	-
3.	Instalare sistem de susţinere	790	875	672	744

b) Achiziţionare şi instalare sistem plasă antigrindină:

Nr. crt	Specificare	Cost Standard EUR /ha pentru densităţile:		Contribuţie în Natură EUR/ha pentru densităţile:	
	Număr pomi la hectar	*<1250*	*=>1250*	*<1250*	*=>1250*
1.	Sistem plasă antigrindină	16.000	18.000	-	-
2.	Instalare plasă antigrindină	1.600	1.800	-	-

Notă:
Investiţiile de la punctul b) includ şi investiţiile prevăzute la punctul a) .

1. Standard costs values and in kind contribution

III. Valori aplicabile culturilor de cireş, mur cu ghimpi şi zmeur

Achiziţionare şi instalare sistem protecţie antiploaie

Nr. crt	Specificare	Cost Standard EUR /ha	Contribuţie în Natură EUR/ha
1.	Sistem prelată antiploaie	25.650	-
2.	Instalare prelată antiploaie	2.150	-

Notă:
Investiţiile de la punctul (III) includ şi investiţiile prevăzute la punctul (II) subpunctele a) şi b).

2. Standard costs values and in kind contribution

IV. Valori Costuri Standard și Contribuție în Natură, pe specii

IV.1. Cultura pomilor fructiferi

Nr. crt	Specificare	Cost Standard EUR/ha	Contribuție în Natură EUR/ha
1.	Fertilizare și dezinfectare sol (lucrare completă) a) măr, păr, gutui, prun, cais, piersic, nectarin, cireș, vișin, migdal, alun; b) nuc, castan.	1238 850	-
	Din care: - *lucrări mecanice și manuale* a) măr, păr, gutui, prun, cais, piersic, nectarin, cireș, vișin, migdal, alun; b) nuc, castan. - ***gunoi de grajd*** a) măr, păr, gutui, prun, cais, piersic, nectarin, cireș, vișin, migdal, alun; b) nuc, castan.	430 298 450 337	365 253 383 286
	Specificare	**Cost Standard EUR/plantă**	**Contribuție în Natură EUR/plantă**
2.	Material săditor pentru plantat a) măr, păr, gutui, prun, cais, piersic, nectarin, vișin, alun; b) migdal; c) castan, cireș; d) nuc altoit.	5.24 6.00 8.50 19.00	4.45 5.10 7.22 16.15
3.	Plantat pomi (lucrare completă) a) măr, păr, gutui, prun, cais, piersic, nectarin, cireș, vișin, migdal, alun; b) nuc, castan.	1.05 1.50	-
	- *Din care lucrări mecanice și manuale* a) măr, păr, gutui, prun, cais, piersic, nectarin, cireș, vișin, migdal, alun; b) nuc, castan.	0.95 1.35	0.81 1.15

3. Standard costs values and in kind contribution

IV.2. Cultura arbuștilor fructiferi

Nr. crt	Specificare	Cost Standard EUR/ha	Contribuție în Natură EUR/ha
1.	Fertilizare și dezinfectare sol (lucrare completă)		
	a) afin;	8175	
	b) agriș, coacăz, lonicera, aronia, mur, zmeur;	1438	-
	c) corn, măceș, soc, cătină, trandafir pentru dulceață.	1022	
	Din care:		
	- *lucrări mecanice și manuale*		
	a) afin;		
	b) agriș, coacăz, lonicera,	2420	2057
	aronia, mur, zmeur;	462	393
	c) corn, maceș, soc, cătină,	335	285
	trandafir pentru dulceață.		
	- *gunoi de grajd*		
	a) afin;		
	b) agriș, coacăz, lonicera,		
	aronia, mur, zmeur;	450	383
	c) corn, maceș, soc, cătină,	450	383
	trandafir pentru dulceață.	337	286
	Specificare	**Cost Standard EUR/plantă**	**Contribuție în Natură EUR/plantă**
2.	Material săditor pentru plantat		
	a) afin;		
	b) agriș, coacăz, trandafir,	2.00	1.70
	aronia, măceș, mur;	1.07	0.91
	c) lonicera, soc, cătină;	1.60	1.36
	d) corn;	5.20	4.42
	e) zmeur.	0.65	0.55
3.	Plantat arbuști (lucrare completă)		
	a) afin, agriș, coacăz, lonicera, mur, măceș, trandafir, cătină, aronia;	0.34	
	b) zmeur;	0.23	-
	c) corn, soc.	0.70	
	- *Din care lucrări mecanice și manuale*		
	a) afin, agriș, coacăz, lonicera, mur, măceș, trandafir, cătină, aronia;	0.30	0.25
	b) zmeur;	0.20	0.17
	c) corn, soc.	0.63	0.54

4. Standard costs values and in kind contribution

V. Cultura căpşunului

Nr. crt	Specificare	Cost Standard EUR/ha pentru densitatea:	Contribuție în Natură EUR/ha pentru densitatea:
Număr plante la hectar		*>=37000*	*>=37000*
1.	Fertilizare și dezinfectare sol	1.793	-
	Din care: - *lucrări mecanice și manuale* - *gunoi de grajd*	108 450	92 383
2.	Material săditor pentru plantat	3668	3118
3.	Plantat arbuști (lucrare completă)	703	598

a) Achiziționare și instalare solar:

Nr. crt	Specificare	Cost Standard EUR/ha	Contribuție în Natură EUR/ha
1.	Sistem solar	3.573	-
2.	Instalare sistem solar	592	-

VI. Pepiniera pomicolă câmpul I

Nr. crt	Specificare	Cost Standard EUR/ha	Contribuție în Natură EUR/ha
Număr plante la ha		*>=50000 plantate - 45000 altoite*	*>=50000 plantate - 45000 altoite*
1.	Fertilizare și dezinfectare sol	1.047	-
	Din care: - *lucrări mecanice și manuale* - *gunoi de grajd*	66 450	56 383
2.	Material biologic (portaltoi, ramuri altoi)	14.054	11.946
3.	Plantat portaltoi (lucrare completă)	914	777
4.	Altoit (lucrare completă)	2.500	-
	- Din care lucrări manuale	1964	1669

**Valorile nu conțin TVA*

5. Standard costs values and in kind contribution

8.2.3.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.2.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the section applicable to measure 4.

As regards the specific risks identified for sub-measure 4.1a, these are:

- The risk of creating artificial conditions for obtaining a higher support rate, by introducing within the project some components/actions/activities exclusively for the purpose of obtaining additional advantages as regards the support rate or selection criteria;

- Claiming expenditure larger than the real costs of the investment;
- Breaching the eligibility criteria due to the non-compliance with the technical project, by changing the technical solution in the case of construction-assembly projects.

8.2.3.3.2.9.2. Mitigating actions

In order to decrease the specific risks identified, the following actions will be considered:

- Verifications and specific methodology will be detailed, where applicable, e.g. verifications regarding the scoring/financial advantage, on the basis of the principle of proportionality, will be detailed;
- The introduction of a payment system based on the standard cost for setting-up/replacing table grape plantations, in accordance with the provisions of art. 62 (2) of R. (EU) 1305/2013;
- The introduction, at the level of the Paying Agency, of a system to verify the reasonableness of costs, by creating a database with reference prices for the simple purchases of machinery and equipment
- Carrying-out several verifications related to the implementation of the technical project and the involvement of the responsible state authorities.

8.2.3.3.2.9.3. Overall assessment of the measure

The overall assessment of the measure is mentioned in Measure 4 applicable section.

8.2.3.3.2.10. Methodology for calculation of the amount or support rate, where relevant

The calculation methodology of used standard costs for setting-up and reconversion of plantation works has been carried-out by ICDP Maracineni. The basis of standard costs were the technological estimates prepared for each species and crop system, technological links and costs' categories (mechanical works, manual works, biological material, other materials).

- **For mechanical works** – the used standard was normal plowing ha. Based on the existing norms, all mechanical works have been transformed in normal plowing ha.
- **For manual works –** the practiced tariffs on the free market were used, in three categories, depending on the complexity of works.
- **Prices used for the biological material from certified category** are compatible with those on the EU market and they were taken from the competitive market.
- **For investments works (supporting system, irrigation system, hail system, rain system)** more offers were requested from specialized companies and the lowest prices were selected.
- **For enclosing works** were used the minimal costs, so that the protection against wild animals (deers, wild pigs, rabbits) may be carried-out.

For calculating standard costs both data from national regulations in force in 2014 and the data collected from the open market in 2014 were used.

8.2.3.3.2.11. 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 serve the collective interests of the members of the cooperatives and producer groups.

Definition of integrated projects

"Integrated Project" represents a combination of at least two operations covered by at least **two different measures,** one of them being measure 4 and provides access to financing to the same beneficiary.

An integrated project may be submitted in a single financing application, evaluated as such in a single call and different operations may start simultaneously.

All eligibility conditions related to various operations included in the integrated project must be met prior to the signing of the financing contract, even if the implementation of some of the operations is scheduled at a later stage.

According to Regulation 808/2014 laying down the rules for the application of Regulation 1305/2013, art. 11 (3), if an operation falls under two or more different types of operations, Member States may assign the expenditure to the predominant measure or type of operation. The specific contribution rate related to the dominant measure or type of operation shall apply.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

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 in case of reconversion and setting-up of fruit-growing plantations and a minimum size of owned/used fruit-growing areas of 8,000 € SO in case of simple purchases. In order to increase sector’s competitiveness and to approach the defragmentation of fruit-growing holdings, small agricultural holdings, fruit-growing associative forms, youngsters and farmers with studies in the agriculture sector 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.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Taking into account that there are no minimum standards for energy efficiency at national level, the provisions of Art. 13 c) do not apply for investments in the infrastructure for production and use of energy from renewable sources.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Taking into account that the investments for production of bioenergy/biofuels from agricultural crops referred to in Art. 13 e) are not supported, it is not necessary to set the threshold required under Art. 13 e), because the agricultural holdings will get this bioenergy only from waste/by-products from their own agricultural activity;

8.2.3.3.3. 4.2 Support for investments in processing/marketing of agricultural products

Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.3.3.3.1. Description of the type of operation

The support under this sub-measure is granted to enterprises carrying-out tangible and intangible investments for processing and marketing* of agricultural products covered by Annex I to the Treaty on Operation of the European Community (TFEU), except fishery products, for:

- setting-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 the decrease of energy consumption and GHG emissions;
- promotion of investments for the production and use of energy from renewable sources;
- increasing the number of jobs.

The result of agricultural product processing may be either an Annex I product or a product not included in Annex I to the TFEU (non-Annex 1). In the case when the increase of the added value of agricultural products involves obtaining non-Annex I products, it will be supported only the activities mentioned in the State aid scheme, in accordance with the regulations applicable to State aids and only from their date of entry into force.

At the same time, the operations/actions eligible for support, the support type, beneficiaries, eligible costs, eligibility conditions, selection principles specific to activities that imply obtaining non-Annex I products, shall be presented in the State aid scheme and detailed within the national implementation legislative framework.

For non-Annex I products that will be covered by the state aid scheme mentioned under chapter 13, the state aid conditions shall be applied when they are more restrictive than the NRDP conditions. Beneficiaries will be informed on this in the national implementation framework.

*Definitions for processing and marketing laid down in the European Union guidelines for State aid in the agriculture and forestry sectors and in the rural areas for the 2014 – 2020, are detailed in chapter 8.1.

Operations/actions eligible for support:

The support will be granted for:

Investments in tangible assets in the agri-food products processing sector for:

- Seting-up, extension and/or modernization and endowment of processing units, including investments in products' marketing (e.g. labelling, packaging);

- Setting-up, extension and/or modernization of local networks of collection, reception, storage, conditioning, selection and packaging capacity;
- Improvement of internal quality control and compliance with the new standards imposed by the European legislation for processing and marketing of agri-food products;
- Production and use of renewable energy sources (solar, wind, geothermal), energy produced by heat pumps in the processing unit, exclusively for own consumption and investments to improve energy efficiency, as operations within a wider investment project;

Investments in intangible assets for:

- Organization and implementation of quality management and food safety systems, if related to tangible investments of the project;
- Purchase of technologies (know-how), patents and licenses for the preparation of project implementation;
- Purchase of computer software, identified as necessary in the technical-economic documentation of the project;

Actions not eligible for support:

- Productions of biofuel and pellets;
- Investments for rendering units;
- Production and marketing of wine products supported within the *Romanian National Support Programme in the wine sector 2014-2018*, with subsequent amendments and completions
- Processing and marketing agricultural products financed under the fruit-growing sub-program;
- Processing of fishery products.

8.2.3.3.3.2. Type of support

- Reimbursement of eligible costs incurred and paid,
- Advance payments, subject to the establishment of a bank or equivalent guarantee corresponding to 100 % of the amount of the advance, pursuant to art. 45 (4) and art. 63 of the Reg. 1305/2013.
- Financial instrument according to conditions detailed in Chap.8.1.

8.2.3.3.3.3. Links to other legislation

EU Legislation

R (EU) no. 1303/2013 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 Fishery Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fishery Fund and repealing Council Regulation (EU) No 1083/2006

Recommendation 2003/361/CE of 6 May 2003 on the definition of micro, small and medium-sized enterprises.

Commission R (EU) no. 651/2014 declaring certain categories of aid compatible with the internal market in applying the Articles 107 and 108 of the Treaty

Commission R (EU). No. 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Operation of the European Union, de minimis aid

R (EU) no. 852/2004 on the hygiene of foodstuffs with subsequent amendments and completions

R (EU) no. 853/2004 laying down specific hygiene rules for the hygiene of animal foodstuffs with subsequent amendments and completions

R (EU) no. 854/2004 laying down specific rules for the organization of official controls for products of animal origin intended for human consumption, with subsequent amendments and completions

R (EU) no. 882/2004 on official control performed to ensure the verification of compliance with the legislation of the food for animals and food products and with the rules on animal health and animal welfare, with subsequent amendments and completions

R (EU) no. 178/2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety with subsequent amendments and completions

Communication from the Commission No 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees

Communication from the Commission No 2008/C14/02 on the revision of the method for setting the reference and discount rates

National Legislation

Law no. 346/2004 on stimulating the establishment and development of SMEs, with subsequent amendments and completions,

Law no. 31/1990 on companies, republished, with subsequent amendments and completions,

Government Ordinance no. 44/2008 on the performance of economic activities by self-employed professionals, unincorporated enterprises and family enterprises, with subsequent amendments and completions

Law no. 1/2005 on the organization and operation of cooperation, with subsequent amendments and completions

Law no 566/2004 on the cooperation, with subsequent amendments and completions

Ordinance no. 37/2005 on the recognition and operation of producer groups and organizations, for the marketing of the agricultural and forestry products, with subsequent amendments and completions

Order no. 119/2014 for the approval of the rules for hygiene and public health on the population living environment, with subsequent amendments and completions

Order 10/2008 regarding the approval of sanitary-veterinary rule laying down the procedure for sanitary-veterinary marking and certification of fresh meat and marking the products of animal origin intended for human consumption, with subsequent amendments and completions

Order 111/2008 on the approval of the sanitary-veterinary and food safety rule regarding the sanitary-veterinary and food safety registration procedure of the activities for obtaining and direct and/or retail sale of food of animal or non-animal origin and of the production activities, processing, storage, transportation and marketing of non-animal origin food products, with subsequent amendments and completions

Order 57/2010 for the approval of the sanitary-veterinary standard regarding the procedure for sanitary-veterinary authorization of the units that produce, process, store, transport and/or distribute animal origin products, with subsequent amendments and completions

8.2.3.3.3.4. Beneficiaries

Enterprises, cooperatives and producer groups defined according to the national legislation in force (mentioned in the section Links to other legislation).

8.2.3.3.3.5. Eligible costs

Specific eligible expenditure*:

- Construction, extension, modernization and endowment of the buildings of the processing units;
- Purchase, including in leasing of new machinery, installations, equipment and specialized transportation means for the collection of raw material and/or marketing of agri-food products within integrated food chains;
- Expenditure generated by improvement of internal quality control and compliance with new standards** imposed by the European legislation for processing and marketing of agri-food products;
- Marketing expenditure related to obtained products (e.g. labelling, packaging);
- Expenditure generated by investments in intangible assets;

*The general eligible expenditure are foreseen under chapter 8.1.

**Expenditure will be eligible when new standards are available in the agri-food sector, before they become mandatory for the processing unit.

Specific non-eligible* expenditure:

- Purchase of buildings

* The general non-eligible expenditures are foreseen under chapter 8.1.

8.2.3.3.3.6. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The investment must comply with at least one of the eligible operations/actions envisaged under the sub-measure;
- The support shall be limited to investments in processing agricultural products included in the list

comprised in Annex I to the Treaty on the Operation of the European Community, in order to obtain Annex I and non-Annex I products;

- The applicant must prove the capacity to ensure the co-financing of the investment;
- The economic viability of the investment must be proved based on the technical-economic documentation;
- The applicant must not be in difficulty, according to the legislation in force;
- The investment shall be preceded by an evaluation of the expected impact on the environment if the investment may have negative effects on the environment;
- The investment shall meet the provisions of the legislation in force in the public health, sanitary-veterinary and food safety sectors;
- The applicant shall prove that the annual average profit (as an average of the last three fiscal years) does not exceed 4 times the value of the support requested;

8.2.3.3.3.7. Principles with regards to the setting of selection criteria

- The principle of creation of integrated food chains, respectively the integration of collection, processing and marketing systems
- Principle of high added value product (ex. organic traditional products certified by MARD, products participating to quality schemes recognized at EU level, etc.);
- The principle of association within cooperatives or producer groups,
- The principle of agricultural potential targeting the areas with potential determined on the specialty study;

Selection principles will be further detailed in the subsequent national legislation and will 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's priorities for rural development.

Selection principles will also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out depending on the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.3.8. (Applicable) amounts and support rates

Non-refundable public support

The maximum non-refundable public support rate 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 SMEs, for investments not leading to an integrated food chain;

- **EUR 1,500,000/project** for other enterprises for investments not leading to an integrated food chain;
- **EUR 2,500,000/project** for investments leading to an integrated food chain (regardless of the beneficiary type), as well as for associative forms (cooperatives and producer groups) for investments not leading to an integrated food chain;

The intensity of the non-refundable support may be increased by 20 additional percentage points, in the following case:

- Operations supported within the EIP.

In the case of investments supported by State aid scheme, the intensity of the non-refundable support shall meet the provisions of the Commission Regulation 651/2014 declaring certain categories of aid compatible with the internal market in application of the Articles 107 and 108 of the Treaty and shall be detailed within the State aid scheme.

In the case of the general costs funded by de minimis scheme, the non-refundable support will comply with the provisions of Reg. 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Operation of the European Union, de minimis aid.

In the case of the above mentioned schemes, the cumulative support will not exceed the maximum intensity and amount of non-refundable support indicated in the current sub-measure.

8.2.3.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.3.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the section applicable to measure 4.

- As regards the specific risks identified for sub-measure 4.2, these are: double financing under sub-measure 4.1. and 4.2 of the projects for processing agricultural products.

8.2.3.3.3.9.2. Mitigating actions

In order to reduce the specific risk identified, it was established a demarcation between the two sub-measures where the processing of agricultural products is supported.

8.2.3.3.3.9.3. Overall assessment of the measure

-

8.2.3.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.3.11. 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 serve the collective interests of the members of the cooperatives and producer groups.

Definition of integrated projects

"Integrated Project" represents a combination of at least two operations covered by at least **two different measures,** one of them being measure 4 and provides access to financing to the same beneficiary.

An integrated project may be submitted in a single financing application, evaluated as such in a single call and different operations may start simultaneously.

All eligibility conditions related to various operations included in the integrated project must be met prior to the signing of the financing contract, even if the implementation of some of the operations is scheduled at a later stage.

According to Regulation 808/2014 laying down the rules for the application of Regulation 1305/2013, art. 11 (3), if an operation falls under two or more different types of operations, Member States may assign the expenditure to the predominant measure or type of operation. The specific contribution rate related to the dominant measure or type of operation shall apply.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

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.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Taking into account that there are no minimum standards for energy efficiency at national level, the provisions of Art. 13 c) do not apply for investments in the infrastructure for production and use of energy from renewable sources.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Taking into account that the investments for production of bioenergy/biofuels from agricultural crops referred to in Art. 13 e) are not supported, it is not necessary to set the threshold required under Art. 13 (e);

8.2.3.3.4. 4.2a Support for investments in processing/marketing of products in the fruit-growing sector

Sub-measure:

- 4.2 - support for investments in processing/marketing of products in the fruit-growing sector

8.2.3.3.4.1. Description of the type of operation

Under this sub-measure the support is granted to enterprises for tangible and intangible investments for processing fruits and marketing of fruit products for:

- modernization and creation of processing* and marketing* units;
- introduction of new technologies for developing new products and technological processes;
- increasing the added value of products in the fruit-growing sector;
- improving internal quality control;
- increasing the number of jobs;
- decreasing of energy consumption and GHG emissions.

*The definitions for processing and marketing laid down in the European Union guidelines for State aid in the agriculture and forestry sector and in the rural areas for the 2014-2020 period are detailed in chapter 8.1.

Operations/actions eligible for support:

- Investments in tangible assets from the sector of processing of products from the fruit growing sector for:
    - setting-up, extension and/or modernization of units processing the raw material from the fruit-growing sector covered by Annex I of the TFEU;
    - setting-up, extension and/or modernization of local networks for collection, reception, storage, conditioning, selection and packaging;
    - production and use of energy from renewable sources in own unit;
    - marketing actions;
- Investments in intangible assets for:
    - organization and implementation of quality management and food safety systems, if they are related to tangible investments of the project;
    - purchase of technology (know-how), patents and licenses for preparing project implementation;
    - purchase of software, identified as necessary in the economic and technical documentation of the project.

Operations/actions not eligible for support:

- Purchase of buildings;
- Investments for production of biofuels and pellets.

The result of agricultural product processing can be either an Annex I product or a product not included in Annex I to the TFEU (non-Annex 1). In the case when the increase of the value added of agricultural products involves obtaining non-Annex I products, it will be supported only the activities mentioned in the State aid scheme, in accordance with the regulations applicable to State aids and only from their date of entry into force.

At the same time, the operations/actions eligible for support, the support type, the beneficiaries, the eligible costs, the eligibility conditions, the selection principles specific to the activities that imply obtaining non-Annex I products, shall be presented in the State aid scheme and detailed within the national implementation legislative framework.

For non-Annex I products that will be covered by the state aid scheme mentioned under chapter 13, the state aid conditions shall be applied when they are more restrictive than the NRDP conditions. Beneficiaries will be informed on this in the national implementation framework.

8.2.3.3.4.2. Type of support

- Reimbursement of eligible cost incurred and paid;
- Advance payments, subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100 % of the amount of the advance, pursuant to art. 45 (4) and art. 63 of the R1305/2014;
- Financial instrument (subject to the conditions detailed in chap. 8.1).

8.2.3.3.4.3. Links to other legislation

EU Legislation

Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises

(EU) Regulation 651/2014 (hereinafter GBER) of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of the Articles 107 and 108 of the Treaty, published in the Official Journal of the European Union;

(EU) R. No. 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Operation of the European Union, de minimis aid

(EU) R. no. 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety, published in the Official Journal of the European Union, L 31/1, 01.02.2002;

(EU) R. no. 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs, published in the Official Journal of the European Union, L 139, 30.04.2004;

Commission R (EU) No 2073/2005 of 15 November 2005 on microbiological criteria for foodstuffs, published in the Official Journal of the European Union, L 338, 22.12.2005

Commission R (EU) Nr 1881/2006 of 19 December 2006 setting maximum levels for certain contaminants in foodstuffs, published in the Official Journal of the European Union, L 364, 20.12.2006;

(EU) R. no. 1333/2008 of the European Parliament and of the Council of 16 December 2008 on food additives, published in the Official Journal of the European Union, L 354/16, 20.12.2006;

Communication from the Commission No 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees;

Communication from the Commission No 2008/C14/02 on the revision of the method for setting the reference and updating rates

National Legislation

Law no. 346/2004 on stimulating the establishment and development of SME with subsequent amendments and completions,

Government Ordinance 44/2008 on the performance of economic activities by self-employed professionals, unincorporated businesses and family businesses with subsequent amendments and completions

Ordinance no. 37/ 2005 on the recognition and the functioning of producer groups and organizations, for the marketing of the agricultural and forestry products with subsequent amendments and completions

Law no. 1/2005 on the organization and the functioning of co-operation with subsequent amendments and completions

Law no 566/2004 on the co-operation with subsequent amendments and completions

Environmental rules

Government Decision 445/2009 on the assessment of the environmental impact pertaining to certain public and private projects

Order no. 135 on February 10th 2010 for the approval of the Methodology for applying EIA for public and private projects, with subsequent amendments and completions.

Food safety, hygiene and public health rules

Order no. 119/2014 for the approval of the norms for hygiene and public health of the population life environment with subsequent amendments and completions

Order 111/2008 on the approval of the sanitary veterinary and food safety rule regarding the sanitary-veterinary and food safety registration procedure of the activities for obtaining and direct and/or retail sale of food of animal or non-animal origin, and of the production activities, processing, storage, transportation and marketing of non-animal origin food products with subsequent amendments and completions

8.2.3.3.4.4. Beneficiaries

- Enterprises, defined according to national legislation in force (presented in section Links to other legislation);
- Producer groups and cooperatives, as defined in national legislation in force (presented in section Links to other legislation), provided the investments carried out serve the interests of their own

members.

8.2.3.3.4.5. Eligible costs

Specific eligible expenditure*:

- Setting-up, extension and modernization of units collecting, conditioning and processing the raw material from the fruit-growing sector covered by Annex I of the TFEU, including for production of alcoholic beverages; the processing result may also be a non Annex I to the TFEU product;
- Purchase, including in leasing, of new machinery, installations, equipment and specialized transportation for the collection of raw material;
- Purchase, including in leasing, of specialized transportation means for the sale of fruit products within short-chains;
- Investments in renewable energy for personal use** and/or energy efficiency, water saving systems and waste disposal technologies, in the individual unit;
- Expenses arising from improved internal quality control and compliance with the new standards***imposed by European legislation for processing and marketing of agri-food products;
- Expenditure for marketing activities (ex. labelling, packaging)
- Expenses arising from investments in intangible assets.

*The general eligible expenditures are foreseen under chapter 8.1.

**Only investments for production of renewable solar, wind, geothermal energy and the energy produced by heat pumps, dedicated to own consumption are eligible;

***Expenditure will be eligible when new standards are available in the agri-food sector, before they become mandatory for the processing unit.

The general non-eligible expenditure is foreseen under chapter 8.1.

8.2.3.3.4.6. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The investment must fall into at least one of the eligible actions/operations envisaged under the sub-measure;
- The economic viability of the investment must be demonstrated through the presentation of the technical and economic documentation;
- The applicant must demonstrate the ability to ensure the co-financing of the investment;
- The applicant must not be in difficulty, according to legislation in force (presented in the section Links to other legislation);
- The investment must be done only in territorial-administrative units covered by the annex of the TSP from the National Implementation Framework;

- The investment shall meet the provisions of the European and national legislation regarding food safety, public health and sanitary-veterinary rules (presented in the section Links to other legislation).
- In case the investment may have negative environmental effects, an assessment of the foreseen environmental impact foregoes the investment, according to the legislation in force (presented in chapter 8.1 of the RDP);
- The support shall be limited to investments in processing agricultural products included in the list of Annex I of the Treaty Establishing the European Community in order to obtain Annex I and non-Annex I products;
- Investments for obtaining alcoholic beverages may be carried-out only by beneficiaries who meet the definition of micro-enterprises, according to Law 346/2004, with subsequent modifications and/or definition of associative forms (producer groups and cooperatives).
- The applicant shall demonstrate that the average profit per year (averaged over the last three fiscal years) does not exceed 4 times the amount of support requested.

8.2.3.3.4.7. Principles with regards to the setting of selection criteria

- The principle of high added value products (organic products obtained in HNV areas, quality schemes, traditional products certified by MARD);
- The principle of integrated food chains (investments covering the entire food chain: collection, storage, conditioning, processing and marketing);
- The principle of association (investments carried-out by producer groups and cooperatives in the fruit-growing sector).

Selection principle will be further detailed in the subsequent national legislation and will 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's priorities for rural development.

Selection principles will also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out depending on the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.4.8. (Applicable) amounts and support rates

The non-refundable support will be granted as follows:

Micro and small enterprises

- The intensity of public support is **50% of total eligible expenditure** and shall not exceed
  - EUR 600,000 for projects not leading to an integrated food chain;
  - EUR 900,000 for investments leading to an integrated food chain;

The non-refundable support may be increased by 20 additional percentage points in the following case:

- Operations supported within the EIP.

Medium-sized enterprises

- The intensity of the public support is **50% of total eligible expenditure** and shall not exceed:
  - EUR 800,000 for projects not leading to an integrated food chain;
  - EUR 1,100,000 for investments leading to an integrated food chain;

The non-refundable support rate may be increased by 20 additional percentage points in the following case:

- Operations supported within the EIP.

Large enterprises

- The intensity of public support is **40% of total eligible expenditure** and shall not exceed:
  - EUR 1,000,000 for projects not leading to an integrated food chain;
  - EUR 1,500,000 for investments leading to an integrated food chain;

The non-refundable support may be increased by 20 additional percentage points in the following case:

- Operations supported within the EIP.

Production of alcoholic beverages

Investments related to the production of alcoholic beverages will be supported only in the cases of microenterprises and associative forms (producer groups and cooperatives) and the support will be limited as presented below:

- The intensity of public support is **50% of total eligible expenditure** and shall not exceed
  - EUR 200,000 for microenterprises;
  - EUR 300,000 for associative forms (producer groups and cooperatives).

The intensity of non-refundable support may be increased by 20 additional percentage points in the following case:

- Operations supported within the EIP.

In the case of investments supported by State aid scheme, the non-refundable support rate will meet the provisions laid down in Commission R 651/2014 declaring certain categories of aid compatible with the internal market in application of the Articles 107 and 108 of the Treaty, and will be detailed within the State aid scheme.

In the case of the general costs funded by de minimis scheme, the non-refundable aid will comply with the provisions of Reg. 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Operation of the European Union, de minimis aid.

In the case of the above mentioned schemes, the cumulative support will not exceed the applicable maximum intensity and amount of non-refundable support indicated in the current sub-measure.

8.2.3.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.4.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the section applicable to measure 4.

As regards the specific risks identified for sub-measure 4.2a, these are:

- Double financing under sub-measure 4.1a. and 4.2a of the projects for processing of products from the fruit growing sector.

8.2.3.3.4.9.2. Mitigating actions

In order to reduce the specific risk identified, a demarcation between the two sub-measures, where the operations for processing agricultural products are supported, was set.

8.2.3.3.4.9.3. Overall assessment of the measure

The overall assessment of the measure is mentioned in the section applicable to Measure 4.

8.2.3.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.4.11. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Not applicable.

Definition of integrated projects

"Integrated Project" represents a combination of at least two operations covered by at least **two different measures,** one of them being measure 4 and provides access to financing to the same beneficiary.

An integrated project may be submitted in a single financing application, evaluated as such in a single call and different operations may start simultaneously.

All eligibility conditions related to various operations included in the integrated project must be met prior to the signing of the financing contract, even if the implementation of some of the operations is scheduled at a later stage.

According to Regulation 808/2014 laying down the rules for the application of Regulation 1305/2013, art. 11 (3), if an operation falls under two or more different types of operations, Member States may assign the expenditure to the predominant measure or type of operation. The specific contribution rate related to the dominant measure or type of operation shall apply.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

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.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Taking into account that there are no minimum standards for energy efficiency at national level, the provisions of Art. 13 c) do not apply for investments in the infrastructure for production and use of energy from renewable sources.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Taking into account that the investments for production of bioenergy/biofuels from agricultural crops referred to in Art. 13 e) are not supported, it is not necessary to set the threshold required under Art. 13 (e);

8.2.3.3.5. 4.3 Support for investments in infrastructure related to development, modernization or adaptation of agriculture and forestry

Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.3.3.5.1. 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 structures, as well as streamlining the usable infrastructure need investments, in particular for modernization and development. Droughts, floods and other threats related to climate change have a significant impact on production stability and national food security, and the lack of an appropriate infrastructure contributes to the limitation of opportunities for economic development despite the available potential in agriculture.

In order to adapt to climate change and for environmental protection, it is necessary to modernize the irrigation facilities ensuring the efficient use of water by using new technologies leading to a real reduction of water consumption at investment level, as well as to reduce pressure on surface water bodies.

Investments for the irrigation infrastructure will envisage the modernization of operational/used in the recent past systems, defined by Romania as 2007-2014 period.

Thus, the economically viable infrastructure of 619,916 ha, from the overall surface of 823.130 ha recommended to be included in investments programmes under the *Strategy of investments in the irrigation sector,* will serve as a basis for investments (modernization) under NRDP 2014-2020. Romania commits to undertake a study (or a suitable alternative) 3 years after the programme approval to establish reliable data and mapping on irrigation use at LAU2 level that will form basis for future reviews of fine tuning for measure 13 and linking with irrigation infrastructure modernized under M04. The study should also assess and monitor the overall potential and actual impact of the irrigation infrastructure to be supported by EAFRD on water bodies from which water will be sourced.

The modernization of the viable infrastructure in terms of economy will lead to the functioning of systems within superior qualitative parameters, thus ensuring water use efficiency and low impact on the environment.

The agricultural and forestry sectors are still vulnerable to climate conditions (alternation of droughts and frequent floods), with significant negative economic effects on the economic viability of farms. This problem becomes more acute in the context of global warming.

By this sub-measure, support is granted for:

Agricultural support

- Setting-up, extension and modernization of agricultural farm access infrastructure;

Forestry support

- Setting-up, extension and modernization of access to forestry fund land;

Irrigations support

- Modernization of existing irrigation infrastructure

For non-Annex I products that will be covered by the state aid scheme mentioned under chapter 13, the state aid conditions shall be applied when they are more restrictive than the NRDP conditions. Beneficiaries will be informed on this in the national implementation framework.

Operations/Actions eligible for support:

Support will be granted for:

- **Investments in tangible assets for:**
  - Construction, extension and/or modernization of farm access roads (access outside the agricultural holdings);
  - Construction, extension and/or modernization of forestry roads;
  - Modernization of secondary irrigation infrastructure, of the buildings of the pumping stations and/or connection to utilities, including the construction/modernization of basins for irrigation water collection and storage.
- **Investments in intangible assets:**

General costs linked to expenditure on the construction or renovation of real estate and purchase or leasing of new machinery and equipment up to the market value of the asset, as well as architect, engineer and consultation fees, fees relating to advisory services on economic and environmental sustainability, including feasibility studies, will be up to 10% of total eligible expenditure for projects that also provide construction - assembly and up to 5% for projects which provide simple purchase.

8.2.3.3.5.2. Type of support

- Reimbursement of eligible costs incurred and paid;
- Advance payments, subject to the establishment of a bank or equivalent guarantee corresponding to 100 % of the amount of the advance, pursuant to art. 45 (4) and art. 63 of the R 1305/2014

8.2.3.3.5.3. Links to other legislation

EU Legislation

Regulation (EU) no. 702/2014 declaring certain categories of aid in the agriculture and forestry sectors and rural areas as compatible with the internal market, pursuant to art. 107 and 108 TFEU.

National Legislation

Government Decision 445/2009 on the assessment of certain public and private projects on the environment,

Order no. 135 on February 10th 2010 for the approval of the Methodology for applying EIA for public and private projects.

Law 215/2001 of the local public administration – republished, with subsequent amendments and completions;

Law no. 31/1990 on companies - republished, with subsequent modifications and completions

Law 1/2000 on the reconstitution of the property right over agricultural and forestry lands, requested pursuant to the land fund provisions of the Law no 18/1991 and Law no 169/1997

Government Ordinance 44/2008 regarding economic activities performed by self-employed professionals, individual enterprises, family enterprises with the subsequent modifications and completions)

Government Decision no. 229/2009 on the reorganization of the National Administration of Forests – Romsilva and the approval of the regulation of organization and functioning

Law no. 46/2008 on Forestry code, with subsequent amendments and completions;

Law no. 138/2004 on land improvement, with subsequent amendments and completions.

Management of river basins established according to Water Framework Directive – Directive 2000/60/EC, with subsequent amendments and completions.

8.2.3.3.5.4. Beneficiaries

Agricultural

- Administrative-territorial units and/or their associations set-up according to national legislation in force;

Forestry

- Private legal persons/other forms of organization, forest owners and/or their associations according to the legislation in force;
- Administrative-territorial units and/or their associations, forest holders, according to the legislation in force;
- The manager of State's forestry fund public property according to the legislation in force.

Irrigations

- Organizations/federations of water users set up based on the national legislation, comprising owners/users of farm lands.

8.2.3.3.5.5. Eligible costs

Specific eligible expenditure*:

- Construction, extension and/or modernization of farm access roads (access outside the agricultural holdings);

- Construction, extension and/or modernization of forestry roads;
- Modernization of secondary irrigation infrastructure, of the facilities of the pumping stations and/or connection to utilities, water metering systems, including the construction/modernization of basins for irrigation water collection and storage;

*General eligible expenditure are foreseen under chapter 8.1.

Specific non-eligible expenditure*:

- Costs with the maintenance, repair and use of the investment made;
- Costs for renting machinery, equipment, facilities;
- Operational costs, including maintenance and rent costs;

*General non-eligible expenditure are foreseen under chapter 8.1.

8.2.3.3.5.6. Eligibility conditions

Common conditions applicable to all types of support:

- The investment must 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;
- According to the legislation in force mentioned under chap. 8, if the investment may have negative effects on the environment, an evaluation of the environmental impact foreseen will precede the investment;
- The applicant undertakes to ensure the operation at designed parameters and the maintenance of the investment over a period of minimum 5 years from the payment of the last instalment.

Conditions specific to each type of support:

Agricultural access infrastructure

- Applicants must prove ownership/administration of the land where the investment is made;
- The investment must be connected to an existing 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 the respective forestry management plan and is listed in the owner's inventory of assets.

Irrigation infrastructure

- Investments must be identified within the hydrographic basin management plans under Water Framework Directive for the foreseen surfaces and with the relevant measure plan, where applicable;
- Investment foresees water metering;
- In the case in which the **underground or surface water bodies are satisfactory** according to the authorization of the competent authority, the investment must ensure, following an ex-ante evaluation, potential water savings of at least 5% according to the technical parameters/existing infrastructure, with the exception of the investments in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water;
- In the case of an investment affecting underground or surface water bodies identified as not satisfactory from the point of view of the water quantity in the basin river management plans, the investment must ensure an effective reduction of at least 50% of the water used in comparison with the potential water savings made possible by the investment, with the exception of the investments in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water;
- The investment targets an area identified as viable under the Strategy of investments in the irrigation sector;
- The applicant must prove the right of use of the land/physical asset of the investment;
- The irrigation system foreseen to be modernized in the project must be connected to a functional main infrastructure.

8.2.3.3.5.7. Principles with regards to the setting of selection criteria

Agricultural access infrastructure

- The principle of multiple purpose of the investment objective (ex: access for more economic operators, access to alternative roads or permitting taking over traffic by agricultural machines on certain roads, agri-touristic purpose etc.);
- The principle of served agricultural areas;
- The principle of complementarity with the fruit-growing sub-programme.

Forestry access infrastructure

- The principle of accessibility of forest areas by new investments;
- The principle of area of forestry fund land served;

Irrigation infrastructure

- The principle of complementarity with investments for the modernization of downstream irrigation systems;

- Water saving principle;
- The principle of supply (power) directly from the source or in a gravitational system;
- The principle of served areas;

Selection principle will be detailed in the subsequent national legislation and will 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's priorities for rural development.

Selection principles will also ensure the balanced development of agriculture in Romania, the share of selection criteria is carried out depending on the evolution of the programme and the development level of priority sectors identified in programme strategy.

8.2.3.3.5.8. (Applicable) amounts and support rates

Non-refundable public support.

The non-refundable public support rate will be **100% of total eligible expenditure** and shall not exceed:

- **EUR 1,000,000/project** for irrigation systems for pressurization (booster) stations and agricultural access roads;
- **EUR 1,500,000/project** for the management of irrigations systems for the pumping and re-pumping stations as well as forest roads.

For investments needed to develop, modernize and adapt the forestry infrastructure supported by the state aid scheme, the grant aid intensity shall comply with the provisions of Regulation (EU) No. 702/2014 declaring certain categories of aid in the agriculture and forestry sectors and rural areas as compatible with the internal market, pursuant to art. 107 and 108 of TFEU.

8.2.3.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.5.9.1. Risk(s) in the implementation of the measures

- The general risks are identified and mentioned in the section applicable to measure 4. As regards the specific risks identified for sub-measure 4.3, these are related to public procurement procedures improper for the public beneficiaries and potential negative impact on the environment of the investment in irrigation infrastructure.

8.2.3.3.5.9.2. Mitigating actions

In order to reduce the specific risks identified, the following will be considered:

- Preparation of standard documentation by AFRI in order to be used by public beneficiaries. Therefore, templates of awarding documentations will be made where the qualification requirements and the evaluation and proportionality factors will be predetermined. For private beneficiaries, the procedures regarding the procurements are revised so as to clarify the elements necessary in the awarding documentation, their publication in the information system for a better information on the requirements of the acquisition procedure. Their being respected by the applicants and their check by AFIR will ensure the application of the principles of economy, efficiency, effectiveness, transparency. AFRI will ensure the preparation of appropriate procedures whose provisions ensure the compliance with this requirement.

- In order to ensure the compliance of the investments with the environmental requirements, the Ministry of Environment and Climate Changes, through its structures, will evaluate the projects from the perspective of the environmental impact and shall issue the appropriate documentation in accordance with the legislation in force.

8.2.3.3.5.9.3. Overall assessment of the measure

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8.2.3.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.5.11. Information specific to the operation

Definition of non productive investments

Not applicable.

Definition of collective investments

Not applicable.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

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.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

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Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

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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

- The general risks identified for the implementation of measure 4 are: reasonable expenditure regarding the purchase of equipment and construction works, installations, improper verification and control procedures, unclear and ambiguous procedures or inadequate implementation of their provisions, the presence of the bureaucratic system with negative effects regarding the efficiency and efficacy of the project implementation, wrongful identification of the applicants in the category of eligible beneficiary, IT system non-adapted to the procedural fluxes or a delay in their update, insufficient verifications for the identification of those conditions/ warnings that may lead to the creation of inappropriate advantages (artificial conditions), in sufficient training of the personnel as regards the on-going and ex-post verifications and controls, lack of equipment in order to perform the verifications, lack of co-financing resources from the beneficiary, low level of awareness of the applicants.
- Difficulties in verifying the reduction of use of water/effective water savings for projects involving support for irrigations both on farm level (SM 4.1) and off farm level (SM 4.3).

8.2.3.4.2. Mitigating actions

In order to improve the implementation of the measure and to reduce the risks, the following actions corresponding to the identified risks are planned:

- Introduction of a system to verify cost reasonableness at the Paying Agency by creating a database with reference prices for simple purchases of machinery;
- Elaboration of clear and detailed procedures and 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, over control 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;
- Carrying out several verifications related to project implementation in conjunction with project implementation stages;
- In the case of irrigations the verification is done based on the metering of water consumption under

the new installation/infrastructure in relation to the original technical parameters of installation/infrastructure,

- Online submission of projects, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage, waiver of supporting documents that may be accessed in the data basis of the responsible authorities;
- Clear definitions of the beneficiaries in the national implementation framework in accordance with the provisions of the NRDP and verification of their classification in accordance with the national legislation by completion of agreement and protocols with the responsible entities in order to verify the correctness of the information provided;
- 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 name, SIRUTA code and project title.
- Elaboration in the national implementation framework of a specific section regarding the verification of those conditions that may lead to access higher support rates, respectively obtaining inappropriate material advantages (artificial conditions);
- Performing of an evaluation at the level of the bodies with responsibilities in the management and control of the programme in order to evaluate the knowledge level and of the personnel expertise for a 1-5 years period;
- Elaboration of an action plan regarding the professional training and specialisation of the involved personnel;
- Identification of the equipment needs for verification based on the investment type and inclusion of those needs in a procurement plan;
- Granting facilities in order to access financial instruments, request of justifying documents in the prior stages to contracting in order to prove the possibility of co-financing (e.g. account statement, letter of guarantee bank, contract for availability of a credit line);
- Information of the applicants regarding the eligibility of the expenditure and other essential elements of the measure through guidelines, flyers, websites and information actions.

8.2.3.4.3. 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 2007-2013 period, the main issues identified were determined by the procurement 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 elements for checking and preventing 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, e.g. number of jobs created/value, creation of different advantages for the same eligible expenditures at the level of various measures (e.g. support intensity).

Based on the analysis carried out by the MA and AFIR (Rural Investment Finance Agency) and on the experience from the period 2007-2013, the conclusion is that the verifiability and controllability of the measure are ensured by the improvement of work procedures so that EU financial interests are safeguarded.

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

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Definition of collective investments

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Definition of integrated projects

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Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

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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

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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

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Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

-

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

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8.2.3.7. Other important remarks relevant to understand and implement the measure

Definition of family farm (according to Government Emergency Ordinance no 43/2013, with subsequent amendments and completions)

Represents the agricultural holding belonging to a family business or legal person whose associates are exclusively members of the same family. The economic size of the family farm is between 8,000 – 250,000 € SO. By members of the same family we mean husband/wife and relatives up to the 3rd degree (including).

Definition of small farm

Represents the agricultural holding with an economic size between 8,000 -11,999 € SO (standard output value).

Definition of medium-sized farm

Represents the agricultural holding with an economic size between 12,000 - 250,000 € SO (standard output value).

Definition of large farm

Represents the agricultural holding with an economic size > 250,000 SO (standard output value).

Integrated food chain is the sequence of stages and operations, undertaken within the same unit, involved in the production, processing, distribution, storage and handling of agri-food products from primary production up to consumption.

The differences between the operations supported under sM 4.1 (including 4.1a of TSP) and those supported under sM 4.2 (including 4.2a of TSP) are:

- The projects supported under sM 4.1 and 4.1a targeting also investments for processing/marketing agricultural products shall have, as main component, the investment in the primary agricultural production (>50% of the project eligible value);
- Under the sub-measures 4.2 and 4.2a are eligible the investments for processing and/or marketing (including collecting, sorting and storing) without the possibility to invest in primary agricultural production.

The conditions applicable to investments in on-farm irrigation systems/equipment:

I. **In all cases, the investment is eligible only if**:

- The investment is compliant with the management plans of hydrographic basins within the Water Framework Directive for the targeted areas and with the relevant programme of measures, where relevant;
- The investment foresees water metering;

II. **Moreover:**

In order to improve/modernize an existing irrigation facility, if the **underground or surface water body** is

satisfactory, according to the authorization of the competent authority, the investment proposed is assessed ex-ante as providing potential water saving with a minimum value of 5% in accordance with the technical parameters of the existing facility;

- if the **underground or surface water body** is **unsatisfactory**, according to the authorization of the competent authority, the investment ensures the effective reduction of water use at investment level and also of the total water volume used in the holding, that is up to at least 50 % of the potential water saving possible to be achieved at investment level.

For investments that lead to a net increase of the irrigated areas, the investment is eligible if:

- the environment analysis, carried out or approved by the competent authority, shows there is no significant negative impact on the environment as a result of the investment. This analysis can refer both to individual holdings and to a group of holdings.

- **The underground or surface water body is satisfactory**, according to the authorization of the competent authority **(**it has the authorization of the national administration „*Apele Romane*" (Romanian Waters) by its territorial structures).

- **In case of a net increase of the irrigated areas where the underground or surface water body is unsatisfactory, the investment is eligible only if:**

  - The investment is combined with an investment in an existing irrigation facility or with an element of the irrigation infrastructure assessed ex ante as ensuring possible water saving at a minimum value of 5%, in accordance with the technical parameters of the facility or the existing infrastructure

  and

  - It ensures an effective decrease of the water use, at the global level of the investment, that is up to at least 50% of the potential water saving possible to be achieved by means of the investment in the irrigation facility or in the element of the existing infrastructure;

8.2.4. M06 - Farm and business development (art 19)

8.2.4.1. Legal basis

Article 19, Regulation (EU) no. 1305/2013;

Article 8, Annex I and Annex II, Implementing Regulation (EU) no 808/2014;

Articles 2 and 5, Delegated Regulation (EU) no 807/2014.

8.2.4.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

As a result of the identified priority under the Partnership Agreement, respectively, “actions for facilitating generational renewal, including fostering of young farmers with adequate competences”, in the SWOT analysis, a number of needs for farm and business development were identified in order to be covered under this measure. The main purpose of the measure is to promote the creation and development of new economic activities in Romania's rural areas, both for certain categories of farm business in the agricultural sector and for diversification of activities in general beyond diversification of agricultural activities.

There are needs aiming at:

- generational renewal of the heads of agricultural holdings with adequate competences (including in the business management) considering the insufficient number of young farmers in the Romanian agriculture, because of the socio-economic factors and to the ageing phenomenon among farmers, which on medium and long term may affect the performance of the agricultural sector;
- increasing the interest of young generations to professionally develop in rural areas, considering the decreasing and aging phenomenon of the rural population; 12,987 farmers have been supported under the NRDP 2007-2013 (M112- Setting up of young farmers). Even though many young farmers were supported in the 2007-2013 programming period, in some cases they had the permanent residence in different territorial-administrative units (TAU), thus, managing these holdings located in different TAUs was difficult in comparison to the rest of the cases. The trend regarding the decrease of the rural population is possible to be reversed, especially among young people and people with various expertise, who will be motivated to live in rural areas due to improved living conditions, but also by being stimulated to have the residence and work in the proximity of the managed holding;
- restructuring, consolidation and development of small farms in order to become market oriented;
- fostering, by prioritization, the vegetable growing sector (vegetables, including production of seeding material, fruit growing and seed production) and animal husbandry sector (cattle, beekeeping, sheep and goats) and capitalization of autochthonous breeds and varieties;
- considering the extended seasonality nature of agricultural activities, important objectives are: fostering employment and entrepreneurship, as well as the decrease of seasonality fluctuation of jobs. Economic diversification provides an increase in the agricultural households of income and employment, contributing to a better socio-economic territorial balance and to a sustainable development in rural areas;
- a sustained national and community support is necessary for development of non-agricultural activities leading to job creation, the increase of income of rural population and the decrease of the rural-urban disparities, given the lack of capital in rural areas and reduced knowledge in business management, in other sector than agriculture.

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 necessary 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 endowment, which prevents a higher productivity and an excess production meant for sale.
Furthermore, considering the current economic slow-down, the difficult economic conditions and the limited access to capital as identified in the SWOT analysis, and also the fact that the PA supports the national agricultural strategy which aims including the development of small and medium farms as well fostering innovation and technological transfer, a specific support for the development of the small farms oriented towards market is needed. In this respect there are 114.074 farms between 8000 – 50 000 € SO in Romania, which are assessed as having the potential, if supported, to start developing into viable market-based farm businesses.

Support both for small farms and setting–up of young farmers should target those agricultural sub-sectors, which recorded increases while facing shortages of supply in relation to demand on national and EU markets. Sub-sectors as sheep and goats are recording growth, but meat production remains low especially compared to the EU level. Maintaining the growth rate recorded in the beekeeping sector, is possible inclusive from the perspective of high number of young beekeepers oriented towards small business in this sector. By establishing business plans for small farms, which require relatively low support values, the sub-measures dedicated both to young farmers and small farms may provide appropriate support to support these sectors.

The Romanian mountain area is facing a high aging degree of the population, with effects on the management and market-orientation of the farms, most of them being small-sized and oriented towards animal breeding. These aspects led to a constant decrease of the number of animals, generating a major impact on the quality of pastures and hayfields. Thus, under grazing and the pastures not being worked resulted in the decrease of the volume of organic fertilizers, with consequences at the level of the quality of pastures.

The measure may also provide a solution for the development of agricultural holdings in the mountain area, in order to decrease the risk of abandonment of farmlands in this area and other economic and social risks that may occur and leading later to significant unbalances. Small and medium farms represent an important percentage of the total holdings existing in the mountain areas, thus highlighting a significant typology of agricultural holdings. Most of them are represented by family farms having animal breeding (cattle, sheep, and goats) as their main activity and the activity of production is combined with family life.

Also, the permanent transfer of the entire holdings to other farmer in exchange for a single payment will consolidate the agricultural holdings, considering that half of UAA is managed by commercial-type farms, efficient and competitive and the other half belongs to subsistence and semi-subsistence farms. Addressing this specific Romanian need, new opportunities will be provided for facilitating restructuring and integration of small farms on the market.

Rural areas play an important social-economic role in Romania, representing a large share of the total Romanian territory being lived by nearly half of the population. Under the sub-measures regarding the development of non-agricultural activities in rural areas, these areas may benefit from a good business development which would lead to the reduction of poverty existing in the rural areas. Supporting the creation and development of non-agricultural micro and small enterprises will generate new jobs in rural areas and lead to the absorption of surplus labor in the agricultural sector. Stimulating production activities, agri-tourism and medical and sanitary-veterinary services will increase the attractiveness of rural areas, thus reducing the tendency of residents to migrate to urban areas in search of new social-economic opportunities.

The eligibility under M6 (except sub-measure 6.5) is limited to the authorized natural persons and legal entities, according to the national legislation (Ordinance 44/2008 and Law 346/2004); in the case of microenterprises and small enterprises, the natural persons are not included as potential beneficiaries.

Link of the measure with the needs

The support under this measure will address the following needs: „Adequate level of capital and technology for modern agricultural activities”(004), „Modernizing the agri-food processing sector and its adaptation to EU standards” (005), „Rejuvenation of farmers generations” (006), „Restructuring, strengthening and modernization of small farms into market-oriented farms” (007), „Maintaining the biological diversity and environmental value of agricultural and forestry lands”(012), „Low level of greenhouse gas (GHG) emissions from agriculture and the transition towards a low carbon economy” (018), „Reduction of the level of poverty and the risk of social exclusion” (019), „Adequate basic infrastructure and services in rural areas” (020), „Increasing and diversifying the number of jobs in rural areas” (021), as are identified in the section 4.2 of the programme.

Five sub-measures will be operated in order to address the identified needs:

- business start-up aid for young farmers, sM 6.1,
- business start-up aid for non-agricultural activities in rural areas, sM6.2,
- business start-up aid for the development of small farms, sM6.3,
- support for investments in creation and development of non-agricultural activities, sM6.4,
- scheme for small farmers, sM6.5.

Contribution of the measures to focus areas

FA 2A *Improving the economic performance of all farms and facilitating farm restructuring and modernization, notably with a view to increasing market participation and orientation as well as agricultural diversification*

The support granted under sub-measure 6.3 is directed towards the improvement of access to quality production means (fertilizers, crops protection, veterinary services, etc.) and to foster 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 of the local markets.

The support granted under sub-measure 6.5 completes the effort for restructuring the agricultural sector, thus contributing to the consolidation of agricultural holdings and reduction of holdings’ fragmentation.

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

The support granted under sub-measure 6.1 aims adequately skilled young farmers that are setting-up for the first time as heads of the agricultural holding, in order to renew the generations of farmers and to increase competitiveness among agricultural holdings. The support will cover, inclusively, 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.

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 granted under sub-measure 6.4 (among others) targets 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 granted under sub-measure 6.2 contributes for promoting 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.

The support granted under sub-measure 6.4 targets the 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 area and job creation.

Secondary effects

Measure 6 is directly programed under the Focus Areas indicated above. In addition, the measure may contribute indirectly to the objectives of FA**3A** by stimulating a better integration of the agricultural producers on the market and by promoting short supply chains, as well as encouraging quality food production.

Contribution to the 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, and following 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 greenhouse 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 establishments.

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.

Innovation

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 on the market, and the adoption of new technics 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 regard to the setting of selection criteria

8.2.4.3.1. 6.1 Support for setting-up young farmers

Sub-measure:

- 6.1 - business start up aid for young farmers

8.2.4.3.1.1. Description of the type of operation

This sub-measure will support the setting-up for the first time of young farmers, as heads/managers of an agricultural holding.

Setting-up as a young farmer is a process involving the completion of a number of steps as described below. This process must have started and still be on-going at the time when the young farmer submits his application under this sub-measure.

- Registration of the young farmer as micro-enterprise/small enterprise with maximum 24 months until the moment of submitting the financing application (meanwhile the farmer is preparing the business plan, organizes his administrative activities, acquisition of assets for the new enterprise, etc.); This step must be completed before submission of the financing application under this sub-measure;
- Submission of application form together with the business plan, (supporting documents related to material base with the actives owned at the time of submission of the application);
- Setting up the young farmer is considered completed at the moment of the correct implementation of the business plan.

The support granted will contribute to an improved management, an increased competitiveness of the agricultural sector and will support the modernization process and the compliance with the requirements in terms of environmental protection, hygiene and animal welfare and work 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 heads/managers of the holding.

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 promote short supply chains, and therefore to become competitive and to improve their orientation towards partnerships. The aging of the labor force in the sector, as well the demographic decline in the rural area, shows the need for an increased interest of the young population for the rural areas in terms of improving the economic performances of the agricultural holdings. It is therefore necessary to establish an optimal support level in order to encourage young people to access this sub-measure and taking into account the high costs for setting-up a viable farm business of minimum 12,000 € SO.

This sub-measure aims at fostering young rural families to stay in the rural area, having a positive effect on the overall national economy.

8.2.4.3.1.2. Type of support

Setting-up aid: the support will be granted as a lump sum payment for the implementation of the objectives provided in the business plan in order to facilitate the young farmer to start agricultural activities.

8.2.4.3.1.3. Links to other legislation

EU Legislation

R (EU) no. 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council R (EC) No 637/2008 and Council R (EC) No 73/2009;

Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;

R (EC) no. 1242/2008 establishing a Community typology for agricultural holdings;

R (EU) no. 1303/2013 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 and laying down general provisions on the European Regional Development Fund European Social Fund, the Cohesion Fund and the European maritime and Fisheries;

Delegated R (EU) no 480/2014 completing R (EU) no 1303/2013;

EC Implementing R (EU) no 215/2014 completing R (EU) no 1303/2013.

National Legislation

Law no. 346/2004 stimulating the creation and development of small and medium enterprises with subsequent amendments and additions;

Government Ordinance no. 44/2008 regarding development of economic activities by authorised natural persons, individual enterprises and family enterprises with subsequent amendments and additions;

Government Ordinance no. 8/2013 amending and supplementing Law no. 571/2003 regarding the Fiscal Code and regulation of fiscal and financial measures.

Government Ordinance no. 129/2000 on vocational training of adults, approved under the **Law 375/2002,** amended and supplemented under **Government Ordinance no. 76/2004** with subsequent amendments and additions**.**

8.2.4.3.1.4. Beneficiaries

- **the young farmer** as defined in Art. 2 in R(EU) no 1305/2013*, setting-up as sole head of the agricultural holding;
- **the legal entity with multiple shareholders** where a young farmer as defined in Art. 2 in R(EU) no 1305/2013, is setting-up and has an effective long term control in terms of decisions regarding the management, benefits and financial risks regarding the holding and owns at least 50%+1 of shares.

**Art. 2 (1) n - "young farmer" means a person who is no more than 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competences and is setting-up for the first time in an agricultural holding as head of that holding;*

8.2.4.3.1.5. Eligible costs

The support is granted in order to facilitate the setting-up of the young farmer based on the business plan (BP). All the expenditure proposed in the BP, including work capital and relevant activities for the correct implementation of the **approved BP** may be eligible, whatever their nature is.

8.2.4.3.1.6. Eligibility conditions

- The applicant must fall under the category of micro and small enterprises;
- 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;
- The applicant holds adequate professional skills and competencies, complying with at least one of the following conditions:
    - middle/higher education in agricultural/veterinary /agricultural economy sector;
    - knowledge in agricultural field acquired by participating in training programs

    or

    - commitment to acquire the adequate professional competencies within a grace period of maximum 36 months as of the date of adopting the individual decision of providing the support;
- In case of fruit growing sector, will be taken into account for support just the eligible species and areas included in the Annex relevant for TSP from the National Implementation Framework, except strawberries crops in greenhouses and solariums.
- The implementation of the business plan must start within nine months from the date of the decision granting the aid;
- The applicant commits to become an active farmer within maximum 18 months from the setting-up date;

Other commitments

- Before requesting the second tranche, the applicant proves the improvement of holding's economic performances, by own production marketed in a proportion of minimum 20% of the value of the first tranche (this requirement will be verified at the moment of completion the business plan implementation);

In case the agricultural holding aims at increasing livestock, the business plan will mandatorily envisage arrangements for manure management, according to environmental rules (this requirement will be verified at the moment of completion the business plan implementation).

8.2.4.3.1.7. 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 sector;
- Principle of priority sector aiming at livestock sector (cattle, beekeeping, sheep and goats) and vegetable growing (vegetables, including production of seeding material, fruit growing and seed production);
- Principle of agricultural potential aiming at the areas with potential, determined based on specialty studies;
- Principle of autochthonous breeds/varieties.

Selection principles will be further detailed in the subsequent national legislation and will 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.

Selection principles will 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.

8.2.4.3.1.8. (Applicable) amounts and support rates

The non-refundable public support is granted for a period of maximum three/five* years, amounting:

EUR 50,000 for the holdings between **30,000 € SO and 50,000 € SO**

EUR 40,000 for the holdings between **12,000 € SO and 29,999 € SO**

The support for the setting-up of young farmers will be granted as a premium in two tranches, as follows:

- 75% of the support amount at the signing of the financing decision;
- 25% of support amount will be granted under the condition of the correct implementation of the business plan but not exceeding three/five* years after the financing decision enclosure.

In case of incorrect implementation of the business plan, the already paid amounts will be recovered proportionally with the unaccomplished objectives.

The business plan implementation, including the last payment and the final check control will not exceed 5 years from the financing decision to grant support.

*The five years period is applicable only for the fruit growing sector.

8.2.4.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.1.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the M 6 applicable section.

Regarding the specific risks identified in the SM 6.1 it has to be mentioned:

- The risk of not fulfilling the criteria related to the start of implementing the business plan within 9 months since the contracting moment;
- The risk of managing the business from a distant locality to the holding, affecting farmers' ability to adequately manage it;
- The risk to replace the person responsible for management, benefits and financial risk decisions in case of an applicant having the statute of legal person with multiple share holds, in which a young farmer as defined in article 2 of. R (EU) no. 1305/2013, should have the effective control for the entire duration of the commitment regarding the decision related to management, benefits and financial risks.

8.2.4.3.1.9.2. Mitigating actions

The actions that will be considered in order to improve sub measure implementation and to reduce risks are:

- Creating of a warning in the IT system before the beginning of the nine month term related to the business plan implementation, in order to avoid problems resulted from non-compliance with the business plan;
- Carrying out periodic verifications related to project implementation in conjunction with project implementation stages and complying with fulfilment of conditions regarding the domicile and working place in the proximity of the managed holding receiving support;
- In case of commercial enterprises with multiple shareholders, in which the young farmer sets up, as defined in article 2 of. R (EU) no. 1305/2013, which has the majority of shares, where there is a risk of a modification in the shareholder structure during the commitment, the verification will be carried-out by presenting the Unique Shareholders Registry of the agricultural enterprise which proves the shares of every shareholder and its regular basis verification.

8.2.4.3.1.9.3. Overall assessment of the measure

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8.2.4.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.1.11. 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 referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Holdings with a size between 12,000 € SO and 50,000 € SO (standard output value according to R (CE) no. 1242/2008.

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 Delegated Regulation No 807/2014

Applicable to the applicant legal person:

The associate 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 and will comply with the provisions applicable both to the young farmer setting-up as the sole head of the holding as well as of the young farmer who has the effective control of the legal person pursuant to the provisions of R (UE), No. 807/2013, art. 2 (1).

In the case of the legal person with multiple shareholders, the young farmer which is to be set-up, must own at least 50%+1 of the shares, having effective long-term control of the legal person.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

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 support.

Summary of the requirements of the business plan

The business plan will include at least the following:

- Presentation of the initial situation of the agricultural holding (eg. applicant’s data, the scope of the activity, legal form of the applicant, professional abilities, the history of the agricultural enterprise, production facilities, endowment of the holding);
- Presentation of the milestones and objectives proposed for the development of the agricultural holding (e.g. general objective, operational objectives – schedule to fulfil them, implementation risks, European standards and rules related to labor protection, environment and sanitary-veterinary, in the case of agricultural holding for increase in livestock the plan for improvements for manure management, according to environmental rules but also the prevision for the revenue-expenditure budget.
- Detailed presentation in terms of actions, including those related to the environmental sustainability and efficient use of resources needed for the development of agricultural holding, training or advice (the proposed economic improvement of the holding, the proposed plan for training and consulting – in order to improve the beneficiaries skills and the efficiency of the holding, restructuring and

diversification of agricultural activities, (environment risks evaluation and the implementation schedule).

- The precondition for efficient management of the business plan is the establishment of the stable residence of the beneficiary in the TAU where the holding is registered and the workplace at the same UAT or adjacent area *.

** Details are defined in the National Implementation.*

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable:

Romania will not use the possibility of combining different measures through the business plan as allowed by art. 8 (2) of R (EU) No. 808/2014.

Domains of diversification covered

Not applicable.

8.2.4.3.2. 6.2 Business start-up aid for non-agricultural activities in rural areas

Sub-measure:

- 6.2 - business start up aid for non-agricultural activities in rural areas

8.2.4.3.2.1. Description of the type of operation

This sub-measure will grant start-up support for facilitation of diversification by setting up and development of micro-enterprises and small enterprises in the non-agricultural sector in the rural areas, for a 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, giving priority to sectors identified in the PA as having high development potential in line with the National Strategy on Competitiveness.

This sub-measure aims at:

- diversifying the rural economy by increasing the number of micro-enterprises and small enterprises in the non-agricultural sector, developing services and job creation in the rural area;
- fostering the maintenance and development of traditional craft activities.

8.2.4.3.2.2. Type of support

Support will be granted as a lump sum for the funding of new non-agricultural activities in the rural area, based on a business plan.

8.2.4.3.2.3. Links to other legislation

EU Legislation

Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.

National Legislation

Government Ordinance no. 44/2008 regarding development of economic activities by authorised natural persons, individual enterprises and family enterprises with subsequent amendments and additions;

Ordinance no. 142/2008 on the approval of the National Territorial Development Plan

8.2.4.3.2.4. Beneficiaries

- Farmers or members of an agricultural holding in the rural area diversifying the activity by setting-up a non-agricultural activity for the first time. Unauthorized natural persons are not eligible;
- Existing micro-enterprises and small enterprises in the rural area, that intend to carry-out non-agricultural activities that they have not carried-out until the date they apply for support;
- New micro-enterprises and small enterprises that are set-up in the year of the submission of the

financing application or with a history of maximum 3 fiscal years, that have had no activity until its submission (start-ups);

8.2.4.3.2.5. Eligible costs

Eligible costs:

The support is granted for the activities foreseen for the accomplishment of the objectives in the Business Plan (BP). All expenditure, proposed through the BP, including working capital and capitalization of the enterprise and activities relevant for the proper implementation of the **approved BA**, may be eligible, regardless of their nature.

Non-eligible costs:

Expenditure for purchase of agricultural machinery and equipment for activities regarding agricultural services as defined in the National Classification of Economic Activities, as well as the production and the sale of products from Annex I of the Treaty are not eligible.

8.2.4.3.2.6. Eligibility conditions

Eligibility conditions:

- The applicant must fall under the category of eligible beneficiaries;
- The applicant must present a business plan;
- The objective must fall under at least one of the activity types supported under this sub-measure;
- The registered office and the working point/points must be situated in the rural area and the activity must be carried-out in the rural area;
- The implementation of the business plan must start within nine months from the date of the decision granting the support;

Other commitments:

- Before requesting the second payment tranche, the applicant proves he/she carried-out commercial activities through the marketed production or through activities carried-out, in a percentage of minimum 30% of the value of the first payment tranche (this requirement will be verified upon completion of the business plan implementation).

8.2.4.3.2.7. Principles with regards to the setting of selection criteria

- Principle of diversification of agricultural activity of farmers/members of the agricultural holding towards non-agricultural activities;
- Principle of prioritization of sectors with development potential (textiles and leather, creative and cultural industries, including crafts, service activities in information technology, agri-tourism, services for the population in the rural area)
- Principle of fostering tourism activities in terms of prioritizing the agri-tourism activities carried-out in areas with high touristic potential/eco-touristic destinations/protected natural areas, as established under the Emergency Ordinance no. 142/2008 on the approval of the National Territorial

Development Plan

- Principle of stimulating a high level of quality of the business plan that will be established depending on the marketed production or performed activities, in a percentage rate of over 30% of the first payment tranche.

Selection principles will be further detailed in the subsequent national legislation and will 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.

8.2.4.3.2.8. (Applicable) amounts and support rates

The non-refundable public support_will comply with the provisions of the R 1407/2013 related to de minimis support and shall not exceed **EUR 200,000/beneficiary** for 3 fiscal years.

The support rate is **50,000 Euro/project**, with the possibility of increasing support up to the value of 70,000 Euro/project for production activities, medical and sanitary-veterinary services, agri-tourism.

Projects selected receiving the non-refundable support in the amount of **50,000 Euro/project** will represent the major share of projects. The Managing Authority will monitor the compliance with this principle after completion of each annual contracting section. If after two years this principle is not respected, the list of activities or the aid intensities will be re-examined.

The support for setting-up non-agricultural activities in rural areas will be granted as a premium in two tranches, as follows:

- 70% of the support amount at the moment the financing decision is signed;
- 30% of support amount will be granted under the condition of correct implementation of the business plan but not exceeding five years after the financing decision has been signed.

The implementation period of the Business Plan is of maximum 5 years, including the correct implementation control as well as the payment of the last tranche.

In case of the incorrect implementation of the business plan, the amounts already paid will be recovered proportionally to the unaccomplished objectives.

8.2.4.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.2.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the Measure 6 section applicable. Regarding the specific risks identified in the sub measure 6.2 it is to be mentioned:

- Risk of failure to fulfill the objectives established in the business plan;
- Risk of financing existent micro-enterprises and small enterprises from rural area that propose non-agriculture activities complementary to basic activity (development).

8.2.4.3.2.9.2. Mitigating actions

The actions that will be considered in order to improve sub measure implementation and to reduce risks are:

- To avoid problems resulting from non-compliance to the business plan, the second tranche payment will be done after the verification of fulfilment of the business plan's objectives. In case of non-fulfilment, the first tranche will be recovered proportionally to the non-accomplished objectives;
- To avoid financing of some activities complementary to basic activity, verifications of NACE codes related to activities for which financing is requested as well as of NACE codes of basic activity of the enterprises will be carried-out. Clear and detailed procedure will be elaborated to ensure an efficient control in all implementation stages.

8.2.4.3.2.9.3. Overall assessment of the measure

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8.2.4.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.2.11. 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 referred to in the third subparagraph of 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 Delegated Regulation No 807/2014

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable.

Summary of the requirements of the business plan

The business plan will include at least the following:

- Presentation of the initial economic situation of the beneficiary requesting support;
- Presentation of stages and objectives proposed for the development of new activities of the beneficiary;
- Detailed presentation in terms of actions and related resources (material, human and financial) needed for developing the activities of the beneficiary, such as investments, training or advice in

order to promote the development of the enterprise activities, including the creation or development of new skills/competencies of employees.

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

Domains of diversification covered within the sub-measure:

- Production activities (ex. manufacture of textile products, cloths, leather articles, paper and board articles; production of chemical, pharmaceutical products; activities for processing wood products; metallurgic industry, production of metal constructions, machinery and equipment; production of electrical, electronic products, fuel fabrication from biomass (ex: pellet manufacturing) for merchandising, production and use of renewable energy for its own activities, as integral part of the project etc.;
- Craft activities (activities of handicraft and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather etc.);
- Tourism activities (agri-tourism accommodation services, recreational tourism and public food services);
- Services (e.g.: medical, social, sanitary-veterinary; machinery, houseware repair; advice, accounting, legal, audit; information technology and information services; technical, administrative, other services dedicated to population in the rural area, etc.).

8.2.4.3.3. 6.3 Business start-up aid for the development of small farms

Sub-measure:

- 6.3 - business start-up aid for the development of small farms

8.2.4.3.3.1. Description of the type of operation

The support granted for existing small farms is a tool meant to determine mainly the structural transformation and opening to market of small farms with potential to develop into viable farm business, and increasing their capacity to identify new opportunities for the capitalization of their production.

The purpose of this sub-measure is:

- Improvement of the agricultural holding management;
- Increase market-orientation and income of the small-sized agricultural holdings.

Small farms are defined as agriculture holdings with an economic size between 8.000 – 11.999 € SO. The number of potential eligible beneficiaries is approx. 61,000 farms.

8.2.4.3.3.2. Type of support

The support will be granted as a lump sum payment for the implementation of the objectives provided in the business plan.

8.2.4.3.3.3. Links to other legislation

EU Legislation

R (EC) no 1242/2008 establishing a Community typology for agricultural holdings;

Recommendation 2003/361 / EC of 6 May 2003 concerning the definition of micro-enterprises and small and medium enterprises;

National Legislation

Law no. 346/2004 stimulating the creation and development of small and medium enterprises with subsequent amendments and additions;

Ordinance no. 44/2008 regarding development of economic activities by authorized natural persons, individual enterprises and family enterprises with subsequent amendments and additions;

Order no. 22/2011 of the Minister of Agriculture and Rural Development, concerning the reorganization of the farms Registry, which is the unique identification register in order to access measures covered by the Common Agricultural Policy;

Ordinance no. 43/2013 regarding certain measures for development and support of family farms and farmers' access to finance.

8.2.4.3.3.4. Beneficiaries

Farmers who holds in property and/or use an agricultural holding that falls under the category of small farm according to the relevant definition, excepting unauthorized natural persons.

8.2.4.3.3.5. Eligible costs

The support is granted for small farm in order to facilitate the development of small farms based on the business plan (BP). All the expenditure proposed in the BP, including work capital and relevant activities for the correct implementation of the **approved BP** may be eligible, whatever their nature is.

8.2.4.3.3.6. Eligibility conditions

- The applicant must fall under the category of micro and small enterprises;
- The applicant has an agricultural holding with an economic size between 8,000 – 11,999 € SO (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;
- The applicant has not previously benefited from support under this sub-measure from the NRDP 2014-2020;
- An agricultural holding may receive support only once within this sub-measure through NRDP 2014-2020, meaning that the holding cannot be transferred among two or more farmers, beneficiaries of the support under this sub-measure;
- In case of fruit growing sector, will be taken into account for support just the eligible species and areas included in the Annex II of the TSP, except the culture of strawberries in greenhouses and solariums.
- The implementation of the business plan must start within nine months from the date of the decision granting the aid;

Other commitments

- Before the second payment tranche, the applicant proves the improvement of holding economic performances, by own production marketed in a proportion of minimum 20% of the value of the first tranche (the requirement will be verified at the moment of completing the business plan implementation);
- In case the agricultural holding aims at increasing livestock, the business plan will mandatorily target improvements for manure management, according to environmental rules (the requirement will be verified at the moment of completion of business plan implementation).

8.2.4.3.3.7. Principles with regards to the setting of selection criteria

- Principle of qualification level in the agricultural sector (according to the education level and/or qualification in the agricultural sector);

- Principle of priority sector aiming at livestock sector (cattle, beekeeping, sheep and goats) and vegetable growing (vegetables, including production of seeding material, fruit growing and seed production);
- Principle of agricultural potential aiming at areas with potential, determined based on the specialty studies;
- Principle of family farms;
- Principle of autochthonous breeds/varieties.

Selection principles will be further detailed in the subsequent national legislation and will 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.

Selection principles will 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.

8.2.4.3.3.8. (Applicable) amounts and support rates

The non-refundable public support is granted for a period of maximum three/five*.

The non-refundable public support is **EUR 15,000** for an agricultural holding.

Support for development of small farms will be granted as a premium in two tranches as follows:

- 75% of support amount at the financing decision enclosure;
- 25% of support amount will be granted under the condition of the correct implementation of the business plan but not exceeding three/five* years after the financing decision enclosure.

In case of incorrect implementation of the business plan, the amounts already paid will be recovered proportionally with the unaccomplished objectives.

The business plan implementation, including the last payment and the final verification will not exceed 5 years from the financing decision to grant support.

**The five years period is applicable only for the fruit growing sector.*

8.2.4.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.3.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the Measure 6 section applicable.

Regarding the specific risks identified in the sub measure 6.3 it is to be mentioned:

- The risk of not fulfilling the objectives assumed trough the business plan;

- The risk of managing the business from a distant locality to the holding, which affects the farmers ability to adequately manage it;

8.2.4.3.3.9.2. Mitigating actions

The actions that will be considered in order to improve sub measure implementation and to reduce risks are:

- In order to avoid problems resulted from the non-compliance to the business plan, at the finalization of implementation, for granting the second payment tranche, it will be verified the fulfilment of the objectives in the business plan and the unduly paid amounts will be recovered proportionally and subsequently beneficiaries will be requested to present progress' reports;
- Carrying-out periodic verifications related to project implementation in conjunction with project implementation stages and complying with the fulfilment of the condition regarding the domicile and working place in the proximity of the managed holding receiving support).

8.2.4.3.3.9.3. Overall assessment of the measure

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8.2.4.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.3.11. 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 8,000-11,999 € SO.

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Holdings with a size between 8,000 SO and 11,999 S.O. (SO according to R 1242/2008).

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 Delegated Regulation No 807/2014

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable.

Summary of the requirements of the business plan

The business plan will include at least the following:

- Presentation of the initial situation of the agricultural holding (e.g. applicant's data, the scope of the activity, legal form of the applicant, professional abilities, the history of the agricultural enterprise, production facilities, endowment of the holding);
- Presentation of the milestones and objectives proposed for the development of the agricultural holding (e.g. general objective, operational objectives – schedule to fulfil them, implementation risks, European standards and rules related to labor protection, environment and sanitary-veterinary, in the case of agricultural holding for increase in livestock, the plan for improvements for manure management, according to environmental rules and also the prevision for the revenue-expenditure budget;
- 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, training or advice (the proposed economic improvement of the holding, the proposed plan for training and consulting – in order to improve the beneficiaries skills and the efficiency of the holding, restructuring and diversification of agricultural activities, environment risks evaluation and the implementation schedule).

The precondition for efficient management of the business plan is the establishment of the stable residence of the beneficiary in the TAU where the holding is registered and the workplace at the same UAT or adjacent area *.

**Details are defined in the National Implementation.*

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

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Domains of diversification covered

Not applicable.

8.2.4.3.4. 6.4 Support for investments in creation and development of non-agricultural activities

Sub-measure:

- 6.4 - support for investments in creation and development of non-agricultural activities

8.2.4.3.4.1. Description of the type of operation

This sub-measure grants investment support to micro-enterprises and small enterprises in the rural area, linked to setting-up or developing non-agricultural activities in 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, leading to job creation, increase of rural population income and mitigation of disparities between the rural and the urban areas, giving priority to sectors identified in the PA as having high development potential in line with the National Strategy on Competitiveness.

The support also aims at farmers or members of their agricultural households who want to diversify their economic activities by practicing non-agricultural activities in order to increase their income and create employment alternatives.

Types of eligible operations:

Investments for the production and sale of non-agricultural products, such as:

- Manufacture of textile products, cloths, leather articles, paper and board articles;
- Production of chemical, pharmaceutical products;
- Activities of processing wood products
- Metallurgical industry, production of metal constructions, machinery and equipment;
- Production of electrical, electronic products, metallic, machines, equipment and board products.

Investments in craft activities, such as:

- Handicraft activities and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather etc.)

Investments related to the provision of services, such as:

- Medical, social, sanitary-veterinary services;
- Machinery, houseware repair services;
- Advisory, accounting, legal, audit services;
- 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;

Investments for the production of fuel from biomass (manufacture of pellets and briquettes) for marketing.

Types of non-eligible operations:

- Providing agricultural services;

- Processing and sale of products listed in Annex I of the Treaty;

Production of electricity from biomass as economic activity.

8.2.4.3.4.2. Type of support

- Reimbursement of eligible costs incurred and paid.
- Payment of advances, subjected to the establishment of a bank guarantee corresponding to 100% of the amount of the advance, pursuant to art. 45 (4) and art. 63 of the R (EU) no. 1305/2013
- Financial instrument according to the conditions detailed under Chp. 8.1

8.2.4.3.4.3. Links to other legislation

EU Legislation

Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;

R (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 no 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees;

Community guidelines on State aid for rescuing and restructuring firms in difficulty

Commission Communication no 2008/C14/02 on the revision of the method for setting the reference and discount rates.

Community Guidelines on state-aid for rescuing and restructuring firms in difficulty

National Legislation

Ordinance no. 44/2008 regarding development of economic activities by authorized natural persons, individual enterprises and family enterprises with subsequent amendments and additions;

Ordinance no. 142/2008 on the approval of the National Territorial Development Plan

8.2.4.3.4.4. Beneficiaries

- Existing and newly established non-agricultural micro-enterprises and small enterprises, in the rural area;
- Farmers or members of the farm household diversifying their basic agricultural activity by developing a non-agricultural activity within an already existing enterprise that falls under micro-enterprise and small enterprise.

8.2.4.3.4.5. Eligible costs

Specific eligible costs*:

- Construction, extension and/or modernization and endowment of buildings;

- Purchase and setting-up costs, including in leasing, of new machinery, installations and equipment
- Intangible investments: purchase or development of computer software and acquisition of patents, licenses, copyrights, trademarks;

**General eligible costs are listed in chapter 8.1*

Specific non-eligible costs:

Specific start-up and operation expenditure of enterprises (obtaining the operating permits, authorization taxes, employees, administrative costs, etc.)

8.2.4.3.4.6. 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 under the sub-measure;
- The applicant must carry-out the activity related to the financed investment in the rural area;
- The applicant must demonstrate the capacity to ensure the co-financing of the investment;
- The economic viability of the investment must be demonstrated based on the presentation of technical – economical documentation;
- The enterprise must not be in difficulty according to the Guidelines on State aid for rescuing and restructuring firms in difficulty;
- The investment will be preceded by an assessment of the expected impact on the environment and whether it may have negative effects on the environment, in accordance with the legislation referred to in Chapter 8.1.

8.2.4.3.4.7. 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 sectors with development potential (textiles and leather, creative and cultural including crafts industries, service activities in information technology, agri-tourism, etc.);
- Principle of fostering tourism activities in compliance with the prioritization of the agri-tourism activities carried out in areas with high tourism potential/eco-tourism destinations/protected natural areas , as established under the Emergency Ordinance no. 142/2008 on the approval of the National Territorial Development Plan;
- Principle of previous experience in ongoing activities as general management activity of the company for a better administration of the economic activity.

Selection principles will be further detailed in the subsequent national legislation and will 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.

8.2.4.3.4.8. (Applicable) amounts and support rates

The non-refundable public support_will meet the provisions of the R 1407/2013 related to de minimis support and shall not exceed **EUR 200,000/beneficiary** for 3 fiscal years.

The intensity of non-refundable public support rate is 70%.

The non-refundable public support rate may be increased up to 90%, in the following cases:

- For applicants carrying-out production activities, medical, veterinary and agri-tourism services.
- For farmers who diversify their basic agricultural activities by developing non-agricultural activities. Projects selected receiving the non-refundable support rate of 70% will represent the major share of projects. The Managing Authority will monitor the compliance of this principle after completion of each annual contracting section. If after two years this principle is not respected, the list of activities or the aid intensities will be re-examined.

8.2.4.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.4.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the applicable section of Measure 6. Regarding the specific risks identified in the sub measure 6.4 it is to be mentioned:

- The risk of incorrect application of the procurement procedure by private beneficiaries;

8.2.4.3.4.9.2. Mitigating actions

The actions that will be considered in order to improve sub measure implementation and to reduce risks are:

- As regards the misapplication of the procurement procedure by private beneficiaries, the procedures were changed to inform better the beneficiaries (portal for publishing procurement calls for private beneficiary), specific requirements for private beneficiaries were inserted as well as additional verification points for identifying formal/unauthentic offers were inserted.

8.2.4.3.4.9.3. Overall assessment of the measure

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8.2.4.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.4.11. 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 referred to in the third subparagraph of 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 Delegated Regulation No 807/2014

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

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

- Production 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-tourism accommodation services, recreational tourism services and public food services);
- Provision of social services, including constructions, reconstructions and/or modernization of workspaces and work zones for carrying out the activities (ex: medical, social, sanitary-veterinary; machinery, houseware repair; advice, accounting, legal, audit; information technology and information; technical, administrative, etc.)
- Manufacture of biomass pellets and briquettes.

8.2.4.3.5. 6.5 Scheme for small farmers

Sub-measure:

- 6.5 - payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer

8.2.4.3.5.1. Description of the type of operation

The sub-measure provides support for small farmers having participated to the small farmers' scheme in Pillar 1 for at least one year and commit to permanently transfer to another farmer their entire holding and the corresponding payment rights.

According to PIAA data at 2011, the estimated number of potential beneficiaries for the Small Farmers Scheme on Pillar I, could be 840.000 farmers.

This sub-measure envisages that, in addition to transfers by property rights, land disposal voluntarily by some farmers in favor of other farmers may be achieved by giving the long term right to use the land (e.g. lease), in order to facilitate the consolidation of land holdings and consequently together with other measures would lead to the restructuring of farms.

The sub-measure would address the high fragmentation of agricultural land problem from Romania and would contribute to increasing productivity and competitiveness.

At the same time the measure will prioritize those farmers who transfer larger holdings and, also, in those areas where agricultural land has a high production potential. The sub-measure covers the need in terms of small farm restructuring and modernization into market-oriented farms.

The sub-measure could be activated starting with 2016 so that at least 1 year, the applicant will be the beneficiary of the simplified schemes under Pillar 1, in conformity with the Title V of R (EU) . 1307/2013.

8.2.4.3.5.2. Type of support

Annual payment.

8.2.4.3.5.3. Links to other legislation

EU Legislation

R (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 R (EC) No 637/2008 and Council R (EC) No 73/2009.

National legislation

Ordinance no. 3/2015 approving the direct payments schemes which are granted in agricultural sector in the 2015-2020 period and the modification of art. 2 from Law no. 36/1991 on agricultural companies and other forms of association in agriculture.

8.2.4.3.5.4. Beneficiaries

Farmers whose holdings meet the definition of small farm under simplified scheme from Pillar 1 and have applied for at least one year this scheme according to Title V of Regulation (EU) 1307/2013.

8.2.4.3.5.5. Eligible costs

Annual payments for eligible farmers within the small farmer scheme, according to R 1307/2013, who permanently transfer their holding to another farm.

Support will be paid starting with the the date of transfer until 31.12. 2020.

8.2.4.3.5.6. Eligibility conditions

- The applicant has applied for at least 1 year the small farmer scheme under Pillar 1 and, at the time of submission of the application under this sub-measure, the applicant presents the evidence of withdrawal from the scheme relevant under Pillar I.
- The applicant must be the owner of the land to be transferred;
- The applicant undertakes to transfer permanently* to another farmer his entire holding and the corresponding payment entitlements.
- The permanent transfer contract cannot be cancelled by the signatories before the minimum period of 20 years.

**the permanent transfer may be done both through documents that confer real property rights and through lease for a minimum 20 years lease contract.*

8.2.4.3.5.7. Principles with regards to the setting of selection criteria

- Principle of the size of the farm transferred, by prioritizing the largest holdings;
- Principle of consolidation of holdings;
- Principle of agricultural potential;
- Principle of effective property rights.

Selection principles will be further detailed in the subsequent national legislation and will 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.

Selection principles will 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.

8.2.4.3.5.8. (Applicable) amounts and support rates

The support amount is the equivalent of 120% of the calculated annual amount of support that the beneficiary is eligible to receive in the framework of small farmers' scheme under Pillar I, according to Title V of R (EU) no. 1307/2013.

8.2.4.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.5.9.1. Risk(s) in the implementation of the measures

The general risks are identified and mentioned in the section applicable to Measure 6.

Specific risks identified for sub-measure 6.5:

- The risk of not respecting the commitments taken by the beneficiary after the contract was signed;
- Risks relating to transfer of lands by lease and the related risk of monitoring of the project for a period larger than the one set in the Regulation;
- Risk relating to agricultural land cadaster;
- The risk that the beneficiaries of the small farmers Pillar I scheme, to not apply for this measure.

8.2.4.3.5.9.2. Mitigating actions

The actions that will be considered in order to improve measure implementation and to reduce risks are:

- The regular verification of the transferred holding status in the data base of the PIAA; if there is no fulfilment with the assumed commitments taken, the support amount will be fully recovered;
- The Paying Agency will verify on a regular basis, the compliance of signatories with the contractual provisions in order to avoid artificial conditions;
- The Paying Agency will ensure that in the contract a provision is included in order to forbid the cancellation of the contract by the signatories before the minimum period of 20 years.
- For the establishment of the specific selection principles of the sub-measure it has been taken in account the establishment of clear, transparent and verifiable selection criteria of the beneficiaries and the informing of potential beneficiaries on these criteria. For example, in case of the selection principle regarding the land consolidation it will be followed the undertaken holding code disappearance - in IACS and the agricultural register;
- Information campaigns to inform farmers and promote holdings' transfer;
- Prioritizing those farmers who transfer property with all the ownership (i.e. the sale) will reduce the existing risk on transfer by lease.

8.2.4.3.5.9.3. Overall assessment of the measure

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8.2.4.3.5.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.3.5.11. 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 referred to in the third subparagraph of 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 Delegated Regulation No 807/2014

Not applicable.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

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

The general risks identified for the implementation of measure 6 focuses on the following aspects:

- Reasonable expenditure regarding the purchase of equipment and construction-mounting works, inadequate verification and control procedures, unclear and ambiguous procedures or inadequate implementation of their provisions, the presence of the bureaucratic system with negative effects regarding the efficiency and efficacy of the project implementation, wrongful identification of the applicants in the category of eligible beneficiary, IT system non-adapted to the procedural fluxes or a delay in their actualization, insufficient verifications for the identification of those conditions/ warnings that may lead to the creation of inappropriate advantages (artificial conditions), insufficient training of the personnel as regards the on-going and ex-post verifications and controls, lack of equipment in order to perform the verifications, lack of co-financing resources from the beneficiary, low level of awareness of the applicants.

8.2.4.4.2. Mitigating actions

In order to improve the implementation of the measure and to reduce risks, the following actions corresponding to the identified risks may be considered:

- simple and transparent selection and evaluation criteria. Adequate training of the Paying Agency staff and the evaluation procedure will be available in due time;
- introduction of a system to verify cost reasonableness at the Paying Agency by creating a database with reference prices for simple purchases of machinery;
- elaboration of clear and detailed procedures and 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, over control 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;
- carrying out several verifications related to project implementation in conjunction with project implementation stages;
- project online submission, simplification of documentations submitted by the beneficiaries, verification of authorizations, approvals, technical documentation after project selection stage before contracting stage, waiver of supporting documents that may be accessed in the data basis of the responsible authorities;
- clear definitions of the beneficiaries in the national implementation framework in accordance with the provisions of the NRDP and verification of their classification in accordance with the national legislation by completion of agreement and protocols with the responsible entities in order to verify the correctness of the information provided;
- 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, SIRUTA cod, project title.
- elaboration in the national implementation framework of a specific section regarding the verification of those conditions that may lead to access higher support rates, respectively obtaining inappropriate material advantages (artificial conditions);
- performing of an evaluation at the level of the bodies with responsibilities in the management and control of the programme in order to evaluate the knowledge level and of the personnel expertise for a 1-5 years period;
- elaboration of an action plan regarding the professional training and specialization of the involved personnel;
- identification of the equipment needs for verification based on the investment type and inclusion of those needs in a procurement plan;
- informing the applicants regarding the eligibility of the expenditure and other essential elements of

the measure through guides, flyers, websites and information actions.

- Increasing efficiency control systems in all phases of a project verification by checking the ownership, location, source of funding, degree of kinship and other specific checks for identifying artificial conditions created for support.
- Carrying-out regular checks related to the implementation of projects in conjunction with implementation phases of projects and compliance with commitments of the contract.

8.2.4.4.3. 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 2007-2013 period, 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 micro/small enterprise 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.

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 specific requirement for private beneficiaries, as well as introduction of additional verification points for the identification of the formal/non-authentic tenders.

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 under 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 2014-2020 period 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.

8.2.4.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.4.6. Information specific to the measure

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

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Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

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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 Delegated Regulation No 807/2014

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Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

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Summary of the requirements of the business plan

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Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

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Domains of diversification covered

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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 submission of financing application or with a history of maximum 3 fiscal years that have had no activity until its submission.

8.2.5. M07 - Basic services and village renewal in rural areas (art 20)

8.2.5.1. Legal basis

Article 20 of Regulation (EU) no. 1305/2013

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 social-economic terms as well as in terms of their size, diversity, natural and human resources.

According to the national definition, the rural area in Romania includes 2861 communes covering 87.5% of the territory and 45% of the population. The sustainable economic and social development of the rural area is inextricably linked to the improvement of the rural infrastructure and the existing basic services. Inadequate 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 social-economic development of rural areas. Rural areas are characterized by an ageing population and strong outward migration, in particular of young people.

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 services in rural areas;
- creation of employment in the rural area;
- preservation of the rural heritage and local traditions;
- alleviation of the poverty level and the risk of social exclusion.

As stated in the Partnership Agreement, these needs have been identified (TO9) and the target under EAFRD is to reduce the risk of poverty in rural areas through small-scale infrastructure investments on roads, water/wastewater, education, cultural heritage, as well as to increase access of rural population to basic infrastructure and services.

Development of the basic infrastructure

The creation and modernization **of the local roads infrastructure and water supply and wastewater systems** are basic elements for the rural community. These are required to ensure health conditions, protection of environment, accessibility and, in general, optimum living conditions. Infrastructure also creates the premises for developing a competitive rural economy.

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 wastewater networks is still reduced compared to urban areas (thus, for drinking water supply network – 70.29% compared to 99% in urban areas; and for sewage network – 21.53% compared to 96.9%).

Despite the support granted in the last years from national and European funds to the basic infrastructure in rural areas (roads, water supply and wastewater infrastructure), this infrastructure is still under-developed and hampers economic development and employment.

The identified needs for the new programming period target the creation or, as the case may be, the improvement/expansion of water supply, wastewater, wastewater treatment networks in order to comply with the country commitments pursuant to Directive 91/271/EEC and of local-interest roads network, as these elements, together, may contribute to the joint efforts to provide a sustainable development of rural communities. Existing systems for water supply/wastewater are often characterized by inefficient water management, with a high level of losses. These losses have as secondary effects: the additional consumption of energy and water, the deterioration of drinking water quality as well as the pollution of underground waters in the case of wastewater network.

For a uniform and consistent development of rural areas and in order to reduce the risk of financing fragmented investments in terms of infrastructure of roads and of water/wastewater infrastructure, investments complementing those financed by the SOP Environment and/or LIOP, as well as those that take into account the connectivity of roads and their multiple role within various transportation means, will be prioritized.

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.

The educational/social infrastructure lacks the capacity to support a decent standard of education and care for ante-pre-school and school children.

Ante-pre-school (kindergartens) facilities are facing a major infrastructure-related deficit and therefore, the percentage of kindergartens coverage in the rural area, was only 7.44% of the total number of kindergartens 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 is intensely influenced by the decreasing number of graduates from secondary agricultural-profile education units. Consequently, the number of higher secondary education units, technological schools specialized on natural resources and environmental protection and vocational schools in agriculture has decreased by over 80% in the last 15 years, with a number of 34 higher secondary education units operating in the rural area in 2011, these not being appropriately modernized and endowed. The lack of adequate specialized education, young people’s interest for secondary education in the agriculture, in the context of intensification on practicing agriculture in rural areas, lead to a non-performing management of agricultural holdings and to the deepening of poverty that rural areas are already experiencing.

Moreover, the current social infrastructure does not have the capacity to support a decent living level in rural areas. We encounter a major deficit regarding the possibilities offered to the care of ante-preschool children respectively a low number of nurseries. Thus, in 2011 from the total of 295 nurseries only 1% are in the rural area, considering that from the total of children aged between 0 and 4 year old, 45.5% were registered in the rural area.

Regarding the possibility of providing after-school facilities in rural areas and access of school children to educational activities outside their school curriculum as well as recreational activities, a substantial deficit is encountered, inequalities of opportunities between children of the same age in rural and urban areas are multiple, having as common denominator both lack of family materials and poor access to education services and social protection.

Therefore, in order to reduce disparities between urban and rural areas that cause a significant negative impact and inequality on development opportunities, it is necessary to continue the effort to support the development and modernization of educational infrastructure in rural area in order to facilitate access to educational infrastructure in agriculture in rural areas as well as access to social and childcare services.

Interventions in rural area to support after-school social infrastructure and kindergarten education, are contributing both at reducing discrimination regarding access of women to job market and increasing the education level of national minorities and rural population, thus, ensuring equal opportunities and avoiding desegregation

Investments will be carried-out according to the approved national/regional/county/local strategy corresponding to the investment sector and in compliance with the requirements of the agricultural labor market, thereby, contributing to the inclusion on labor market and also to economic development.

Investments associated with the protection of the cultural heritage respectively investments to preserve local-interest heritage under class B and modernization of community centers in rural areas.

The cultural identity of the Romanian village is an important source of local development and is characterized by a diverse tangible and intangible cultural heritage. In order to preserve the rural heritage and national identity and to capitalize them as tools for local economic development in the next programming period actions to protect the cultural heritage of local interest, buildings and monuments identified according to Law 422/2001, in group B - historical monuments representative for the local cultural heritage including monasteries will be supported.

Monastic settlements are an integral component of the cultural heritage. They have become over time centers 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 18.439 cult units in Romania only 276 (1.5 %) are monasteries, 74 (0.4%) hermitages and almost half of the Romanian monasteries (49.3%) and more than 56% of the hermitages are historical monuments.

In addition, the determination of the social-cultural identity needs to take into consideration factors such as education and access to culture. Therefore, an important component of the social life is also the cultural life, a sector that may contribute to increasing the attractiveness level of the village for young population. Taking into account the advanced stage of degradation as well as the unsatisfactory endowment, many community centers - although they benefit from an individual registered office, are the property of communes, they could not carry-out their activity. Therefore it is necessary to modernize and endow community centers.

Link of the measure with the needs:

The support granted under this measure will contribute to addressing the needs on "*Basic infrastructure and appropriate services in rural areas"* (020), "*Preserved local patrimony"* (022), "*Modernization of the agricultural education infrastructure"(026)* and the need *"Basic infrastructure and appropriate services in rural areas from fruit-growing basins"* (12), identified in section 4.2 of the fruit-growing thematic sub-programme (TSP).

In order to address the identified needs, the operations will be carried-out under two sub-measures:

- investments in the creation and upgrade of small-scale basic infrastructure in the rural area, sM 7.2;
- investments associated with the protection of the cultural heritage in the rural area, sM7.6;

Contribution of the measure to focus areas

FA 6B- *Fostering local development in rural areas*

The support under sub-measure 7.2 through 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 between 2,000-10,000 l.e., investments for educational and social infrastructure 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.

The support granted under sub-measure 7.6 that aims at supporting the investments for the restoration, preservation and accessibility to the local-interest intangible cultural heritage, monastic settlements, including cultural establishments – community centers, contributes to the valorization of the local cultural heritage, promotion of rural tourism and therefore leading to an increased living standard in the rural areas and a sustainable local development.

Contribution to cross-cutting themes

Environment and climate

For a sustainable development of rural communities, for a better understanding of undertaking the environment commitments and challenges on climate changes, investments in water/wastewater infrastructure under a centralized system will contribute to the improvement of drinking water quality, to reduction of water losses from outdated systems as well as to the pollution caused by the bio-degradable organic load from rural holdings.

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 regard to the setting of selection criteria

8.2.5.3.1. 7.2 Investments in creation and modernization of small-scale infrastructure

Sub-measure:

- 7.2 - support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving

8.2.5.3.1.1. Description of the type of operation

This sub-measure will support investments for improvement of the small-scale basic infrastructure, ensuring a sustainable economic development and reducing 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.

Operations/Actions eligible for support:

a) Investments in tangible assets:

Local-interest road infrastructure and water/wastewater infrastructure:

- construction, expansion and/or modernization of the public water supply network;
- construction, expansion and/or modernization of the public wastewater network;
- construction, expansion and/or modernization of the local-interest roads network

Educational infrastructure:

- establishment and upgrade (including endowment) of kindergartens, only of those outside school premises in rural areas;
- establishment and upgrade (including endowment) of higher secondary education units, technological schools specialized on natural resources and environmental protection and vocational schools in agriculture;

Social infrastructure:

- establishment and upgrade (including endowment) of nurseries as well as of after-school infrastructure, only of those outside school premises in rural areas;

b) Investments in intangible assets:

- General costs linked to expenditure with construction or renovation of real estate and purchase or leasing of new machinery and equipment up to the market value of the asset, as well as architect, engineer and advisers fees, fees relating to advice on economic and environmental sustainability, including feasibility studies will be up to 10% of total eligible expenditure for projects that also envisage construction - assembly and up to 5% for projects which provide simple purchase.

Actions not eligible for support:

- Investments in water/wastewater infrastructure for rural areas covered by regional projects financed under SOP Environment;
- Investments in water/wastewater infrastructure for rural areas that are part of their under 2000 l.e. agglomerations;

8.2.5.3.1.2. Type of support

- Reimbursement of eligible costs incurred and paid;
- Advance payment subject to the establishment of a bank or equivalent guarantee corresponding to 100% of the amount of the advance, pursuant to Art. 45 (4) and Art. 63 of the R (EU) no. 1305/2013

8.2.5.3.1.3. Links to other legislation

EU Legislation

Directive 2000/60/EC of the European Parliament and of the Council of October 23rd 2000

Directive 91/271/EEC concerning urban waste water treatment

Directive 98/83/EC concerning the quality of water intended for human consumption

R (EU) no. 1407/2013 on the application of article 107 and 108 of the Treaty on the operation of the European Union regarding de minimis aid.

R (EU) no. 1303/2013 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 Fishery Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fishery Fund and repealing Council R (EC) No 1083/2006

R (EU) no. 480/2014 completing R (EU) no. 1303/2013

R (EU) No 808/2014 laying down rules for the application of R (EU) no. 1305/2013

National Legislation

Government Ordinance no. 43/1997 on roads regime, with subsequent amendments and completions

Law no. 1/2011 on national education with subsequent amendments and completions;

Government Decision no. 866/2008 on the approval of the classified lists of professional qualifications for which training in pre-university education is provided, as well as the duration of the education period.

Law no. 263/2007 on setting up, organization and operation of the nurseries

Law no. 215/2001 of the local public administration – republished, with subsequent amendments and completions;

Law no. 422/2001 on the protection of historical monuments, with subsequent amendments and completions;

Law no. 489/2006 on freedom of religion and general regime of cults – republished, completed with Government Decision no 26/2000 on associations and foundations, with subsequent amendments and completions;

Government Decision no. 26/2000 on associations and foundations, with subsequent amendments and completions;

8.2.5.3.1.4. Beneficiaries

- Communes and their associations according to the national legislation in force;
- NGOs for investments in the educational (kindergartens) and social (nurseries and after-school infrastructure) infrastructure.

8.2.5.3.1.5. Eligible costs

Specific eligible expenditure*

For **local-interest roads infrastructure and water/wastewater infrastructure** projects:

- construction, expansion and/or modernization of the public water supply network, in rural localities that are part of the agglomerations between 2,000-10,000 l.e;
- construction, expansion and/or modernization of the public wastewater network in rural localities that are part of the agglomerations between 2,000-10,000 l.e;
- construction, expansion and/or modernization of the local-interest roads network.

For **educational/social infrastructure** projects:

- construction, modernization (including endowment) of kindergartens, only of those outside school premises enclosure, including demolition, if recommended by technical expertise;
- expansion and modernization (including endowment) of higher secondary education units, technological schools specialized on natural resources and environmental protection and vocational schools in agriculture
- establishment and modernization (including endowment) of nurseries, as well as after-school infrastructure, including demolition, only of those outside school premises in rural areas, if recommended by technical expertise;

*General eligible expenditure are foreseen under section 8.1.

Specific non-eligible expenditure*:

- In kind contribution;
- Costs for renting machinery, equipment, facilities;
- Operational costs, including maintenance and rent costs;

*General non-eligible expenditures are foreseen under section 8.1.

8.2.5.3.1.6. Eligibility conditions

Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall commit to ensure the maintenance of the investment over a period of minimum 5 years since the last payment.
- The applicant shall not be under insolvency or payment incapacity;
- The investment shall fall under at least one of the support types foreseen by the sub-measure;
- The investment shall be implemented in the rural area;
- The investment shall be consistent with any applicable a national/regional/county/local development strategy approved, corresponding to the investment field;
- The investment shall comply with the General Urban Planning Programme;
- The investment shall demonstrate its necessity, appropriateness and social-economic potential
- The investment in water/wastewater infrastructure shall be carried-out in rural localities that are part of agglomerations between 2,000-10,000 l.e.;
- The investment in water/wastewater infrastructure shall comply with the approved Master plans for water/wastewater
- The investment project in water/wastewater infrastructure must have the authorization of the Regional Operator certifying the functionality of the system and the compliance for the functionality solution;
- The investment in water supply system shall mandatorily be carried-out together with the wastewater network, if this is not set-up;

Other commitments:

- In case the commune is not a member of a public utility ADI, established for providing the operation of water/waste water service and the commune decides to handover the investment to the Regional Operator, with the agreement of the parties, the Operator will take over the investment with all the contractual commitments of the EAFRD beneficiary.

8.2.5.3.1.7. 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.

Principles specific to investments on roads

- Connectivity principle, aiming to provide the link to the main roads and other transportation ways;
- Multiple role principle, aiming to provide accessibility for economic operators, tourism areas, social investments, other investments financed from European funds;

Principles specific to investments in water/wastewater infrastructure

- Principle of prioritization of investments supplementing the ones financed under SOP Environment and/or POIM;

Principles specific to investments in educational and social infrastructure

- Principle of prioritization of the investment type according to the social-economic development degree of the area determined based on the specialty studies – *Study on establishing the social-economic development potential of rural areas*, undertaken by MARD.

Selection principles will be further detailed in the subsequent national legislation and will consider the provisions of art.49 of R (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.

Selection principles will 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.

8.2.5.3.1.8. (Applicable) amounts and support rates

The public non-refundable support granted under this sub-measure will be **100% of the total eligible expenditure** for non-revenue generating projects applied by local public authorities and NGOs **up to 100% in the case of water/wastewater projects, subject to the application of art.61 of R (EU) no. 1303/2013** 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 establishment of the water and wastewater infrastructure and 1,500,000 EUR for the expansion of this infrastructure;
- 500,000 EUR for educational/social infrastructure projects;
- 4,000,000 EUR, for collective projects (ADI – 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 maximum **80% of the total eligible expenditure** for **revenue generating** projects applied by NGOs and targeting the educational (kindergartens) and social (nurseries and afterschool infrastructure) infrastructure and shall not exceed EUR

100,000.

The support for **revenue generating projects** is provided according to the R (EU) no. 1407/2013 on the application of Articles 107 and 108 of the Treaty regarding the Operation of the European Union *de minimis* aids, total value of de minimis aids received in the period of 3 fiscal years by a beneficiary will not exceed the maximum threshold of the public aid of **200,000 EUR/beneficiary.**

The financial allocation for sub-measure 7.2. Investments in establishment and modernization of small-scale basic infrastructure is 85% of the total allocation of the measure.

8.2.5.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.1.9.1. Risk(s) in the implementation of the measures

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8.2.5.3.1.9.2. Mitigating actions

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8.2.5.3.1.9.3. Overall assessment of the measure

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8.2.5.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.3.1.11. 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 sector and applicability, as follows:

- roads infrastructure: local-interest roads (communal roads, vicinal roads, streets within localities) in the rural area, defined according to the national legislation in force.
- water/wastewater infrastructure: public water/wastewater network in the rural localities that are part of agglomerations between 2,000-10,000 l.e. (inhabitant equivalent).
- educational/social infrastructure: infrastructure with direct impact onto the rural area population, by various educational (preschool-kindergartens, higher secondary education, technological schools specialized on natural resources and environment protection and vocational schools in agriculture) and social (ante-pre-school-nurseries, after-school infrastructure) segments.

Sub-measure 7.2 will support investments in local-interest public rods (communal roads, streets within municipalities) that belong to the public property of commune, while sub-measure 4.3 will support the investments for farm-access roads (exploitation roads).

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

Not applicable - Support is not granted under this sub-measure for investments in broadband infrastructure and for investments in the production of energy from renewable resources.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable - Support is not granted under this sub-measure for investments in infrastructure for renewable resources energy which consume or produce energy.

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable - Support is not granted under this sub-measure for investments in infrastructure for renewable energy production using bio-energy.

8.2.5.3.2. 7.6 Investments associated with the protection of cultural heritage

Sub-measure:

- 7.6 - support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socio-economic aspects, as well as environmental awareness actions

8.2.5.3.2.1. Description of the type of operation

This sub-measure will provide financial support for the protection, through maintenance, restoration and upgrading of local-interest cultural heritage objects, monastic settlements, including cultural establishments – community centers. Investments will generate a positive impact on the local tourism and will stimulate the development of local business environment.

The support granted for the preservation of local heritage and 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.

Operations/Actions eligible for support:

a) Investments in tangible assets for:

- restoration, preservation and endowment of buildings/monuments of local-interest intangible cultural heritage - class B;
- construction, expansion and/or modernization of access roads of monastic settlements - class B;
- restoration, preservation and/or endowment of monastic settlements - class B;
- modernization, restoration and/or endowment of community centers.

b) Investments in intangible assets:

The general costs linked to expenditure on the construction or renovation of real estate and purchase or leasing of new machinery and equipment up to the market value of the asset, as well as architect, engineer and advisers fees, fees relating to advice on economic and environmental sustainability, including feasibility studies, will be up to 10% of total eligible expenditure for projects that also provide for construction – assembly and up to 5% for projects which provide simple purchase.

8.2.5.3.2.2. Type of support

- Reimbursement of eligible costs incurred and paid,
- Advance payment, subject to the set of a bank or equivalent guarantee corresponding to 100% of the amount of the advance payment, pursuant to art. 45 (4) and art. 63 of the R (EU) no. 1305/2013

8.2.5.3.2.3. Links to other legislation

EU Legislation

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National Legislation

Law no. 422 of 18 July 2001 on protection of historical monuments, with subsequent amendments and additions;

Law no. 215/2001 of the local public administration – republished, with subsequent amendments and completions

Government Decision no. 26/2000 on associations and foundations, with subsequent amendments and completions

Law no. 489 of 28 December 2006 on religious freedom and general regime of cults with subsequent amendments and additions;

Order no. 2260 of 18 April 2008 on approval of methodological standards on classification and inventory of historical monuments with subsequent amendments and additions;

Law no. 143/2007 on the establishment, organization and activity of cultural establishments, with subsequent amendments and additions;

8.2.5.3.2.4. Beneficiaries

- Communes defined according to the legislation in force;
- NGOs defined according to the legislation in force;
- Cult entities defined according to the legislation in force;
- Natural legal person/companies that have and manage class B public utility cultural heritage objectives.

8.2.5.3.2.5. Eligible costs

The specific eligible expenditures*:

- restoration, preservation and endowment of buildings/monuments included in the local-interest cultural intangible heritage class B;
- construction, expansion and/or modernization of access roads to class B monastic settlements;
- restoration, preservation and/or endowment of class B monastic settlements;
- modernization, restoration and/or endowment of community centers

*General eligible expenditures are foreseen under section 8.1.

Specific non-eligible expenditure*:

- In kind contribution;
- Costs for renting machines, machinery, installations and equipment;
- Operational costs, including maintenance and rent costs;

*General non-eligible expenditures are foreseen under section 8.1.

8.2.5.3.2.6. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall not be under insolvency or payment incapacity;
- The investment shall be consistent with national/regional/county/local development strategy approved, corresponding with the investment sector;
- 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;
- Upon completion, the investments shall be included in the tourism circuit of the B class cultural patrimony;
- The applicant commits itself to ensure the maintenance of the investment over a period of minimum 5 years since the last payment.

8.2.5.3.2.7. Principles with regards to the setting of selection criteria

For investments in the restoration and preservation of local-interest cultural heritage

- Principle of tourism potential, meaning priority shall be given to projects in rural municipalities with tourism development potential;
- Principle of cultural value depending on the number of social-cultural activities carried out

For investments in modernization and endowment of community centers

- Principle of population servicing level, including the tourism potential of rural municipality;
- Principle of cultural value depending on the number of social-cultural activities carried-out.

Selection principles will be further detailed in the subsequent national legislation and will consider the provisions of art.49 of R (EU) no. 1305/2013 aiming to provide for equal opportunities for applicants, a better use of financial resources and targeting of those resources, in accordance with the rural development priorities of the Union.

Selection principles will 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.

8.2.5.3.2.8. (Applicable) amounts and support rates

The non-refundable public support granted within this sub-measure shall be **100% of the total eligible expenditure** for public utility **non-revenue generating projects** and shall not exceed **EUR 500,000**.

The non-refundable public support granted within this sub-measure shall be of **80% of the total eligible expenditure** for **revenue generating projects** and shall not exceed **EUR 200,000**.

The support **for revenue generating projects** is provided according to the R (EU) no. 1407/2013 on the application of Articles 107 and 108 of the Treaty regarding the Operation of the European Union *de minimis* aids, the total value of de minimis aids received in the period of 3 fiscal years by a beneficiary will not exceed the maximum threshold of the public aid of **EUR 200,000 /beneficiary.**

The financial allocation for sub-measure 7.6. Investments associated with the protection of cultural heritage is 15% of the total measure allocation.

8.2.5.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.2.9.1. Risk(s) in the implementation of the measures

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8.2.5.3.2.9.2. Mitigating actions

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8.2.5.3.2.9.3. Overall assessment of the measure

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8.2.5.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.5.3.2.11. 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.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

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

- The risks identified in implementation of measure 7 aim at the following aspects: inadequate verification and control procedures as well as inappropriate application of their provisions, inadequate procedures and tendering documentation not relevant for the efficiency of tendering procedures for public and private beneficiaries as well as potential delays in the launch of public procurement procedures, failure to apply sanctions in the case of delays in the implementation of projects, selection criteria difficult to evaluate for a proper selection of the applicants and inadequate IT system;

- Beneficiaries do not follow the public procurement legislation.

8.2.5.4.2. Mitigating actions

In order to improve the implementation of the measure and to reduce the risks, the following actions corresponding to the risks identified are planned:

- elaborating clear and detailed procedures and 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, over control 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;

- Implementation, at the level of public procurement procedures carried-out within NRDP, of the measures foreseen in the action plan regarding the ex-ante cross-compliance regarding the public procurement stipulated in the Annex to Chapter 6, with emphasis on ensuring the legal and institutional framework, consolidation of administrative capacity and ensuring the mechanisms for carrying-out the public procurement procedures;

- carrying-out several verifications related to project implementation in conjunction with project implementation stages;

- elaboration of standard documentation by Paying Agency to be used by public beneficiaries. As such, standard tendering documents will be elaborated in which the qualification requirements and evaluation and proportionality factors will be predetermined. For the private beneficiaries, the procedures regarding the purchases will be revised in the sense of clarifying necessary elements in the tendering documentation and their publication in the IT system for a better dissemination regarding the tendering procedures requirements. Their compliance by the applicants and their check by the Paying Agency will ensure the application of the principles of economy, efficiency, effectiveness, transparency. The managing Authority will ensure the preparation of appropriate procedures, whose provisions ensure the compliance with this requirement.

- Paying Agency shall check the selection and assurance criteria used by beneficiaries before launching the public procurement procedures. After the notification of winning the tender, the paying agency shall check the successful and unsuccessful offers. The paying agency shall check if the successful offer is quantifiable and realistic, especially in terms of the implementation period. Controls will be strengthened regarding possible connections between beneficiaries and goods/service providers, by consulting the National Trade Register (RECOM).

- information campaigns will be carried-out for EAFRD beneficiaries on irregularities and good practices of public procurement.
- setting-up clear and transparent selection criteria for the applicants in order to avoid irregularities and dissemination of information through guides, flyers, web-sites and other 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 specific control keys will be inserted.

8.2.5.4.3. Overall assessment of the measure

In the 2007-2013 period, the main issues identified in the implementation of measure 322 "*Village renovation and development and valorization of rural heritage*" were related to:

- public procurement procedures, respectively the complexity of this process, which led to delays in the implementation and selection of the projects
- correlation of the types of investments for integrated projects.

Based on the conclusions of the audit mission related to measure 322, in order to avoid the problems met for 2014-2020 programming period, the following measures were taken:

- the public procurement procedures for the public beneficiaries were revised in the sense of clear requirements in the tendering documentation as well as in relation to the controls performed by AFRI in order to improve the public procurement process; similar actions were implemented for private beneficiaries;
- the selection criteria which will be detailed in the national legislation framework (guides, procedures) will have a greater degree of accuracy, will be clearer and verifiable;
- the possibility to apply integrated projects (that will foresee investments in several types of operations e.g. social infrastructure and water/wastewater infrastructure) was eliminated because projects that included social infrastructure (but not mostly social infrastructure at project level) could be prioritized;

As regards the issues related to the investments for protection of local-interest cultural heritage, the main problem identified was related to lack of correlation of the scoring awarded for the selection criteria concerning the projects that were promoting investments for the conservation of the local tradition and cultural heritage with the value of this type of investment.

A new approach was chosen for 2014-2020 programming period in the sense of supporting this type of investments through a specific sub-measure with a specific financial budget.

For a better territorial coverage in terms of types of actions and potential beneficiaries, as well as facilitating their access to various funds and, on the other hand, to ensure an efficient implementation system leading to an improved management and finally, to a sustainable and harmonious development in the drafting of NRDP, a demarcation and complementarity between EAFRD and other funds was envisaged.

Furthermore, 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.

Measure 7 creates the premises for fulfilment of the priorities identified in the strategy regarding the improvement of small scale infrastructure in the rural area, as well as protection of cultural patrimony and heritage from the rural area.

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 are ensured, both in terms of professional skills and in terms of improved working procedures, so that the financial interests of the European Union shall not be harmed.

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

-

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

-

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

-

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

-

8.2.5.7. Other important remarks relevant to understand and implement the measure

Modernization: includes construction-assembly 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 cultural 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 national or local interest, depending on the case, by Government Decision initiated by the Ministry of Culture and Cults, respectively by decision of local, county councils or the General Council of the Municipality of Bucharest, based on an endorsement from the Ministry of Culture and Cults.

Community center – institution established to propagate culture in the rural area.

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

Article 21 (1) (a), and Art.22 of **Regulation (EU) no. 1305/2013;**

Article 6 of **Commission delegated regulation (EU) No. 807/2014;**

Annex I, Part 1, section 8, point 2, letter (e) – 7 of **Commission implementing regulation (EU) no 808/2014.**

8.2.6.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

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 land fund, below the European average of 37.6% and below the "optimum area" considered by the Forest Research and Management Institute (35%).

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 as the large majority of forests are in (the mountains -52%, hills - 37% and, with a clear deficit of forest areas in the plains 11%). In accordance with the provisions of the national 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.

Although one of the most important measures of the RDP in terms of carbon sequestration and adaptation to climate change, especially in poor areas in forest deficit areas, the similar measure implemented through RDP 2007 - 2013 was in a very limited extent accessed. Thus, at the end of 2013, 29 projects were contracted with a total public value of 2.4 mil. Euros, representing approx. 1% of the initial total public allocation of approx. 230 mil. EUR. The main reason identified for poor access of the measure was the non-recognition of actual costs required for the creation of forests with structures adapted to local conditions and resistant to climatic stress.

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 Change 2013-2020, as well as a national obligation and priority defined in the Forest Code. The EU Forest Strategy recognizes the potential of forest to contribute through carbon sequestration to the overall objective of reducing greenhouse gas emissions.

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, reduction of soil erosion and increase of water retention, as well as to the adjustment of the Romanian agriculture to the expected climate change, characterized by rising annual average temperatures and decrease in rainfall. 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 improvement of the water retention capacity, and to mitigation of 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 increasing the local biodiversity by restoring habitats and ecosystems and creating transition areas favorable 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 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 EU Forestry Strategy, which are also the basis of the new forestry strategy in Romania that is in the final stage of preparation.

In order to support the objectives related to the preservation of local biodiversity, beneficiaries of M8, for the newly created forests, may apply for the support granted through M15 payments for forest environmental commitments only after the last maintenance work provided through the technical project was done.

Development of forest stands and shelter belts, through M08, will ensure the conditions of creating transition zones favorable to conservation and development of local biodiversity, mostly sustained through existing forests, for which the support provided through M15 will further contribute to conservation and development of biodiversity. Thus, the two measures (M08 and M15) synergically contribute to the objective of sustainable development of forest ecosystems and conservation and development of forest specific biodiversity.

Link of the measure with the needs:

Support under this measure will contribute to addressing the need to increase forest cover (Need 14). However, through the beneficial effects on local environmental components, the measure will subsidiary address the needs of protection and improvement of soil resources (Need 16), adaptation to climate change effects (Need 17) and of reducing the level of GHG emissions (Need 18).

One sub-measure will address the identified needs:

sM8.1 – Afforestation and creation of woodland

Contribution of the measure 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.

Secondary effects:

Measure 8 is directly programmed under focus area indicated above. In addition, it is expected that the measure contributes indirectly to related objectives of the following focus areas:

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 the European landscapes*

The newly created forest stands and forest protection belts will promote biodiversity through restoration of local habitats and ecosystems and creation of transitional areas favorable to the development of populations of insects, birds and mammals.

DI 4B - *Improving water management, including fertilizer and pesticide management*

The creation of woodland will help improve water regime and water retention, as well as mitigate flood risk and reduce the negative effects of floods.

DI 4C - *Reducing preventing soil erosion and improving soil management*

Afforestation promoted by Measure 8 will help reduce wind erosion of soil, especially in the plain areas, and reduce soil erosion caused by floods in the hill and mountain areas.

Contribution to cross-cutting objectives “environment” and “climate”

The forest areas created under this measure contribute directly to climate change mitigation and adaptation by fostering of carbon sequestration and adjusting to the climate change effects (e.g. use of shelter belts), as well as indirectly to environmental objectives by reducing soil erosion, improving the water retention capacity, as well as restoring of local biodiversity.

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 regard to the setting of selection criteria

8.2.6.3.1. 8.1 Afforestation and creation of woodland

Sub-measure:

- 8.1 - support for afforestation/creation of woodland

8.2.6.3.1.1. Description of the type of operation

Support under this sub-measure aims to increase the forest area at national level by promoting afforestation of agricultural and non-agricultural lands, thus, contributing to fostering carbon sequestration, adaptation to climate change, reduction of soil erosion, improvement of the water retention capacity, as well as restoration and preservation of local biodiversity.

The support granted covers costs related to:

- plantation setting-up operations, including costs related to the preparation of the technical project for afforestation,
- plantation maintenance works for a period of maximum 6 years until the end of the close crop,
- the costs incurred by carrying-out two stand tending works after the end of the close crop and
- covering the agricultural income foregone 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 project that shall observe the Technical Rules No. 1 (in case of creation of forest stands) or Technical Rules No. 2 (in case of creation of shelter-belts), listed in chapter Links to other legislation under national legislation, and it shall be prepared by specialized natural persons or legal entities certified by the national forestry authority for the designing and/or performing of land improvement works in the forestry field.

The afforestation formulas and schemes will take into account only the tree and shrub species from the lists presented in chapter *"Information specific to the measure"*.

The forestry material used for the afforestation works has to comply with the present legal requirements (listed in Links to other legislation), with regard to the production, marketing and import of forestry reproduction materials.

The two stands tending carried-out after the end of the dense stand stage 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 afforestation project.

The setting-up of forest plantations will be carried-out in maximum 2 years, from the signing of the funding contract.

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.

In case of a biotic or abiotic event, determined in accordance with the legal provisions by the designated public authorities by the time of starting the 1st maintenance work, if saplings losses exceeds 20%, the costs of re-establishing the destroyed forest potential may be covered up to a maximum of 75% of the standard setting-up costs, depending on the extent of replanting required. In this case, the maintenance costs in the 1st year will be paid proportionally with the percentage of forest unaffected by the biotic or abiotic event. In order to be eligible to receive the replanting aid the beneficiary should demonstrate that the original setting-up works were planned and implemented according to technical norms no. 1 or 2 requirements, as the case.

The following categories of land are not eligible for support through this measure:

- encumbered and pledges lands with dispossession in favor of third parties, according to the local cadastral records;
- lands that are object of disputes;
- lands mentioned in national or local spatial planning programs or plans as serving a major public interest at the time of application;
- permanent natural pastures, except for those affected, according to the technical project specifications, by soil degradation, namely: very strong and excessive surface erosion, depth erosion lands (basins, ravines, streams), landslides, collapses, mud slides and leakages, presence of clumps of gravel, boulders, scree, rocks and torrential mudflow deposits, saltiness and high acidity, presence of shifting sands.;
- agricultural lands with ongoing agri-environment and climate commitments.

Until the harvesting age specified in the technical project, the area covered by the afforestation project cannot be eligible for any surface area payment granted through IACS.

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 after 1st of October 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.

8.2.6.3.1.2. Type of support

The support granted by this measure is represented by standard costs related to:

- The grant for the setting-up of forestry plantations (hereinafter referred to as ***Grant 1***), also covering the costs related to the preparation of the technical project for afforestation.
- The annual premia 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 foregone as a result of afforestation.

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 (active farmers, as notified by Romania under art. 9 of Regulation (EU) 1307/2013) at the moment of submitting the application may benefit of the compensations for covering the agricultural income foregone as a result of the land afforestation (component of Grant 2).

8.2.6.3.1.3. Links to other legislation

EU legislation:

Art. 91, paragraph (2) and art. 92 of Regulation (EU) No. 1306/2013 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

Art. 9 of Regulation (EU) No. 1307/2013 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 non-financial firms in difficulty (2014/C 249/01)

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.*

8.2.6.3.1.4. Beneficiaries

The beneficiaries of the support granted by this measure are public and private holders of agricultural and non-agricultural lands and their associations.

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.

8.2.6.3.1.5. 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 project 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 project 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).

<u>Eligible costs for the calculation of ***Grant 2***:</u>

- 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 project 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 stand 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 agricultural income foregone as a result of the afforestation of the agricultural lands, granted for a period of 12 years.

Other eligible costs:

- Costs for restoring the plantation in case of an event produced by biotic or abiotic factors until the first plantation maintenance work (up to maximum 75% of the standard cost related to setting-up of plantation works, if the saplings losses exceeds the 20% threshold).
- Costs related to plantation maintenance works for the 1st year for the area of the plantation not affected by an event produced by biotic or abiotic factors, in case of restoration of plantation due to occurrence of such an event.

Non-eligible costs:

- Setting-up of plantations of trees from species with a short production cycle, fast-growing trees, used for energy production or Christmas trees.

8.2.6.3.1.6. Eligibility conditions

- The eligible lands are agricultural and non-agricultural lands on the entire national territory (according to the definitions provided in the technical measure fiche).
- The area of the proposed land 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.
- Legal entities in difficulty as defined according to provisions of the Guidelines on State aid for rescuing and restructuring non-financial 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, being accompanied by Environmental Approval/Natura 2000 Notice.

8.2.6.3.1.7. 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, mentioned in chapter ”Other important remarks relevant to understand and implement the measure”, 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 (lands located in administrative territorial units impacted by aridisation, erosion and saltiness, based on aridisation index, degree of erosion or degree of salinization, shall have priority);
- The species diversity principle (the afforestation works proposing at least 2 basic species shall have priority).

Selection principles will be further detailed in the subsequent national legislation and will 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.

8.2.6.3.1.8. (Applicable) amounts and support rates

The non-refundable public support rate is 100% of the eligible costs.

In case of a biotic or abiotic event, determined in accordance with the legal provisions by the designated public authorities by the time of starting the 1st maintenance work, if saplings losses exceeds 20%, the costs of re-establishing the destroyed forest potential may be covered up to a maximum of 75% of the standard setting-up costs, depending on the extent of replanting required. In this case, the maintenance costs in the 1st year will be paid proportionally with the percentage of forest not-affected by the biotic or abiotic event.

The maximum value of the public support for a project, encompassing all the costs/premia paid under both Grant 1 and Grant 2 during the entire duration of the funding contract is of 7,000,000 EUR.

The values of the annual grants provided for afforestation works are shown in Table no.8.2.M.8.1 below.

The cost of afforestation technical project’s design is calculated based on formula 1:

Design cost = VB + n*VM*2%, (hereinafter referred to as *formula 1*)

where

- VB – minimum cost needed to prepare a afforestation technical project on the minimum surface allowed – 590 (EUR);
- n (ha) – total hectares proposed for afforestation through the technical project;
- 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.

EUR/ha		**Agricultural land**			**Non-agricultural land**		
		Plain	**Hill**	**Mountain**	**Plain**	**Hill**	**Mountain**
Grant 1 (*row 1+row2*)							
1	Technical project	According	According	According	According	According	According

		to formula 1	to formula 1	to formula 1	to formula 1	to formula 1	to formula 1
2	Setting up	3994	2528	2619	4393	2639	2730
Grant 2 (*row 4…9* + row 11…12* + row 14…row15)** * according to the application year of the project and the beneficiary's request							
3	Maintenance works (maximum 6 years)						
4	Maintenance 1st year	1138	1443	487	1138	1443	487
5	Maintenance 2nd year	2423	1923	1295	2423	1923	1295
6	Maintenance 3rd year	1671	1438	1198	1671	1438	1198
7	Maintenance 4th year	899	834	109	899	834	109
8	Maintenance 5th year	632	465	109	632	465	109
9	Maintenance 6th year	632	465	55	632	465	55
10	Maintenance works (2 years)						
11	Tending 7th/8th year	191	191	191	191	191	191
12	Tending 10th/11th year	157	157	262	157	157	262
13	Compensations for covering the agricultural income foregone (12 years) (*row 14 + row 15*)						
14	Standard net margin	190	190	190	-	-	-
15	Single area payment	PD**	PD	PD	-	-	-
** PD – Single area payment granted, associated to the campaign year							

Tabel 8.2.M.8.1 - Values of the annual grants provided for afforestation works

8.2.6.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.1.9.1. 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 realized 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 and non-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 project for afforestation regarding the tree composition, the planting scheme and the performed works that are controlled

- 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.

8.2.6.3.1.9.2. 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 and non-agricultural land parcels,
- annually promoting major campaigns for the information of beneficiaries, to disseminate information regarding the correct implementation of the funding contract,
- defining clear procedures, based also on the system used by Romanian forestry authorities to control afforestation projects, to control the compliance with the planting composition, schemes, the canopy closing index and the performed works that are controlled,
- 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 project for afforestation or in the fiche of the measure,
- in case of a biotic or abiotic event, measures for restoration of plantations in order to accomplish the targeted objectives, will be envisaged.

It shall be verified by administrative methods and on spot that beneficiaries meet the provisions in the financing contract ensuring their effectiveness and efficiency by the specific procedural provisions. The administrative verifications shall have in view all ongoing financing contracts, based on the information recorded in the funding/payment application management computer system and on cross-checks 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, by visual and documentary verification to confirm the compliance with the requirements of the technical project and the measure fiche.

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, authorization 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. In order to provide the technical expertise needed to provide efficient verifications, agreements to delegate specific functions or protocols of cooperation with specialized institutions may be concluded.

8.2.6.3.1.9.3. Overall assessment of the measure

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. Methodology for calculation of the amount or support rate, where relevant

The methodology for calculating the standard costs used for forest plantations esetting-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 (average monthly data, according to the National Statistics Institute (NSI), for april 2013 – march 2014 period) as well as the average prices used by the National Forest Administration for the sale of saplings (the average prices from 29 county forestry administration units for diverse species of saplings, for afforestation season 2013-2014) and for the performance of afforestation works (the average prices used in ongoing afforesation contracts at the time the study was done, from 12 county forestry administration units) . 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 etc.) and costs for setting up the plantations (seedlings cost , pegging out the land in view of afforestation, planting the seedlings in prepared or unprepared land, cutting the sapling stem after planting, disease and damaging agents prevention and fighting operations etc.).

The calculation formula *(formula 1)* of the cost for preparing the technical project 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 standard costs for investment objectives financed from public funds, representing the percentage allocated for expenses for designing and engineering from the value of the basic investment.

For the calculation of the standard costs related to plantation running maintenance , ICAS used the necessary costs in order to ensure the planted trees survival in terms of quantity and quality, costs that cover plantation verification, performing the completion works, manual and mechanic loosening of soil, pegging out the land in view of completion works, cutting off the seedlings stem after planting, removal of herbaceous and wood vegetation from forest species, disease and damaging agents prevention and fighting operations etc.. Completion works are set to run only during scheduled maintenance works in years 2 and 3. Completion works are intended to cover natural losses of seedlings, the completion percentage depending on the location of the plantation, respectively plains, hills or mountains.

For the calculation of the standard costs related to the forest stands tending carried out after the end of the dense stand stage, ICAS used costs for the removal of vegetation from, liberation and pruning of stands.

The calculation methodology for income foregone from agricultural production on agricultural land was based on the data provided by the National Research and Development Institute for Soil Science, Agrochemistry and Environmental Protection (ICPA).

The value of the compensation for the income foregone 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, calculated for the period 2007-2011 – data provided in the Statistic Book of Romania), the fixed expenses related to fuels (data covering 2008-2012 period – data provided by NSI) and labour force associated to agricultural works specific to arable lands (the average data for 2009-2012 period – data provided in the Statistic Book of Romania, indicator *”Average hourly labor cost for employees in the Agriculture, hunting and related services”*. Data used in the methodology are specific to arable land because the measure targets afforestation primarily on land in this category. Prioritization of arable land afforestation within the measure is both done through eligibility criteria (most permanent grasslands are not eligible) and by selection criteria (the majority of arable land being located in the in forest deficit areas). 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.

The compensation for the income foregone is granted only to the beneficiaries who afforest agricultural lands. For non-agricultural land it was deemed that there is no income foregone, as they are not used to obtain income from agriculture.

Documents issued by independent bodies that certify standard cost calculation, in compliance with the provisions of Art. 62 in Regulation (EU) No. 1305/2013, are presented in Chapter 18.

8.2.6.3.1.11. 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 Romania the national Forest Code requires that all forests from NFF, regardless of their size or ownership, must be managed through forest management plans.

Definition of an "equivalent instrument"

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 Delegated Regulation No 807/2014, 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 that Regulation

The measure shall be applied on the entire national territory.

- The species presented in chapter ”Information specific to the measure” are used within the technical projects. They are species adapted to the local conditions, used within the afforestation formulas in compliance with the provisions of the Technical Rule No.1 and No.2. The lists of species are the result of an adjustment based on the lists exiting 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 afforestation projects carried out on 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 project) 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.

- In compliance with the provisions of Government Decision no. 445/2009 *on environmental impact assessment pertaining to certain public and private projects* **the afforestation of lands on which there wasn't any previous forest vegetation** (as is the case of agricultural/non-agricultural lands on which the afforestation works will be performed based on M08) is an activity subject to the procedure of determining the need to perform the environmental impact assessment. For the completion of the initial assessment stage, the project owner will request the environmental approval to the county environmental authority, by submitting a notice on the intention to complete a project. Thus, the assessment procedures of the impact on the environment shall avoid the inappropriate afforestation of sensitive habitats, such as wetlands, as well as the negative effects on areas of high ecological values.

- 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 project for afforestation, completed by drawing up the stational fiche specific to each project. The latter shall also be accompanied, within the technical project 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 possibilityto 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.

- Until the end of canopy closure and the termination of the funding contract, the management of all the forest plantations shall be carried out based on the technical afforestation project. After the end of canopy closure the forest management method - foreseen also in the technical project - must be compatible with the provisions in the Forest Code and the national legislation in the forestry field.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

By applying the national technical standards no 1 and no 2, completed with the restrictions required by the technical fiche of the measure and the provisions in the national legislation on the protection of the environment, the minimal requirements on the protection of the environment specified under art.6 items (a)

– (d) of Regulation no. 807/2014 are fulfilled for projects supported under this measure.

Thus, in addition to those specified in chapter *[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,* concerning the compliance with the minimum environmental requirements specified in art.6, paragraphs (a) and (b), by applying Technical Rules No.1 and No.2, the minimum environmental requirements specified in art.6, paragraphs (c) and (d), point (i) will also be fulfilled, regardless of the size of the forest to be created.

[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 from 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

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

See the description of the similar chapter under sub-measure 8.1.

Definition of an "equivalent instrument"

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 Delegated Regulation No 807/2014, 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 that Regulation

The tree and shrub species used in afforestation works within the measure for creating forest stands are the following:

- Trees
    - Pedunculate oak (Quercus robur)
    - Pubescent oak (Quercus pubescens)
    - Greyish oak (Quercus pedunculiflora)
    - Turkey oak (Quercus cerris)
    - Hungarian oak (Quercus frainetto)
    - Sessile oak (Quercus petraea)
    - Common beech (Fagus sylvatica)
    - European wild pear (Pirus pyraster)
    - Wild cherry (Prunus avium)
    - Crab apple (Malus sylvestris)
    - Common walnut (Juglans regia)
    - Silver birch (Betula pendula)
    - Field elm (Ulmus minor)
    - Turkestan elm (Ulmus pumila)

- Wych elm (Ulmus glabra)
- Silver lime (Tilia tomentosa)
- Small-leaved lime (Tilia cordata)
- Large-leaved lime (Tilia platyphyllos)
- Black alder (Alnus glutinosa)
- Grey alder (Alnus incana)
- Manna ash (Fraxinus ornus)
- Common ash (Fraxinus excelsior)
- Narrow-leafed ash (Fraxinus angustifolia)
- Pallis' ash (Fraxinus pallisiae)
- White willow (Salix alba)
- Goat willow (Salix caprea)
- Crack willow (Salix fragilis)
- Black locust (Robinia pseudoacacia)
- Thorny locust (Gleditsia triacanthos)
- Common hornbeam (Carpinus betulus)
- Oriental hornbeam (Carpinus orientalis)
- Sweet chestnut (Castanea sativa)
- Silver poplar (Populus alba)
- Black poplar (Populus nigra)
- Norway maple (Acer platanoides)
- Sycamore maple (Acer pseudoplatanus)
- Tatar maple (Acer tataricum)
- Field maple (Acer campestre)
- Mountain-ash (Sorbus aucuparia)
- Wild service tree (Sorbus torminalis)
- European spruce (Picea abies)
- Silver fir (Abies alba)
- European larch (Larix decidua)
- Scots pine (Pinus sylvestris)
- Black pine (Pinus nigra)
- Swiss stone pine (Pinus cembra)
- Common juniper (Juniperus communis)

- Shrubs
  - Common hazel (Corylus avellana)
  - Turkish hazel (Crylus colurna)
  - Common hawthorn (Crataegus monogyna)
  - Cornelian cherry (Cornus mas)
  - Blackcurrant (Ribes nigrum)
  - Dog rose (Rosa canina)
  - Guelder rose (Viburnum opulus)
  - Common lilac (Syringa vulgaris)
  - Common sea-buckthorn (Hippophae rhamnoides)

- Wild privet (Ligustrum vulgare)
- Smoke tree (Cotinus coggyria)
- Silver berry (Eleagnus angustifolia)
- Common dogwood (Cornus sanguinea)
- Salt cedar (Tamarix ramosissima)
- Alder buckthorn (Rhamnus frangula)
- Mountain pine (Pinus mugo)
- Sour cherry (Prunus cerasus)

The tree and shrub species used in afforestation works within the measure for creating shelter belts are the following:

- Pedunculate oak (Quercus robur)
- Pubescent oak (Quercus pubescens)
- Greyish oak (Quercus pedunculiflora)
- Turkey oak (Quercus cerris)
- Black locust (Robinia pseudoacacia)
- Thorny locust (Gleditsia triacanthos)
- Turkestan elm (Ulmus pumila)
- Black pine (Pinus nigra)
- Common walnut (Juglans regia)
- Crab apple (Malus sylvestris)
- Norway maple (Acer platanoides)
- Sycamore maple (Acer pseudoplatanus)
- Silver lime (Tilia tomentosa)
- Small-leaved lime (Tilia cordata)
- Large-leaved lime (Tilia platyphyllos)
- Staghorn sumac (Rhus typhina)
- Silver berry (Eleagnus angustifolia)
- Field maple (Acer campestre)
- Tatar maple (Acer tataricum)
- Mahaleb cherry (Prunus mahaleb)
- Black elderberry (Sambucus nigra)
- Osage orange (Maclura pomifera)
- Common hawthorn (Crataegus monogyna)
- Common dogwood (Cornus sanguinea)
- Smoke tree (Cotinus coggyria)
- Common lilac (Syringa vulgaris)
- Salt cedar (Tamarix ramosissima)

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

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.

[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 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.

[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.

[Prevention and restoration of damage from 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.

[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.

8.2.6.7. Other important remarks relevant to understand and implement the measure

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.

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 cross-compliance 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 cross-compliancestandards 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 organizational 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 land for which a forest landscaping document is prepared.

Forest deficit areas are the counties where the forests represent less than 16% of the total area. According to INS forest deficit areas (counties) are:

- Călărași – 4,4% of the total county area is covered by forests
- Teleorman – 5,1%
- Constanța – 5,4%
- Ialomița – 5,9%
- Brăila – 6,0%
- Galați – 9,8%
- Giurgiu – 10,8%
- Olt – 10,9%
- Dolj – 11,5%
- Botoșani – 11,7%
- Tulcea – 12%
- Timiș – 12,5%
- Vaslui – 15,1%
- Ilfov – 15,9%

8.2.7. M09 - Setting-up of producer groups and organisations (art 27)

8.2.7.1. Legal basis

Article 27 of the Regulation (EU) no. 1305/2013

8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The land restitution process that began in 1990 resulted in a high share (92.9%) of small farms (less than 5 ha) that use 29.7% of UAA, the rest of farms using 70.3% of the UAA. The dual structure of the Romanian agriculture has a big influence on its competitiveness, viability and productivity.

The limited financial support for the setting-up and operation of associative forms, as well as the reluctance and low interest of agricultural producers to associate led to a maintaining of this dual structure without any significant changes in recent years.

The average size of a Romanian agricultural holding (3.4 ha UAA/farm), is more than 4 times smaller than the European holding (14.3 ha UAA), and the degree of fragmentation is very high with an average parcel area of 0.45 ha, each farmer having an average of 4.8 parcels (2013).

This structure, unfavorable mainly for small agricultural holdings, as well as insufficient cooperation of agricultural producers has resulted in poor development of the sector. Increasing the competitiveness of the sector is subject to marketing the agricultural products that are appropriate qualitatively and quantitatively.

Adapting production to market requirements may be significantly accelerated by the association of agricultural producers', which results in their awareness of the importance of applying common production technologies, corresponding to the requirements of processors or wholesale trade.

Although NRDP 2007 – 2013 has had a transitory measure 142 “Setting-up of producer groups” their representativeness was very low and therefore, in November 2013, 149 producer groups and organizations were recognized and 72 producer groups were selected for funding for cereals and oilseeds, milk and milk products, pork, poultry and eggs, sheep and goat meat, honey and honey products etc.

The main reasons were the low interest and the level of awareness of producers, economic and financial issues (lack of resources/credit) as well as issues regarding the training of the members of producer groups, assistance and advisory services on projects etc.

The most important factor in the previous programming period which had negative effects on the setting-up of producer groups was the national legislation (continuous modification of the legislation in the field, taxation of commercial exchanges between the members and the group of producers).

A series of actions to address these constraints are envisaged in order to improve the implementation conditions of the measure for the 2014-2020 period (see section on “Verifiability and Controllability”).

In the case of the fruit-growing sector, the main factor which led to the sector’s decline consists in the excessive fragmentation of lands, mainly in the hilly area which is favorable to fruit growing.

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, an objective that contributes directly to a better integration of agri-food producers on the market and at the level of short supply chains.

In the context of TSP the support under this measure will be granted for the setting-up of producer groups aiming to ensure a linkage to the market, 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.

Given the foregoing, under this measure, including 9a, association of small farms in sectors with a high degree of fragmentation and the production of high quality products will be prioritized.

Link of the measure with the needs

Support under this measure will contribute to addressing the needs "Restructuring and modernization of small farms, into market-oriented farms" (007), "Establishment of producer groups and cooperatives" (008) and "Integrated supply chains" (009), as identified in Section 4.2 of the NRDP.

Also, in the context of TSP, support under this measure will help address the following needs: "Competitive fruit growing farms" (002) and "Producer groups and functional cooperation of farmers and actors from the fruit-growing sector" (004), as identified in section 4.2 of the TSP.

Two sub-measure will be operated to address the identified needs:

- setting-up of producer groups and organizations in agriculture and forestry, sM9.1,
- setting-up of producer groups and organizations in the fruit-growing sector, sM9.1a.

Contribution of the measure to the focus areas

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

The support granted under sub-measures 9 and 9a will foster the association of small producers, and it may help promoting the turning of small-sized farms into commercial family farms. By promoting joint production/marketing farmers may overcome the constraints of their small size holdings when they operate individually. Moreover, association of small producers may improve local markets supply by regular delivering of quantities of quality agricultural products adapted to consumers' requirements and will help achieving a higher level of competitiveness in the agri-food sector through a better integration of small producers in the agri-food chain.

Furthermore, the association of farmers in the fruit growing sector will increase the competitiveness of the sector and facilitate obtaining of high added value products.

Secondary effects

Measure 9, including 9a, is programmed directly under the focus area indicated above. In addition, it is expected that the measure contributes indirectly to the objectives of focus areas 1A and 1B (due to increased capacity for innovation and knowledge transfer of producer groups), 2A (by increasing negotiation power, collective purchasing of inputs, facilitating the access of members to modern equipment and technologies etc.).

Also, Measure 9 contributes indirectly to the objectives of focus areas 4B, 4C, 5B, 5C, 5D, 5E by promoting practices with little impact on soil and water resources, through collective investments which are generally more effective in terms of resource consumption and which lead to lower emission of harmful substances (GHG, ammonia etc.), by increasing farmers' access to renewable energy and by maintaining existing fruit growing plantations or by setting-up new ones.

Contribution to cross-cutting objectives

Environment and climate

Through the association commitment of producer group members and through requirements to be included in the business plan of the producer group (e.g. compliance with EU environmental and climate standards) good environmental practices will be promoted and observed. Carrying-out collective investments will ensure a more efficient water and waste management, and will facilitate the use of renewable energy sources for the benefit of all its members.

In terms of climate change mitigation and adaptation, producer groups may help small farm members improve their collective contribution to climate change mitigation and adaption, by providing advisory services as for example on improved agricultural practices and adopting practical agronomic measures to enhance the resilience of agricultural systems to floods and droughts, including through the possibility of promoting under the business plans of the Producer Group collective investments (manure management).

Good environmental practices and efficient resource management are, as well, fundamental to the sustainable development of fruit-growing holdings.

Producer groups in fruit growing sector may bring an important contribution to the mitigation and adaptation to climate change, through practical actions directed towards the achievement of agreed targets. Those actions may be described under the business plans and may be revised regularly in order to take into account changes occurred as compared to the initial conditions.

For example, an action that may be undertaken by producer groups and helps to mitigate and adapt to climate change effects may be the collection of crop residues from the members for electrical and thermal energy producers to directly capitalize it or processing and capitalization/use of the final product for the benefit of the members.

An improved access to information and results dissemination actions as well as advisory services will be complementarily ensured through a better transfer – facilitated by Operational Groups under the EIP - of research and innovation results to the agri-food sector.

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 environmental protection.

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 regard to the setting of selection criteria

8.2.7.3.1. 9.1 Setting-up of producer groups in the agricultural sector

Sub-measure:

- 9.1 - setting up of producer groups and organisations in the agriculture and forestry sectors

8.2.7.3.1.1. Description of the type of operation

The scope of measure is to foster the setting-up and administrative operation of producer groups recognized according to the provisions laid down in the national legislation in force, in order to:

- Improve the overall performance and increase of incomes of agricultural holdings;
- Better integrate primary producers on the market by adapting their production to market requirements and joint marketing of their output;
- Create and promote short supply chains;
- Comply with the Community environment and climate, food safety etc. standards;

Support shall be granted to producer groups recognized according to national law in force for the following categories: agricultural products, horticultural products, (except for groups supported by fruit-growing sub-programme that covers the species found in Annex I of the TSP),–animal products, mixed.

8.2.7.3.1.2. Type of support

Lump rate support, paid in annual tranches, degressively, for a period not exceeding five years from the date of the producer group recognition and based on a business plan.

8.2.7.3.1.3. Links to other legislation

EU Legislation

-

National Legislation

Ordinance no. 37/2005, on recognition and functioning of producer groups and organizations for marketing of agricultural and forestry products approved with amendments and completions by **Law no. 338/2005,** with subsequent amendments and completions.

8.2.7.3.1.4. Beneficiaries

Producer groups in the agricultural sector (except for groups supported through fruit growing sub-programme) who meet the definition of SMEs and were officially recognized by the competent authority before applying for support, but after January 1st 2014.

8.2.7.3.1.5. Eligible costs

Eligible expenditure are those resulting from the setting-up and operation of producer groups in the agricultural sector, foreseen under the business plan needed to achieve the proposed objectives.

Non-eligible costs

Expenditure for the merger of the existing producer groups shall not be eligible under this measure.

8.2.7.3.1.6. Eligibility conditions

- The applicant must fall under the category of eligible beneficiaries;
- The applicant shall submit a business plan that must detail the planned activities of the group in relation to one or more of the categories listed below (Art. 27 (1) R 1305/2013):
    - adapting the production and output of producers who are members of such groups or organisations to market requirements;
    - jointly placing goods on the market, including preparation for sale, centralization of sales and supply to bulk buyers;
    - establishing common rules on production information, with particular regard to harvesting and availability; and
    - other activities that may be carried out by producer groups and organisations, such as the development of business and marketing skills and the organization and facilitation of the innovation processes.

Specific minimum requirements on the content of the business plan will be detailed in the national implementation framework.

8.2.7.3.1.7. Principles with regards to the setting of selection criteria

- Principle of cooperation (producer groups that are part of an Operational Group under the EIP);
- Principle of group’s representativeness (number of members);
- Principle of quality of products (groups producing, storing and marketing organic products, HNV, traditional products or products participating at EU quality schemes).
- Principle of priority sector (cattle milk, swine, vegetables, technical plants, medicinal and aromatic plants)
- Principle of the association of small farms.

Selection principles will be further detailed in the subsequent national legislation and will consider the provisions under art. 49 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.

8.2.7.3.1.8. (Applicable) amounts and support rates

The non-refundable public support granted is 100% of the amount of support as calculated below and may not exceed 10% of the value of the production marketed in the first 5 years and a maximum amount of

100,000 Euro/year.

The last tranche will be paid only after it was checked whether the business plan was implemented correctly.

In the case of non-compliance with the business plan, the support granted shall be recovered proportionally to the unaccomplished objectives.

8.2.7.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.1.9.1. Risk(s) in the implementation of the measures

The risks are mentioned in the applicable section of entire measure 9.

8.2.7.3.1.9.2. Mitigating actions

The mitigating actions are mentioned in the applicable section of entire measure 9.

8.2.7.3.1.9.3. Overall assessment of the measure

The overall assessment of the measure is mentioned in the applicable section of entire measure 9.

8.2.7.3.1.10. Methodology for calculation of the amount or support rate, where relevant

The methodology for calculation of the amount or support rate is described in the applicable section of entire measure 9.

8.2.7.3.1.11. Information specific to the operation

Description of the official procedure for recognising the groups and organisations

Description of the official procedure for recognizing the producer groups is mentioned in the applicable section of entire measure 9.

8.2.7.3.2. 9.1a Setting-up of producer groups in the fruit-growing sector

Sub-measure:

- 9.1 - setting up of producer groups and organisations in the agriculture and forestry sectors

8.2.7.3.2.1. 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 and income of fruit-growing holdings;
- A better integration of primary producers on the market by adapting their production to market requirements and joint marketing of their output;
- Creation and promotion of short supply chains;
- Compliance with the Community environment and climate, food safety etc. standards;

8.2.7.3.2.2. Type of support

Lump rate support, paid in annual tranches, degressively for a period not exceeding five years from the date of the producer group recognition and based on a business plan.

8.2.7.3.2.3. Links to other legislation

EU Legislation

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National Legislation

Ordinance no. 37/2005, on recognition and functioning of producer groups and organizations for marketing of agricultural and forestry products approved with amendments and completions by **Law no. 338/2005,** with subsequent amendments and completions.

8.2.7.3.2.4. 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.

8.2.7.3.2.5. Eligible costs

The eligible expenditure are those deriving from the setting-up and operation of producer groups in the fruit-growing sector, foreseen under the business plan.

Non–eligible costs

Expenditure for the merger of existing producer groups shall not be eligible under this measure.

8.2.7.3.2.6. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a Business Plan that should detail the planned activities of the group in relation to one or more of the categories listed below (Art. 27 (1) R 1305/2013):
    - adapting the production and output of producers who are members of such groups or organisations to market requirements;
    - jointly placing goods on the market, including preparation for sale, centralization of sales and supply to bulk buyers;
    - establishing common rules on production information, with particular regard to harvesting and availability; and
    - other activities that may be carried out by producer groups and organisations, such as the development of business and marketing skills and the organization and facilitation of the innovation processes.
- Investments foreseen in the business plan will be made in UAT presented in the annex of the National Implementation Framework for TSP, except for investments related to the culture of strawberries in greenhouses and solariums.

The minimum specific requirements on the content of the business plan will be detailed in the national implementation framework.

8.2.7.3.2.7. Principles with regards to the setting of selection criteria

- Principle of cooperation (groups that are part of an Operational Group under the EIP);
- Principle of group's representativeness (number of members);
- Principle of product quality (groups that produce, store and market organic products or products participating in quality schemes, HNV, traditional products as established by MARD).
- Principle of the association of small farms.

Selection principles will be further detailed in the subsequent national legislation and will 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.

8.2.7.3.2.8. (Applicable) amounts and support rates

The non-refundable public support granted is 100% of the amount of support as calculated below and may not exceed annually, 10% of the value of the production marketed in the first 5 years and a maximum amount of 100.000 Euro/year.

The last tranche 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 unaccomplished objectives.

8.2.7.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.2.9.1. Risk(s) in the implementation of the measures

The risks are mentioned in the applicable section of the entire measure 9.

8.2.7.3.2.9.2. Mitigating actions

The mitigating actions are mentioned in the applicable section of the entire measure 9.

8.2.7.3.2.9.3. Overall assessment of the measure

The overall assessment is mentioned in the applicable section of the entire measure 9.

8.2.7.3.2.10. Methodology for calculation of the amount or support rate, where relevant

The methodology for calculation of the amount or support rate is described in the applicable section of entire measure 9.

8.2.7.3.2.11. Information specific to the operation

Description of the official procedure for recognising the groups and organisations

Description of the official procedure for recognizing the producer groups is mentioned in the applicable section of entire measure 9.

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

Considering that in previous programming period there were ongoing sessions to access the measure, in the programming period 2014-2020, for a better targeting of the support, producer groups selection will be made based on a competitive process.

- It is expected that a number of specific risks such as inadequate verification and control, incorrect procedures framing on the eligible applicants category, unadjusted procedural flows systems in the PA or their late updating, low level information of applicants with direct effects on the quality of business plans, awareness of the benefits of organizing in an associative form may appear.
- Other important risks are represented by the reluctance and low interest of agricultural producers related to association forms, due to: the level of awareness (lack of information and experience in such activities, reduced farmers' awareness regarding the benefits resulting from a joint action); economic and legal issues (insufficient financing resources for starting an economic activity, lack of interest of the primary products processing units from agricultural sector to conclude commercial contracts, ongoing modification of the legislation in the field, taxation of commercial exchanges between the members and the group of producers); issues on the training, assistance and advisory services (different degree of training of the people involved in associative forms, as well as different understanding of the purposes and principles of their operation, insufficient advisory services and their focus on quantity issues and not on quality and economic issues).

8.2.7.4.2. Mitigating actions

To improve the implementation of the measure and reduce the risks, the following measures can be applied:

- Establishment of clear, transparent and verifiable beneficiary selection criteria and information of potential beneficiaries thereof;
- The existing IT system of AFRI will be updated and optimized with the new administrative flows and measures under NRDP 2014-2020, with the aim to reduce risks and improve measure verifiability and controllability.
- Clear definitions of the beneficiaries in the national legislative implementation framework in accordance with the provisions of the NRDP and verification of their classification in accordance with the national legislation by completion of agreement and protocols with the responsible entities (IPAA, NTRO etc.) in order to verify the correctness of the information provided;
- Information of the applicants regarding the eligibility of the expenditure, the expected content of Producer Groups business plans and other essential elements of the measure through guides, flyers, websites and information actions.

- Using the knowledge transfer and advisory services measures and information actions in order to provide specialized support and to inform and stimulate farmers to voluntarily associate under the form of producer groups and to work effectively for the benefit of their members.
- Changing the national legislation in order to facilitate the forming of associative forms of this kind. This is scheduled to be undertaken in the year 2015
- Developing clear and detailed procedures and efficient control systems.

8.2.7.4.3. Overall assessment of the measure

The possibility to verify and control the measure is based on the results of the ex-ante evaluation, carried-out by the Managing Authority and the Paying Agency including the results of controls carried-out during the previous programming period according to art.62 of the Regulation 9EU) 1305/2013.

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.

8.2.7.5. Methodology for calculation of the amount or support rate, where relevant

The support will be granted as percentage calculated based on the production sold annually through the group, except for the first year, when the producer group can be paid a support calculated based on the annual average value of the productions marketed by its members, in the last three years before joining the group.

Support will be given as a percentage of the production sold through the group as follows:

- Year I - 10%
- Year II - 8%

- Year III - 6%
- Year IV - 5%
- Year V - 4%

8.2.7.6. Information specific to the measure

Description of the official procedure for recognising the groups and organisations

According to the national legislation in force, producer groups recognition is done by the Ministry of Agriculture and Rural Development, which is responsible for:

- analysis and decision on the recognition of the producer group;
- regular verification of the recognition conditions;
- issuing and registration of the producer group recognition notification, in a special register created for this purpose;
- withdrawal of the producer group recognition notification, in case the notification was obtained following the presentation of false data, as well as in case of non-compliance with the producer group members' obligations, as stipulated in the by-laws.

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:

- The producer group is a legal entity established at the initiative of the producers, with the aim to jointly market members' products, in order to achieve the following objectives:
    - planning and adjustment of production according to market demand, especially according to quality and quantity conditions;
    - promotion of supply concentration and marketing of products obtained by its members;
    - decrease of production costs and setting-up producer prices;
    - 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.
- Other conditions for recognition stipulate:
    - the producer group comprises minimum 5 members;
    - each member markets minimum 75% of its own production through the producer group;
    - it proves by book-keeping records, a minimum value of the marketed production for the product group subject to recognition, of minimum of Eur 10,000 per year, equivalent in lei;
    - it holds a centralized system for book-keeping, invoicing, quantitative-qualitative-value recording and monitoring of members' production;
    - the members of the producer group have an obligation to pay the financial contributions foreseen in the by-laws for the establishment and operation of the producer group.
- The obligations of members and of the producer group shall be foreseen in the by-laws or or the statute;
- The group has management bodies and technical means enabling itto ensure the commercial and financial management required for the operation of the producer group.

8.2.7.7. Other important remarks relevant to understand and implement the measure

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8.2.8. M10 - Agri-environment-climate (art 28)

8.2.8.1. Legal basis

Article 28 of Regulation (EU) No 1305/2013
Article 11 and Annex I, Part 1, point 8.2 (e) 9 of (EU) Regulation No 808/2014
Articles 7 and 9 of (EU) Regulation No 807/2014

8.2.8.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

General description

Agri-environment and climate payments are a key element required for the integration of environment protection related issues into the Common Agricultural Policy. In Romania, this measure aims at encouraging farmers (users of agricultural lands) to adopt, on a voluntary basis, agricultural practices ensuring the maintenance of the environmental value of rural areas, maintenance of habitats specific to agricultural lands and important for priority wild species, sustainable use of natural resources and keeping of traditional landscapes.

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, soil as well as with the maintenance 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, contributing to the preservation of bio-diversity (wild species and their habitats, local animal breeds), soil and water protection, reducing green house gas and ammonia emissions, carbon sequestration in biomass, decrease of the risk of intensification, as well as a sustainable management of natural resources.

The support granted within this measure will contribute to achieving the objectives of the Strategy Europe 2020 in terms of sustainable increase and the 7th Action plan for environment, regarding the practice of a sustainable agriculture that assures the sustainable management of natural resources. The implementation of the agri-environment-climate measure will also have a contribution to reaching the objectives of European and national strategies, policies and programmes for conservation of important species (including to maintaining the local breeds in danger of abandonment) and priority habitats, to maintaining the biodiversity on agricultural lands, especially those situated on the territory of Natura 2000 sites, as well as to the implementation of the Prioritised Action Framework for Natura 2000. The promotion of extensive agricultural practices through the agri-environment-climate measure also has a contribution to reaching the objectives for water protection stipulated in the Water Framework Directive, Nitrates Directive and Directive on the sustainable use of pesticides by decreasing water pollution and mitigation of the negative effects of floods.

The promotion of extensive agricultural practices that contribute to the sustainable management of natural resources, decrease of the concentration of greenhouse gas and ammonia in the atmosphere and the adaptation to the effects of climate changes are among the funding priorities set out through thematic objectives 4 *Supporting the shift towards a low-carbon economy*, 5 *Promoting climate change adaptation* and 6 *Preserving and protecting the environment and promoting resource efficiency within the Partnership Agreement*.

The efforts made during the 2007-2013 programming period will be continued by the agri-environment-climate measure for environment protection and sustainable development of rural areas, ensured by Measure 214 - agri-environment payments. Thus, in the 2007-2013 programming period, through Package 1 of Measure 214, an extensive management of high nature value pastures was ensured on about 1,015,000 ha/year, with a number of about 184,000 beneficiaries per year. Package 2 promoted traditional agricultural practices on an area of about 794,000 ha/year, with a number of about 144,000 beneficiaries per year. The extensive management of important bird grasslands was ensured on an area of about 10,400 ha/year, through variant 3.1 Crex crex of Package 3 and about 28,000 ha/year through variant 3.2 Lanius Minor and Falco Vespertinus of the same package, with a number of beneficiaries per year of about 807, respectively about 512. The setting-up of green crops has been supported on an area of about 197,000 ha/year, with a number of about 8,000 beneficiaries per year. Organic farming was supported through all the 5 variants of Package 5 (agricultural crops on arable lands, vegetables, orchards, vineyards and medicinal and aromatic herbs) on a total area of about 79,000 ha/year and a number of about 800 beneficiaries per year. The extensive management of pastures important for butterflies (Maculinea sp.) was ensured by Package 6, the area supported was about 3,600 ha/year and about 475 beneficiaries/year. Package 7 ensured the sustainable management of arable lands important as feeding areas for red-breasted goose (Branta ruficollis), the supported area was of about 52,000 ha/year and about 639 beneficiaries per year.

The agri-environment-climate measure will create the framework needed for large-scale use of general extensive farming methods to cope with the preservation needs specific to a large spectrum of species or habitats (e.g. the ones located in the HNV area). In the areas which are representative for certain biodiversity elements (e.g. species of wild butterflies or birds), Measure 10 proposes also commitments adapted to the ethological specificity providing for the achievement of proposed objectives. Moreover, certain types of proposed commitments will ensure a better management of natural resources, in the context of risks associated to agricultural activities. Thus, Measure 10 targets the promotion of the following packages and variants thereof:

- Package 1 –high nature value (HNV) grassland;
- Package 2 – traditional farming;
    - *variant 2.1 – manual works on permanent grasslands used as hayfields*
    - *variant 2.2 – works by light equipment on permanent grasslands used as hayfields*
- Package 3 – grassland supporting important birds
    - sub-package 3.1 – Crex crex
      - *variant 3.1.1 - manual works on pastures important for Crex crex*
      - *variant 3.1.2. - works by light equipment on grasslands important for Crex crex*

    - *sub-package 3.2 – Lanius minor and Falco vespertinus*
      - *variant 3.2.1. - manual works on pastures important for Lanius minor and Falco*

vespertinus

- variant 3.2.2 - works by light equipment on grasslands important for Lanius minor and Falco vespertinus

- Package 4 – green crops
- Package 5 – adaptation to climate change effects
- Package 6 – pastures important for butterflies (*Maculinea sp.*)
  - *variant 6.1 - manual works on pastures important for butterflies (Maculinea sp.)*
  - *variant 6.2 - works by light equipment on pastures important for butterflies* (*Maculinea sp.*)
- Package 7 – arable lands important as feeding areas for the Red-breasted Goose (Branta ruficollis)
- Package 8 – breeding farm animals of local breeds in danger of abandonment

he packages of the Measure 10 will be subject to evaluations in order to identify the need for strengthening and/or diversification of commitments, in terms of their contribution to the provision of environment services that result in the protection of the biological diversity (e.g. by the management of natural resources on arable lands used intensively). Therefore, if considered necessary, a revision of the Measure 10 will be subject to a future modification of the NRDP 2014-2020. The result of the evaluation will be sent and discussed with the EC.

Most packages/variants of Measure 10 are targeted at areas characterized by particular needs in terms of environment protection and sustainable management of natural resources.

The eligible areas selected for implementation of packages/variants of Measure 10 are the ones presented in Figure 8.2.M.10.1-1- map P1, P2, P3 and P6 (Packages 1, 2, 3 and 6) and in Figure 8.2.M.10.1-2 – map P5 and P7 (Packages 5 and 7). The list of areas eligible for Packages 1, 2, 3, 5, 6 and 7, at LAU2 level is included in Annex Chap. 8.2. – the list of eligible areas M10, M.11, M.13, Packages 4 and 8 can be applied at national level.

An important threat consists in the agricultural intensification in the selected areas and a possible conversion of high nature value lands or of pastures important for birds or butterflies 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 and in the increased use of chemical fertilisers and plant protection substances. 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. On the other hand, the risk of abandonment of agricultural activities on lands affected by restrictive environmental conditions is obvious. The challenge is to maintain this rich resource of biodiversity associated with agricultural lands, against the social-economic changes expected in the rural area in the coming period. In order to succeed, the extensive agriculture systems need to be sufficiently supported to be able to cope both with the pressure to adopt intensive agricultural systems and, in a wider context, other emerging economic activities that agriculture

could compete against for agricultural land use. It is therefore required to encourage the maintenance or adoption of agricultural practices addressed to the preservation of HNV areas and to the protection of priority species and of these species habitats.
The compliance with the cross-compliance standards established under Title VI Chapter I of Regulation (EU) no. 1306/2013 of the greening standards and other basic requirements (e.g. minimum agricultural activity, usual agricultural practices, minimum requirements for use of fertilisers and pesticides) by the beneficiaries of agri-environment and climate measure will enable the premises required for the implementation of agricultural practices going beyond these standards, *thus* cumulatively contributing to ensuring a sustainable management of natural resources (biodiversity, soil, water), as well as reducing GHG and ammonia emissions from agriculture. At the same time, the promotion of adequate agricultural methods will provide for a better orientation towards reaching the objectives and the targets established for the air quality, as well as for a better adaptation to climate change effects - increasingly often by extreme manifestations of phenomena.
The eligible costs under this measure cover only those commitments which go beyond the unpaid mandatory level of basic requirements, 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 pursuant to article 4 paragraph (1) letter (c) items (ii) and (iii) of Regulation (EU) no. 1307/2013,
- Relevant minimum requirements for the use of fertilisers and plant protection products stipulated in the national legislation,
- Other relevant mandatory requirements stipulated in the national legislation.

Each package/ sub-package/ variant of M.10 aims at the application of specific requirements by the beneficiaries that generate additional costs and/or loss of income for farmers and are closely linked to achieving goals, and specific requirements which do not induce additional costs and/or loss of income for farmers, but which are necessary to ensure consistency of commitments. The specific requirements that generate additional costs and/or loss of revenue are identified under 'Eligibility criteria for each packet (P)'.
By ensuring the competencies required to implement the commitments, as a result of the participation in information actions or vocational training courses or by accessing advisory services, the measure's beneficiaries will ensure the prerequisites for reaching the objectives set, by properly implementing the assumed commitments. Within Measures 1 and 2 training actions, demonstrative activities and advisory services are foreseen, addressed to the beneficiaries of Measure 10, aiming at promoting the sustainable management of agricultural lands.

Correlation of measure with the needs identified:
The agri-environment-climate measure is carried out on 4 main directions, answering the needs 12,15,16 and 17 identified within the programme:

- Maintenance and improvement of biodiversity and environmental value of agricultural areas (need 12), the action is an extension of the application of Packages 1 and 2 within the Measure 214 'Agri-environment payments' of NRDP 2007-2013 for the period 2014-2020, mainly aiming at high nature value areas, assimilated with the high share of lands used as permanent pastures and extensively used traditional orchards. Moreover, the inclusion of a new package (package 8) addressed to support the reproduction of farm animals from traditional breeds, adapted to local climate and environment conditions will contribute to keeping the animal genetic diversity.

- The protection of some priority species (need 12) by continuing to implement Packages 3, 6 and 7 within measure 214 Agri-environment payments of NRDP 2007-2013 regarding the special management conditions of pastures or arable lands representative for birds or butterflies;
- Soil (need 16) and water (need 15) protection, by continuing to implement the Package 4 – green crops for the arable land throughout the national territory, especially in the areas most vulnerable to erosion and other degradation processes, including in areas affected by natural constraints;
- Adaptation to the effects of climate changes (need 17), by promoting proper technologies and management practices at farm level within the new Package 5.

Contribution of measure to focus areas

The implementation of these packages contributes to:

- **Priority 4** - Restoring, preserving and enhancing ecosystems related to agriculture and forestry
  - **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 of the state of European landscapes (Sub-measure 10.1 - P1, P2, P3, P6, P7 and P8)

The application of some extensive agricultural practices by farmers, both on areas of permanent pastures and on arable lands, ensures the prerequisites for the preservation of biodiversity. Thus, setting some periods when the agricultural activities are not allowed, the decrease of the use of organic fertilisers and forbidding the use of chemical inputs (fertilisers and pesticides), as well as the encouragement to keep animals from local breeds in danger of abandonment in farms, contributes to preservation of biodiversity on medium and long term. Also, the selection of some important areas (Natura 2000 sites, areas facing natural constraints) for implementing commitments, ensures the maintenance of important elements (species and habitats).

- **FA 4C** – Preventing soil erosion and improving soil management (Sub-measure 10.1 - P4)

The support granted for setting-up green crops on arable lands ensures soil protection against erosion during winter.

- **Priority 5** – Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors
  - **FA5A** – Increasing efficiency in water use by agriculture (Sub-measure 10.1 - P5)

Fostering the adoption of agricultural methods that would ensure the decrease of the risk associated with the climate variability in the context of climate changes provides an alternative to the use of irrigation systems. Thus, in the areas with risks in terms of the manifestation of extreme phenomena associated to climate changes, the farmers can opt-out to adapt the calendar of application of agricultural works, to apply practices with low impact on soil and the use of some types of crops with different precocities, as alternative to the modernization or expansion of irrigation systems.

Secondary effects:
Measure 10 is directly contributing to the focus areas indicated above. In addition it is expected that the measure will contribute indirectly to the objectives of the following priorities/focus areas*:*

- **Priority 4** – Restoring, preserving and enhancing ecosystems related to agriculture and forestry
  - **FA 4B** – Improving water management, including fertiliser and pesticide management (Packages 1, 3, 4, 6, 7)

The reduction of the use of chemical inputs (pesticides and fertilisers), as well as the promotion of nitrogen-fixing crops, together with the limitation of the number of animals that use permanent pastures, contribute to the decrease of water pollution.

  - **FA 4C** – Preventing soil erosion and improving soil management (Package 5)

The promotion of alternative agricultural technologies, based on the application of minimum works for preparing the soil leads to the prevention of soil erosion.

- **Priority 5** – Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors
  - **FA 5D** – Reducing green house gas and ammonia emissions from agriculture (Packages 1, 2, 3, 4, 6)

Encouraging agricultural practices based on manual works and avoiding the use of mechanised equipment, as well as the forbiddance to apply chemical fertilisers and the limitation of the use of organic fertilisers, at the same time with the reduction of the number of animals on areas of permanent pastures, contribute to the decrease of green house gas and ammonia emissions from agriculture. Also, using some crops with a high capacity to fix the nitrogen in soil contributes to reaching the objectives aimed at by this focus area.

  - **FA 5E** – Fostering carbon conservation and sequestration in agriculture and forestry (Package 4)

Incorporating the vegetal mass in soil on the agricultural lands where green crops are set-up contributes to carbon sequestration.

Contribution to cross-cutting themes:
In light of the aspects presented, from the perspective of the contribution of Measure 10 – agri-environment-climate to the priorities and focus areas closely related to environment protection, it is obvious the fact that the support granted within the measure, in the sense of encouragement of adoption of extensive agricultural practices (including the implementation of integrated pest management – IPM) with a low impact on the environment, as well as in the sense of keeping, preserving and developing the genetic diversity, is addressed to the cross-cutting themes on ***Environment*** and ***Climate***.

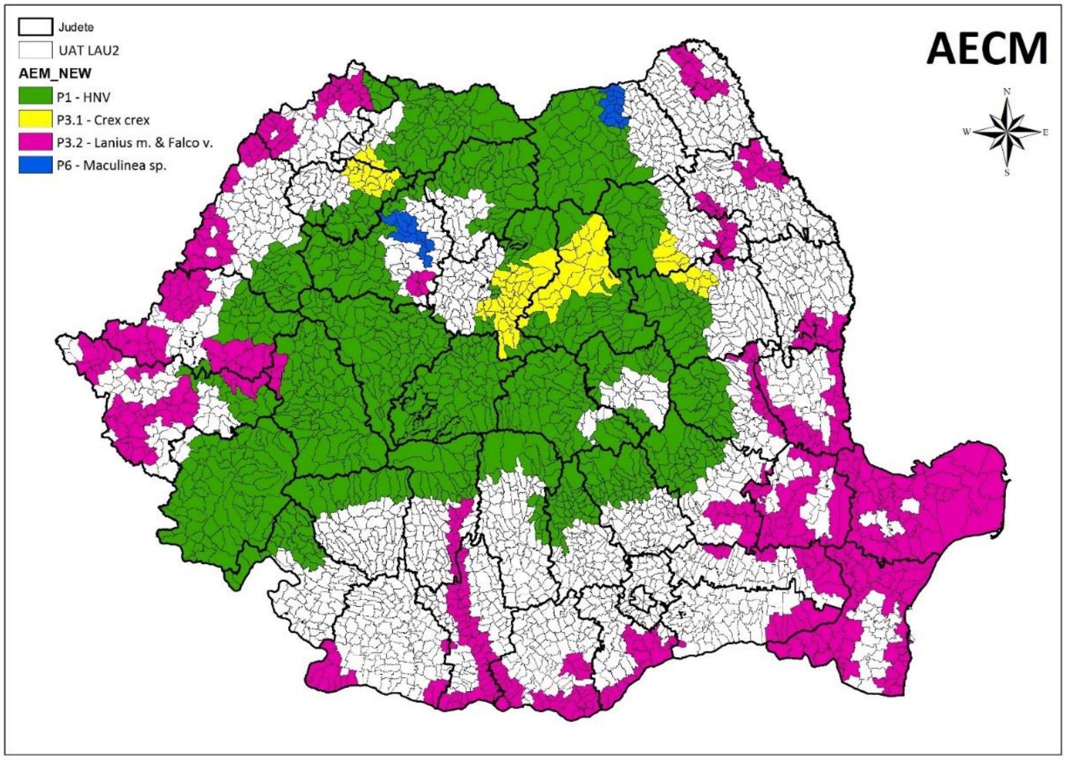

Figure 8.2.M.10.1-1 – map P1, P2, P3 and P6

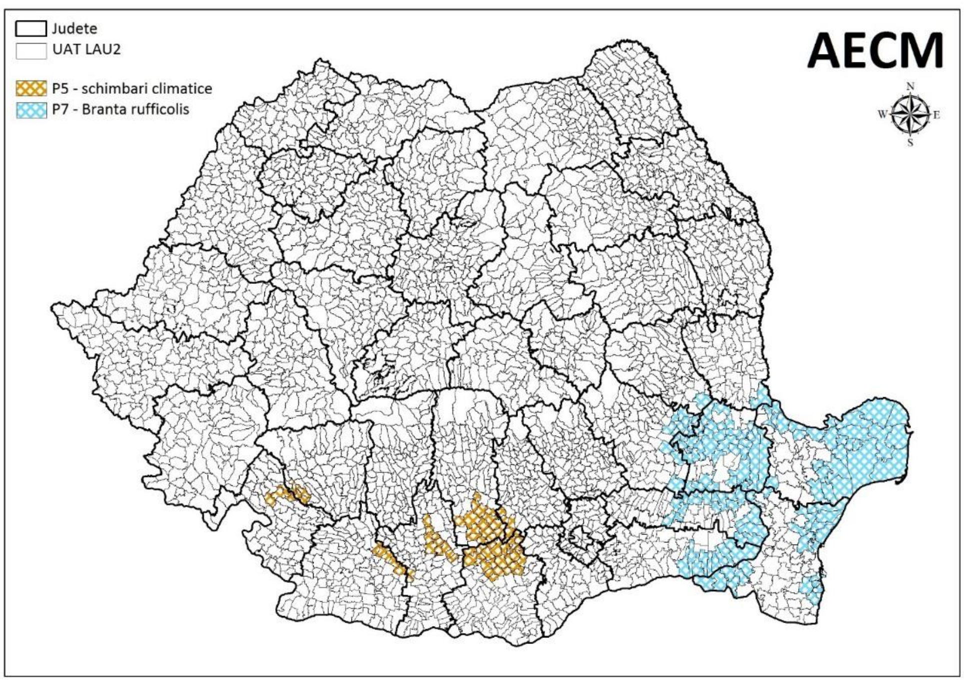

Figure 8.2.M.10.1-2 – map P5 and P7

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 regard to the setting of selection criteria*

8.2.8.3.1. Package 1 - pastures with high natural value

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.1.1. Description of the type of operation

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)***.-Similarly to the case of natural and semi-natural permanent pastures, in case of extensively-used traditional orchards, the lack of heavy machinery mechanization and the avoidance of chemical fertilisers, 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.

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 areas,
- extensive traditional orchards where the stock of old hayfields resources is almost entirely preserved, turning hayfields into one of the most valuable and well preserved traditional habitats in the Carpathian, Transylvanian and Peri-Carpathian areas. Furthermore, in most cases, those traditional orchards preserve old local varieties of fruit trees representing an ancestral cultural genetic fund, currently endangered and which should be preserved,
- permanent pastures generally associated with a great floristic diversity in Romania, which implicitly provides for a wide diversity of fauna (birds, insects, small and big animals).

For the designation within the 2007-2013 NRDP of administrative-territorial units (ATUs) at LAU2 level (cities, towns and communes) which could fall under the category of high nature value areas criteria based on land use were applied using the databases Corine Land Cover and FAO-LCCS.
Thus, an administrative-territorial unit is classified as a high nature value area if more than 50% of its agricultural area complies with one of the conditions for defining HNV as listed above. In the previous designation, the eligible area of pastures situated in the 1038 ATU classified as HNV areas was of about 2.169 million hectares.

In the new designation applied for NRDP 2014-2020, we keep the areas that have been eligible in the previous programming period, except for the administrative-territorial units that totally or partially overlap the most important Natura 2000 sites as representativeness for the species of birds targeted by Package 3 (Crex crex, Lanius minor and Falco vespertinus). The differences between the areas eligible for Package 1 in the two programming periods are therefore due to the fact that the area eligible for Package 3 – pastures important for birds, has been revised based on the representativeness of Natura 2000 sites for the 3 species of birds, so that the 4 most important SPAs for the populations of Crex crex in Romania and one of the most important SPAs for Lanius minor overlap on a part of the area that was HNV eligible in the 2007-2013 period. But, applying some more restrictive management requirements in areas eligible for Package 3, Variant 3.1 or 3.2 will not have a negative impact on the specific HNV elements, further contributing to the application of agricultural practices beneficial for the environment. Thus, the resulted area of agricultural areas used as permanent pastures, defined as high nature value areas (HNV) is of about 2 million hectares (according to LPIS 2013 – APIA), situated on the territory of 958 administrative-territorial units.

It is worth mentioning the fact that a great part of important protected areas in Romania (of national, but also of Community or 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 permanent 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- climate measure covers approximately 51.37 % of the area of sites designated as Natura 2000 in Romania.

The impact resulted following the implementation of agri-environment-climate commitments adapted to the management of HNV areas is largely recognised, especially from the perspective of its effects on the preservation of biodiversity, water and soil protection, reduction of green house gases from agricultural activities or carbon sequestration in biomass. Indisputable proofs in this respect are represented by the studies elaborated over time (e.g. studies elaborated at the level of the European Commission – http://ec.europa.eu/agriculture/publi/reports/agrienv/rep_en.pdf, studies elaborated by independent organisations – http://www.efncp.org,
http://www.highnaturevaluefarming.org.uk, or other specialised publications - 'High Nature Value Farming in Europe – 35 European countries – experiences and perspectives', 2012, ISBN 978-3-89735-657-3).
The spatial distribution of areas eligible for this package is presented in the Figure 8.2.M.10.1-3 – map P1 and P2 and the list of areas eligible at ATU LAU 2 level is comprised in Annex Chap. 8.2.- list of eligible areas of M.10, M11 and M.13.

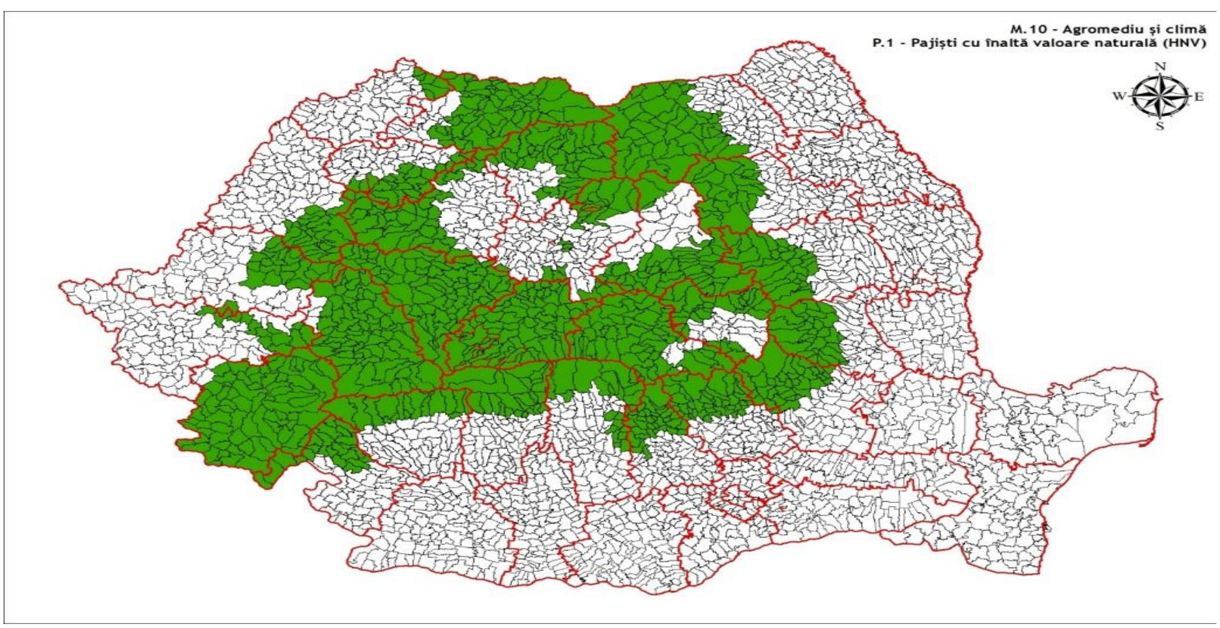

Figure 8.2.M.10.1-3- map P1 and P2

8.2.8.3.1.2. Type of support

The support granted under this measure is a compensation payment for the income foregone and additional costs borne by the beneficiaries. The compensation payment is paid annually, as a fixed amount per area unit (hectare).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.1.3. Links to other legislation

EU legislation:

- Title V, Chapter II and Title VI, Chapters I and II, of Regulation (EU) no 1306/2013 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
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no. 1307/2013 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.

National legislation:

- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- The Order on setting the method of implementation, the specific conditions and the eligibility conditions for the application of payment schemes applied in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- GD no. 4/1995 on the fabrication, marketing and use of phytosanitary products for fighting disease, pests and weeds in agriculture and forestry and GD 1559/2004 on the procedure for certification of plant protection products in order to place them on the market or to use them on the territory of Romania;
- Order no. 1378/1071/2010 on the modification and amendment of the Regulation regarding the organization and operation of the Inter-ministerial Commission for the certification of fertilisers, in order to list them on the list of certified fertilisers with the mention RO-FERTILISER, to be used and marketed in Romania, approved by Order of the minister of agriculture, forests, water and environment and of the Minister of health no. 6/22/2004,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.1.4. Beneficiaries

Farmers (users of agricultural lands)

8.2.8.3.1.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.1.6. Eligibility conditions

Eligible area:

- Package 1 – high nature value agricultural lands – 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.
- The commitments within Package 1 are applied at the level of agricultural parcel, as there is no possibility to change the parcels during commitments.

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 land use,
- shall hold a farm with a minimum area of 1 ha, while the eligible parcels have a minimum size of 0.3 ha,
- 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 requirements specific to the agri-environment packages he/she 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 specific records at the level of areas under commitment).

Requirements specific to commitments

The requirements specific to Package 1 – high nature value pastures are the following:

- The use of chemical fertilisers and pesticides is forbidden (P);
- The traditional use of manure is allowed up to the equivalent of maximum 40 kg. N/s.a/ha (1 LU/ha);
- Mowing can begin only after July 1st (for lands situated in LAU with average altitudes higher or equal to 600 meters) or after June 15th (for lands situated in LAU with average altitudes lower than 600 meters) (P);
- Grazing is done with maximum 1 LU per hectare.
- The mown vegetal mass must be collected from the pasture under commitment no later than 2 weeks from mowing;

- The flooded pastures will not be grazed earlier than 2 weeks after water withdrawal;
- There will be no surface seeding or over-seeding (seeding with species from local flora is allowed only in the cases when some areas are accidentally affected)
- Ploughing and disking the pastures in the farms with ongoing commitments are forbidden.
- The beneficiaries keep records of the agricultural activities correlated with the implementation of agri-environment requirements.
- the beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aimed at least the aspects regarding the identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of farm necessary to comply with the basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, it can be applied reductions of the support granted, that in some cases foreseen in the system of penalties applicable to Measure 10 can even mean exclusion from payment.

The areas eligible for Package 1 are presented in the map comprised in Figure 8.2.M.10.1.-3 – map P1 and P2 and in the list comprised in Annex Chap. 8.2. – list of the eligible areas M.10, M.11 and M.13

8.2.8.3.1.7. Principles with regards to the setting of selection criteria

Pursuant to Article 49(2) of Regulation 1305/2013 selection criteria are not applied to agri-environment-climate measure.

8.2.8.3.1.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

The compensation payments, calculated as standard costs, cover the entire estimated income foregone and additional costs estimated, that is EUR ***93 /ha/year*** for package 1- high nature value (HNV) pastures.

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2.M10.1 – letter ICPA on the validation of the methodology for the calculation of the payments M.10.1 P1-P7).

Payments may be cumulated on the same agricultural area (agricultural parcels) with the payments granted under Package 2 – traditional agricultural practices. No other combinations of packages on the same parcels are possible, as the eligible areas are different.

8.2.8.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.1.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented in the specific section of the measure.

8.2.8.3.1.9.2. Mitigating actions

The measures envisaged in order to improve the implementation of the measure and the decrease of risks are presented in the specific section of the measure.

8.2.8.3.1.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are found in the specific section of the measure.

8.2.8.3.1.10. 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 basic requirements are described in the section corresponding to commitments in the technical measure fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements related to the use of fertilisers and of plant protection substances are presented in the specific section on basic requirements applicable to commitments in the technical measure fiche.

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 29(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, 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 Package 1, 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 33% of the value of obtained hay. There are also differences in costs, as farmers need to work more to manually fight against invasive plants, but, at the same time, they obtain some savings due to the non-purchase of chemical fertilisers and pesticides. Establishment of different mowing dates, depending on the altitude, provides for similar conditions for all beneficiaries of Package 1, therefore avoiding over or under-compensation. Overall, the agri-environment practice is not as profitable as the conventional practice, therefore a compensation payment is granted.

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2.M10.1- letter ICPA on the validation of the methodology for the calculation of the payments M.10.1 P1-P7).

8.2.8.3.2. Package 2 - traditional agricultural practices

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.2.1. Description of the type of operation

Package 2 aims at increasing the level of restrictions applicable through Package 1, in order to protect, besides the floral biodiversity, the species of birds/mammals specific to permanent pastures or traditional orchards extensively used by mowing. Considering the heterogeneity of areas eligible from the point of view of green cover, as well as the increased degree of manually carrying-out the mowing works, by variant 2 of the package, we also provide the possibility to use light equipment for undertaking the works. The low speed of moving characteristic to this kind of equipment gives, although not at the same level as the manual works, an increased degree of protection of bird species that nest on permanent pastures or traditional orchards extensively used by mowing, compared to mechanized equipment.

Information on the description of the eligible area of Package 2 – traditional agricultural practices is found in the section specific to Package 1.

Package 2 may only be applied additionally, in combination with Package 1.

Package 2 proposes 2 variants applicable on areas of permanent pastures or traditional orchards extensively used by mowing:

- variant 2.1 – manual works on permanent pastures used as hayfields
- variant 2.2 – works by light equipment on permanent pastures used as hayfields

8.2.8.3.2.2. Type of support

The support granted under this measure is a compensation payment for the additional costs incurred by the beneficiaries. The compensation payment is paid annually, as a fixed amount per unit of area (ha).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.2.3. Links to other legislation

EU legislation:

- Title V, Chapter II and Title VI, Chapters I and II, of Regulation (EU) no 1306/2013 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;
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no. 1307/2013 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.

National legislation:

- National Implementation Framework,
- The Governmental Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- The Order on setting the way of implementation, the specific conditions and the eligibility criteria for the application of payment schemes applied in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- GD no. 4/1995 on the fabrication, marketing and use of phytosanitary products for fighting disease, pests and weeds in agriculture and forestry and GD 1559/2004 on the procedure for certification of plant protection products in order to place them on the market and use them on the territory of Romania;
- Order no. 1378/1071/2010 on the modification and amendment of the Regulation regarding the organization and operation of the Inter-ministerial Commission for certification of fertilisers, in order to list them on the list of certified fertilisers with the mention RO-FERTILISER, to be used and marketed in Romania, approved by Order of the minister of agriculture, forests, water and environment and of the minister of health no. 6/22/2004,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.2.4. Beneficiaries

Farmers (users of agricultural lands).

8.2.8.3.2.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.2.6. Eligibility conditions

The eligible area:

- Package 2 – traditional agricultural practices - is targeted at agricultural lands located in high nature value areas , delimited in the Programme at the level of ATU LAU2, under the category of use of permanent pastures, used by mowing (hayfields), as well as at areas covered by traditional orchards used extensively as hayfields, by mowing (variants 2.1 and 2.2).
- The commitments within both variants of Package 2 apply at the level of agricultural parcel as there is no possibility to change parcels during commitments.
- Package 2 applies only additionally to a commitment signed under Package 1.

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,
- 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 requirements specific to the agri-environment packages he/she 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 specific records at the level of areas under commitment),

Requirements specific to commitments

The requirement specific to Package 2 – traditional agricultural practices – variant 2.1. – manual works on permanent pastures used as hayfields:

- The works with mechanized equipment are not allowed on pastures and traditional orchards under commitment, except for works operated with animal power (P);

The requirement specific to Package 2 – traditional agricultural practices – variant 2.2. – works by light equipment on permanent pastures used as hayfields:

- Mowing can be done by small-capacity mechanized equipment (short blade and slow moving speed equipment), the use of heavy machinery is forbidden (P).

Additionally, the other requirements specific to commitments for both variants of Package 2 are:

- The mown vegetal mass must be collected from pastures under commitment no later than 2 weeks from mowing;
- There will be no surface seeding or over-seeding (seeding with species from local flora is allowed only in the cases when some areas are accidentally affected)
- Ploughing and disking the pastures existing within the farms with ongoing commitments are forbidden.
- The beneficiaries keep records of the agricultural activities correlated with the implementation of agri-environment requirements.
- the beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aiming at least at aspects regarding the identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of farm necessary to comply with the

basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, reductions of the support granted can be applied, that in some cases foreseen in the system of penalties applicable to Measure 10 can even mean exclusion from payment.

The eligible areas for Package 2 are presented in the map included in Figure 8.2.M.10.1-3 – map P1 and P2 and in the list included in Annex Chap. 8.2. – the list of the eligible areas of M.10, M.11 and M.13.

8.2.8.3.2.7. Principles with regards to the setting of selection criteria

Pursuant to Article 49(2) of Regulation 1305/2013 selection criteria are not applied to agri-environment-climate measure.

8.2.8.3.2.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

The compensation payments, calculated as standard costs, cover the entire estimated income foregone and additional costs, that is for package 2 – traditional agricultural practices:

- *variant 2.1 – manual works on permanent pastures used as hayfields* – EUR ***100/ha/year***
- *variant 2.2 – works by light equipment on permanent pastures used as hayfields* – EUR ***21/ha/year***

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18 Figure 18.2.M10.1-1 – letter of ICPA on the validation of the methodology for calculation of payment M.10.1 P1-P7).

Payments may be cumulated on the same agricultural area (agricultural parcels) with the payments granted under Package 1 –high nature value grasslands. No other combinations of packages on the same parcels is possible, as the eligible areas are different.

8.2.8.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.2.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under the section specific to the measure.

8.2.8.3.2.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks are presented in the specific section of the measure.

8.2.8.3.2.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure.

8.2.8.3.2.10. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments from the measure technical fiche.

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 29(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, 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

Works by small-size mechanised equipment on the areas of extensively-used pastures and traditional orchards under commitment within Package 2 or the interdiction to use mechanised works (except for the ones operated by animals), 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

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2. Figure 18.2 M10.1- letter of ICPA validation of the methodology for calculation of payment M.10.1 P1-P7).

8.2.8.3.3. Package 3 - pastures important for birds

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.3.1. Description of the type of operation

According to the provisions of the Partnership Agreement, an adequate management of pastures within the Special Bird Protection Areas (SPA) designated under the Birds Directive must be promoted through the agri-environment and climate measure 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 whose habitat is represented by permanent pastures set through NRDP 2007-2013 and the newly identified areas will be supported by the new measure. The species envisaged for the continuation of actions developed under the previous programme are *Crex crex*, *Lanius minor* and *Falco vespertinus*. These species are present in a large 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 Crake) – according to Birds in Europe 2004.

The implementation of agri-environment and climate commitments adapted to the ethological requirements of these bird species ensures the achievement of conservation objectives established at national, EU and international level, through: Action plan for the corncrake (Crex crex) in Europe, International Single Species Action Plan for the Conservation of the Corncrake, European Species Action Plan for the Red-footed Falcon Falco vespertinus Linnaeus, 1766 or the description of the species and the identified threats for Falco vespertinus (http://www.birdlife.org/datazone/speciesfactsheet.php?id=3603).

The European Network of Protected Natura 2000 Areas was established in Romania starting with 2007, the official designation of Special Protection Areas for Birds and of the Sites of Community Importance being carried out based on GD 1284/2007, respectively GD 971/2011. In the 2007-2013 programming period, within Measure 214 *Agri-environment payments*, the protection of the three bird species has been supported by introducing a pilot-package whose eligible area covered about 260,000 hectares of permanent pastures from areas identified as Important Bird Areas (IBA). The total number of eligible LAU within the package was of 282, of which 108 eligible LAU for variant 1 – Crex crex and 174 eligible LAU for variant 2 – Lanius Minor and Falco Vespertinus.

For the 2014-2020 programming period, we aimed at continuing with the efforts to preserve the three bird species, at the same time the new designation aiming at making a contribution to the implementation of Bird Directive, even in the absence of management plans for most Natura 2000 sites, by including the most representative SPA for the targeted species into the eligible areas. The selection of the most representative

SPA also envisaged the overlap with the IBA which were the basis for the previous designation of areas eligible for Package 3 under Measure 214. 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 were also used - apart from the data included in the standard forms elaborated for the designation of SPAs important for *Crex crex* şi *Lanius minor* - such as: data obtained from the report on distribution of species, according to article 12 of the Birds Directive; data obtained following the implementation of certain projects or data resulted from census forFalco *vespertinus.* The selected SPAs are:

- *Crex crex* – ROSPA0028, ROSPA0033, ROSPA0114 and ROSPA0138 (first 4 sites in terms of representativeness, by setting a threshold above 215 pairs of birds based on standard fiches).
- *Falco vespertinus* – ROSPA0001, ROSPA0015, ROSPA0031, ROSPA0047, ROSPA0067, ROSPA0103, ROSPA0126, ROSPA0135, ROSPA0142, ROSPA0144 (the 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, by using data resulted from 2014 reporting on article 12 of the Birds Directive and the census data).
- *Lanius minor* – ROSPA0001, ROSPA0002, ROSPA0015, ROSPA0016, ROSPA0017, ROSPA0019, ROSPA0029, ROSPA0073, ROSPA0100, ROSPA0119 (the first 10 sites in terms of representativeness, by establishing a threshold above 125 pairs of birds) and ROSPA0004, ROSPA0006, ROSPA0008, ROSPA0040, ROSPA0049, ROSPA0068, ROSPA0069, ROSPA0135 (based on standard fiches and repartition provided by the reporting on article 12 of the Birds Directive).

Due to the representativeness of bird species envisaged by Package 3 of the M10 , some of the targeted sites, although located in the HNV-eligible area during the period 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).

In order to evaluate the impact of the application of the variant 1 – Crex crex of the Package 3 –in terms of modification of the use method of the areas of permanent grasslands situated in the eligible areas, an analysis of the dynamics of the areas of hayfields and grasslands will be carried out. For the representativeness of the data analysed, the analysis must be carried out at least for a period of 2 years (e.g. for the period 2015-2016) and should be based - according to the data available - on information indicating the initial situation before the application of P.3.1 of the M10 (for example technical studies used for the re-designation process). Following this analysis, in case significant modifications are identified (exceeding a threshold that can be considered as the normal annual variation) in the use method of the permanent grasslands in the targeted area, some modifications of the variant 1 of the Package 3 of the Measure 10 could be proposed. The result of the analysis will be sent and discussed with the EC. This exercise can be replaced in case a representative number of management plans for these areas that were designated as Natura 2000 sites will be approved and applied until then, which will lead to the imposition of specific obligations for farmers.

The area of permanent pastures located in the 567 eligible LAU (out of which 83 eligible for Package 3.1 and 484 eligible for Package 3.2) is of about 565 thousand hectares (out of which 155 thousand ha eligible for Package 3.1 and 410 thousand ha eligible for Package 3.2). 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 Measure 10 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 data from standard fiches, 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 also indirectly benefit from the implementation of this package.

The spatial distribution of eligible areas for this Package is presented in the map in Figure 8.2.M.10.1-4 - map P3.1 and 3.2, and the list of eligible areas at ATU LAU2 level is included in Annex Chap. 8.2. – list of eligible areas M.10, M11, M.13.

Package 3 proposes 2 sub-packages, each with 2 variants, applicable on areas of pastures important for birds:

- sub-package 3.1 – *Crex crex,*
  - variant 3.1.1 – *manual works on pastures important for Crex crex*
  - variant 3.1.2 – *works with light equipment on pastures important for Crex crex*
- sub-package 3.2 – *Lanius minor* and *Falco vespertinus.*
  - variant 3.2.1 – *manual works on pastures important for Lanius minor şi Falco vespertinus*
  - variant 3.2.2 – *works with light equipment on pastures important for Lanius minor şi Falco vespertinus.*

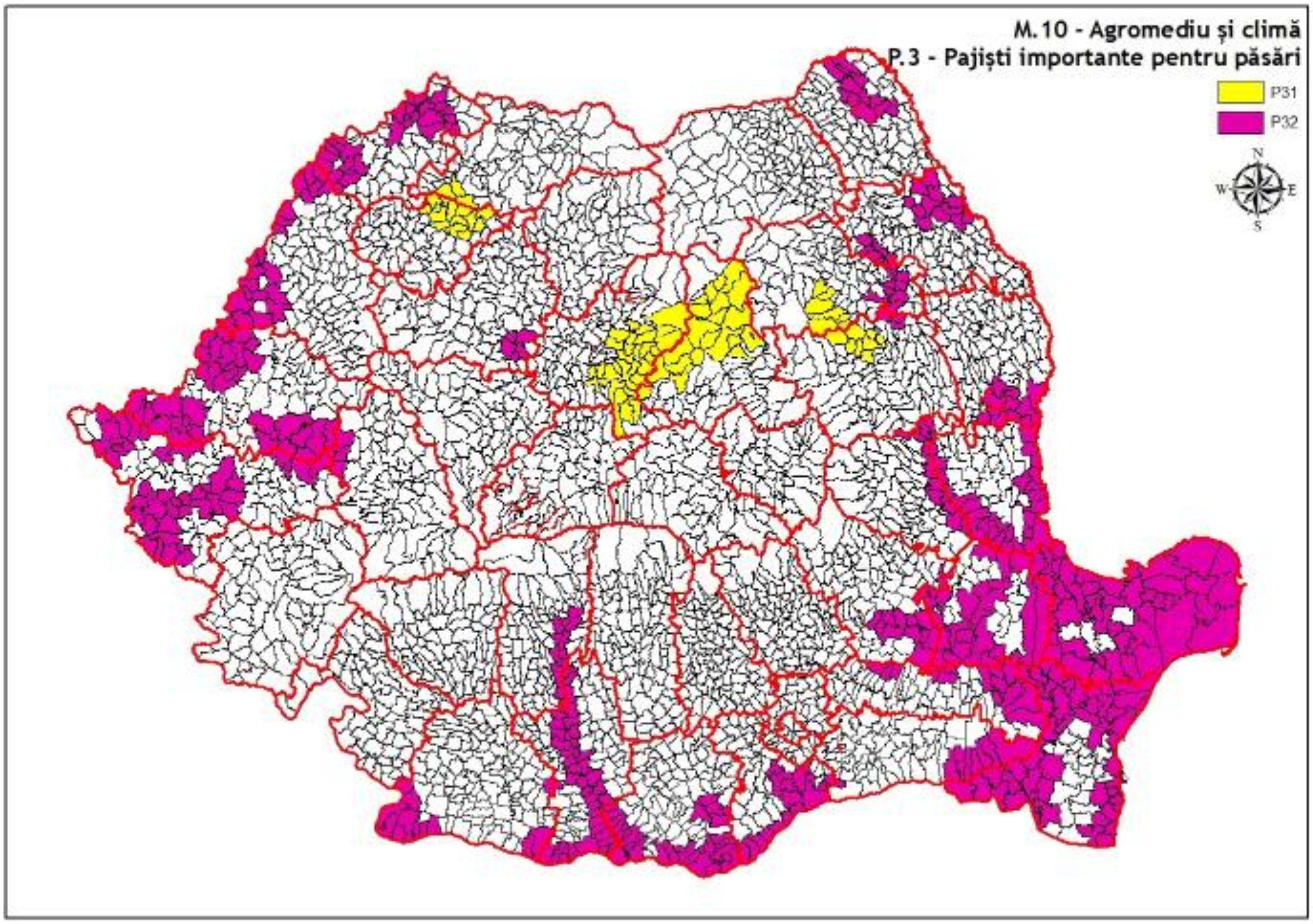

Figure 8.2.M.10.1-4 – map P3.1 & 3.2

8.2.8.3.3.2. Type of support

The support granted under this measure is a compensation payment for the income foregone and additional costs incurred by beneficiaries. The compensation payment is paid annually, as a fixed amount per unit of area (ha).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.3.3. Links to other legislation

EU legislation:

- Title V, Chapter II and Title VI, Chapters I and II, of (EU) Regulation no. 1306/2013 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.
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no. 1307/2013 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 (EC) Regulation no.73/2009.

National legislation:

- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- The Order on setting the method of implementation, the specific conditions and the eligibility conditions for the application of payment schemes applied in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- GD no. 4/1995 on the fabrication, marketing and use of phytosanitary products for fighting disease, pests and weeds in agriculture and forestry and GD 1559/2004 on the procedure for certification of plant protection products in order to use them on the territory of Romania;
- Order no. 1378/1071/2010 on the modification and amendment of the Regulation regarding the organization and operation of the Inter-governmental Commission for certification of fertilisers, in order to list them on the list of certified fertilisers with the mention RO-FERTILISER, to be used and marketed in Romania, approved by Order of the minister of agriculture, forests, water and environment and of the Minister of health no. 6/22/2004,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.3.4. Beneficiaries

Farmers (users of agricultural lands).

8.2.8.3.3.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.3.6. Eligibility conditions

Eligible area:

- Package 3 – pastures important for birds is targeted to agricultural lands used as permanent pastures, located in the areas delimited in the Programme at ATU LAU2 level.
- The commitments within package 3 apply at the level of agricultural parcel, as there is no possibility to change parcels during commitments.

Beneficiary:

- shall be the user of an agricultural area located on the Romanian territory, identifiable in IACS, situated in the eligible areas and having an eligible category of use,

- shall own a farm with a minimum area of 1 ha, while the eligible parcels have a minimum size of 0.3 ha,
- 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 and specific requirements on parcels under commitment,
- shall undertake to keep records of agricultural activities correlated with the implementation of agri-environment requirements (basic and specific).

Requirements specific to commitments

The requirements specific to sub-package 3.1 – *Crex crex:*

- mowing can be done only after July 31st (P);
- mowing will be done inside-out the parcel;
- grazing will be carried out with maximum 0.7 LU per hectare;
- the works by mechanized equipment are not allowed on pastures under commitment, except for those operated with animal power (for variant 3.1.1) or the works can be carried out by small-capacity mechanized equipment (mowing with equipment with short blade and low speed of moving), the use of heavy machinery is forbidden (for variant 3.1.2.) (P);
- the actions leading to acceleration of natural drainage of pastures under commitment are forbidden.

The requirements specific to sub-package 3.2 – Lanius minor and Falco vespertinus:

- mowing can be done at the latest by July 1st ;
- grazing will be carried out with maximum 1 LU per hectare;
- the works by mechanized equipment are not allowed on pastures under commitment, except for those operated with animal power (for variant 3.2.1) or the works can be carried out by small-capacity mechanized equipment (mowing with equipment with short blade and low speed of moving), the use of heavy machinery is forbidden (for variant 3.2.2.) (P);

For both sub-packages of Package 3, other requirements specific to commitments are:

- the use of chemical fertilisers and pesticides is forbidden (P);
- the traditional use of manure is allowed up to the equivalent of a maximum 40 kg N sa/ha (1 LU/ha);
- an unmown strip, 3 meter wide, will be left on the margins of each parcel (it can be mown after September 1st);
- the mown vegetal mass must be collected from pastures under commitment no later than 2 weeks from mowing;
- the flooded pastures will not be grazed earlier than 2 weeks from water withdrawal;
- There will be no surface seeding or over-seeding (seeding with species from local flora is allowed only in the cases when some areas are accidentally affected)
- Ploughing and disking the pastures existing within the farms with ongoing commitments are forbidden.
- The beneficiaries keep records of the agricultural activities correlated with the implementation of

agri-environment requirements.

- The beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aimed at least aspects regarding the identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of farm necessary to comply with the basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, reductions of the support granted can be applied that in some cases provided in the system of penalties can even mean exclusion from payment.

The eligible areas for Package 3 are presented in the map included in Figure 8.2.M.10.1-4 –map P3.1. and 3.2 and in the list included in Annex Chap. 8.2. – list of eligible areas M.10, M11, M.13.

8.2.8.3.3.7. Principles with regards to the setting of selection criteria

Pursuant to article 49(2) of Regulation 1305/2013, selection criteria are not applied to agri-environment-climate measure.

8.2.8.3.3.8. (Applicable) amounts and support rates

The compensation payment is 100% non-refundable public support.

The compensation payments - calculated as standard costs for each package/variant - cover entirely the estimated income foregone and additional costs and for Package 3 – areas important for birds, they are:

- Sub-package 3.1 – *Crex crex*
  - *variant 3.1.1 – manual works on pastures important for Crex crex* – ***EUR 261/ha/year***
  - *variant 3.1.2 – works with light equipment on pastures important for Crex crex* – ***EUR 182/ha/year***
- Sub-package 3.2 – *Lanius minor and Falco Vespertinus*
  - *variant 3.2.1 - manual works on pastures important for Lanius minor and Falco Vespertinus* – ***EUR 159 /ha/year***
  - *variant 3.2.2 - works with light equipment on pastures important for Lanius minor and Falco Vespertinus* – ***EUR 80 /ha/year***

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2.M10.1 letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

No combination of packages on the same parcels is possible, as the eligible areas are different.

8.2.8.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.3.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under the specific section of the measure.

8.2.8.3.3.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks are presented in the specific section of the measure.

8.2.8.3.3.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure.

8.2.8.3.3.10. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments from the measure technical fiche.

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 29(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, 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 Package 3, farmers incur losses of income as compared to the conventional agricultural practices. The interdiction to use fertilisers (including organic fertilisers) leads to a decrease in production by 25%, while 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 the fact that farmers need more labour in order to manually control weeds, but obtain, at the same time, some savings due to the non-procurement of chemical fertilisers and pesticides. Moreover, carrying-out the works with small-size mechanized equipment on pastures under commitment within the variants 3.1.2 and 3.2.2 of Package 3 or forbidding to carry out mechanized works (except those operated with animal power) on pastures under commitment within the variants 3.1.1 and 3.2.1 of Package 3, lead to higher costs for farmers. The works such as manual mowing or hay rolling require intense labour and are more expensive than modern mechanized practices. Also, the use of small-size mechanized equipment, although more economic than carrying out manual labour, is more expensive than conventional mechanized practices. Overall, this agri-environment practice is not as profitable as the conventional farming, therefore a compensation payment is granted.

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2.M10.1 - letter of ICPA on the validation of the methodology for the calculation of payment M 10.1 P1-P7).

8.2.8.3.4. Package 4 - green crops

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.4.1. Description of the type of operation

Soil erosion, in particular soil erosion caused by water, is a widespread phenomenon in Romania, whose long-term manifestation reduces farm viability and damages the environment. The implementation of Good Agricultural and Environmental Conditions (GAEC) relevant for preventing soil erosion is a key step in the removal of this threat, but farmers also need to be encouraged to go beyond the compliance with the 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 also has the potential to mitigate the risk of nutrient leakage, especially of nitrogen, during winter. Thus, the package can contribute, besides soil protection, to the achievement of the Water Framework Directive objectives in regard to ensuring a good ecological and chemical state of all waters, but also the accomplishment of the objectives in the Nitrates Directive.

This package aims at increasing the level of planning of farm management by improving crop management.

Package 4 applies at national level.

8.2.8.3.4.2. Type of support

The support granted under this measure is a compensation payment for the income foregone and additional costs incurred by farmers. The compensation payment is paid annually, as a fixed amount per unit of area (ha).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.4.3. Links to other legislation

EU legislation:

- Title V, Chapter II and Title VI, Chapters I and II, of (EU) Regulation no. 1306/2013 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
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no. 1307/2013 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) no73/2009.

National legislation:

- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,The Order on setting up the method of implementation, the specific conditions and the eligibility conditions for the application of payment schemes applied in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.4.4. Beneficiaries

Farmers (users of agricultural lands).

8.2.8.3.4.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.4.6. Eligibility conditions

Eligible area:

- Package 4 – green crops is available for arable lands located throughout the national territory;
- In order to avoid any overlap with the cross-compliance standard regarding soil protection during winter, Package 4 can be applied on maximum 80% of the arable land area belonging to a farm;
- The commitments signed for Package 4 are subject to keeping the value of the area throughout the commitment, the parcels on which the requirements are applied can be changed from one year to another.

Beneficiary:

- shall be the user of an agricultural area located on the Romanian territory, identifiable in the Integrated Administration and Control System (IACS) that has 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,
- 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 at the level of the entire farm and superior at the level of areas under commitment),

Requirements specific to commitments

Requirements specific to Package 4 – green crops, are the following:

- green crops seeding has to be done by September 30th , using: peas, vetch, rape, mustard, lupines, melilot (P);
- the use of chemical fertilisers is forbidden, only organic fertilisers can be used prior to setting up the green crops;
- the resulted biomass has to be incorporated into soil no later than March 31st (P).
- ploughing and disking the pastures within the farms with ongoing commitments are forbidden.
- The beneficiaries keep records of the agricultural activities correlated with the implementation of agri-environment requirements.
- the beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aimed at least at the aspects regarding the identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of farm necessary to comply with the basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, reductions of the support granted can be applied, that in some cases provided in the system of penalties applicable to Measure 10 can even mean exclusion from payment.

8.2.8.3.4.7. Principles with regards to the setting of selection criteria

Pursuant to article 49(2) of Regulation 1305/2013 selection criteria are not applied to agri-environment-climate measure.

8.2.8.3.4.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

The compensation payments, calculated as standard costs cover entirely the estimated income foregone and additional costs and are of ***EUR 128/ha/year*** for Package 4 – green crops**.**

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2.M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

Package 4 of the agri-environment and climate measure (article 28) may be combined on the same agricultural area with Packages 1 and 2 of each sub-measure of the organic farming measure (11.1 and 11.2 - Article 29). Under this measure, the payments granted under package 4 may be cumulated with the payments granted under package 5, as 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.

8.2.8.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.4.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under the specific section of the measure.

8.2.8.3.4.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks are presented in the specific section of the measure.

8.2.8.3.4.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure.

8.2.8.3.4.10. 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 basic requirements are described in the section on commitments from the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments, in the measure technical fiche.

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 29(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, 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 practices under Package 4, farmers incur higher costs. These costs are related to higher fuel consumption for the performance of additional works and to the costs of seeds acquisition, in the context where the green cover crop is incorporated in the soil in spring and cannot be sold anymore. On the other hand, farmers register some savings by decreasing the quantity of the fertilisers administered for the crop succeeding the green crop, following the incorporation of the plants fixing the nitrogen into the soil, but they are compensated with some additional costs that are the object of the technology of setting up green crops, but they were not taken into consideration in the methodology for the calculation of payment (e.g. chopping the vegetable scraps, stubble, works with combiner). This is the base for granting a compensation payment for Package 4. In order to avoid any overlapping between Package 4 requirements and the GAEC4 standard related to soil protection during winter, by ensuring the coverage of agricultural lands or by keeping them untilled at least 20% of the farm's arable land area, this Package may only apply on maximum 80% of the arable land area belonging to a farm, thus avoiding double funding. At the same time (by complying with greening standards on the same area where GAEC standard is applied) the risk of double funding with practices supported by Pillar I is avoided.

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

8.2.8.3.5. Package 5 - adaptation to climate change effects

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.5.1. Description of the type of operation

The relationship between farmers and ***climate changes*** is bi-directional: on one hand, farmers are affected by climate changes due to output change, while, on the other hand, by their activities, farmers influence the GHG balance. Farmers' behaviour is generally influenced by the current climate conditions but also has a strong component based on tradition/knowledge resulting from activities carried out in the past. To reduce vulnerability to these forecasted effect of the climate changes on the crops, i farmers need to change their current behaviour, namely to make the crop structure more flexible so as to counteract the climate change-generated effects and to assure a higher resilience of the production units to it. The analysis of outputs in the last decade – obtained within the network of research centres belonging to the Academy of Agricultural and Forestry Sciences (ASAS) and the studies undertook by ICPA, based on the use of the agri-soil-climate models for forecasting crops under different climate scenarios, indicate a trend whereby the early and semi-early varieties and hybrids (maize, sunflower, soy) which currently represent the main percentage lead to lower yields (as multi-annual average) than the late and semi-late varieties and hybrids. This situation is due to the avoidance of periods of great stress, which will be more and more frequent according to the forecasts for climate changes, water and temperature in the flowering period. This ratio will be reversed in the future in order 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.

There are several options – in regard to the structure of agricultural crops cultivated on the farm - to alleviate the climate change effects in the areas with desertification potential:

- Inclusion of drought-resistant crops in the cultivated area (sorghum, millet, chickpea, etc.)
- Use of drought-resistant varieties and hybrids for the traditional crops (wheat, maize, sunflower, soy, rape, etc.)
- The use of early and semi-early varieties and hybrids for spring crops (corn, sunflower, soy) for which the maximum hydric and thermal stress period (the second half of July, August) is after the period of maximum sensitivity of crops to water shortage and to extreme maximum temperatures (flowering, formation of kernels).

Given that climate changes forecasted are for long-term (time horizon 2020, 2050) and farmers' behaviour is conservative, these alternatives need to be included in the current on-farm agricultural management, even though the climate conditions in some years for which commitments are made can be favourable to the current crop structure. Through the cultivation of hybrids/varieties with different precocities, farmers are protected from climate excesses and can acquire experience to adjust their behaviour in case the climate change predictions will be fulfilled.

Agricultural activities influence the GHG flows. For this purpose, an active carbon sequestration measure is the appropriate application of minimum tillage works which, additionally, contribute to the preservation of water in the soil, although by using these types of works lower yields are obtained. The limitation of water deficit in soil, in areas with desertification potential, can be achieved by replacing the basic soil work (ploughing) with minimum tillage methods, which reduces the quantity of water evaporated from the superficial soil layer, thus contributing to the decrease of the need to use additional resources of water. Minimum tillage methods involve waiving in the technology of a culture to the application of ploughing and sometimes to a part of soil works (in case of several operations in one pass with machinery) it is a practice of efficient use of water and soil resources and of improving soil management through carbon sequestration. The minimum tillage methods are applied independently from the application of the IPM (integrated pesticide management) and this pilot package will be revised two years from the approval of the NRDP 2014-2020 especially in order to evaluate if the application of the minimum tillage methods has an influence in terms of increase of the use of pesticides (especially herbicides). Following these evaluations, based on the analysis carried out together with DG AGRI, modifications of P5 could be proposed that strengthen the application of commitments, if necessary.

The use of compost organic fertilisers enables the maintenance or the improvement of the organic carbon content in the soil, by the application of a balanced fertilization, with a direct effect on the decrease of GHG.

The new Package 5 will be introduced as a pilot-package in the areas selected. The designation of the areas where P5 will be applied was carried out by overlapping two layers of information, the values of each layer being established as average for the agricultural land in each ATU LAU2:

- The quantity of water accessible in the soil, calculated from the pedo-transfer function extension of the Romanian Soil Map 1:200.000, in digital format (SIGSTAR-200),
- number of growing days defined as the number of days in a year with an average air temperature above 5^0 C and a ratio between actual and potential evapotranspiration above 0.5. This indicator was calculated using the ROMIMPEL simulation model, the SIGSTAR-200 soil database and the climate data for the 1991-2000 time series.

The threshold values of indicators, as resulted after the exclusion of some island ATU and after addition of some neighbouring ATUs, with the view of homogenising the selected areas, are as follows:

- maximum 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
- maximum 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 in the MEDALUS project (*Guide of the key indicators of desertification and mapping of sensitive areas in terms of ecology to desertification prepared by DG Science in 1999*). The Romanian desertification risk map - indicating the 'critical' areas where the climate change effects on the agri-eco-systems could be significant - was drawn up by using the MEDALUS methodology for the assessment of areas sensitive to desertification. All the areas selected record values indicating the inclusion in the 'critical' class.
According to the "Methodology for developing soil studies - eco-soil indicators", the useful/accessible water capacity is "very small" if its values are less than 100 mm water per 100 cm of soil. In this category, there is

a subdivision: very low (<50 mm), low (50-65 mm), medium (66-80 mm), high (81-100 mm). The proposed limit of 65 mm corresponds to an amount of water which under average evapo-transpiration conditions during the vegetation period runs out in 7 days. After calculating the growing period, the soils that fall under this class had values below the value considered "critical". The limit of 106 growing days currently represents the areas which, according to climate change scenarios, will have, at the level of the year 2020, values corresponding to the limit of 75 days which, according to the same indicator, characterize the areas with severe restrictions.
As a result, it is considered that the most appropriate ATUs for the application of measures included in Package 5 are those that simultaneously comply with certain conditions referring to the climate influence on practicing agricultural activities:

- the quantity of water accessible in soil falls under the class 'very low'.
- reduced number of growing days.
- Class of exposure to the effects of climate changes is reflected by the ESAI indicator.

Of these areas, in the most sensitive areas in terms of risks associated with the manifestation of the effects of climate changes, the farmers who are conservative, in general, should be encouraged to make changes to their agricultural management for a transition from the current practices towards an agriculture adapted to climate changes.

The consistency with the provisions on greening practices: In order to avoid any overlap with the requirements of greening practices (crop diversification) Package 5 shall apply only if the arable land within the farm is less than 10 ha. Therefore, any risk of double financing between greening practices and support through P5 is excluded.

The area where the pilot package addressed to the adaptation of agriculture to climate changes effects will apply cover the administrative territory of 71 ATU, the area of arable land is estimated at about 900 thousand ha (Figure 8.2.M.10.1-5 map P5). The list of eligible areas at ATU LAU2 level is contained in Annex Chap. 8.2. – list of eligible areas M.10, M 11, M.13.

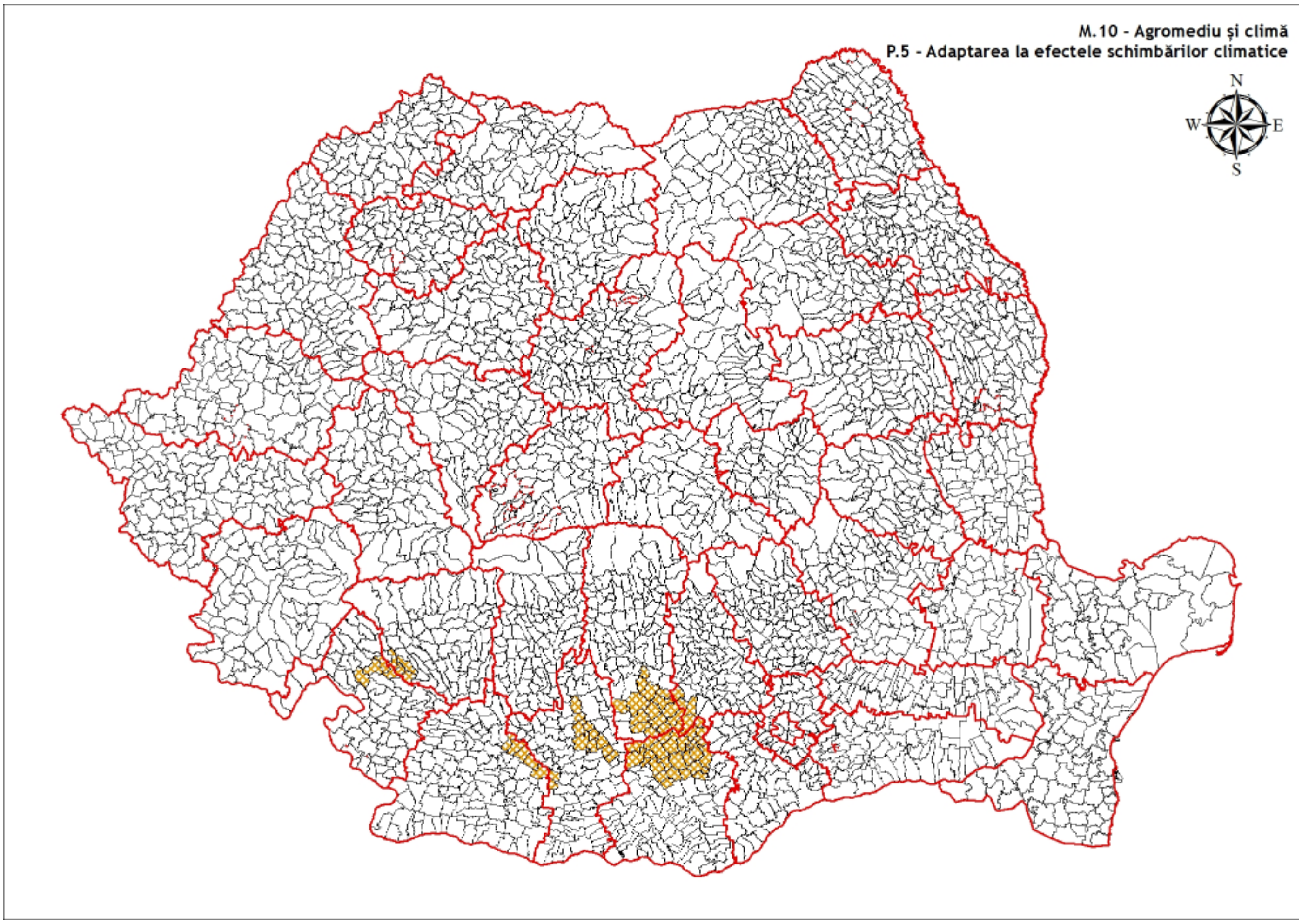

Figure 8.2.M.10.1-5 – map P5

8.2.8.3.5.2. Type of support

The support granted under this measure is a compensation payment for the income foregone and additional costs incurred by beneficiaries. The compensation payment is paid annually, as a fixed amount per unit of area (hectare).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.5.3. Links to other legislation

EU Legislation:

- Title V, Chapter II and Title VI, Chapters I and II, of (EU) Regulation no 1306/2013 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
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no. 1307/2013 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.

National legislation:

- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- The Order on setting the method of implementation, the specific conditions and the eligibility conditions for the application of payment schemes that apply in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.5.4. Beneficiaries

Farmers (users of agricultural lands).

8.2.8.3.5.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.5.6. Eligibility conditions

Eligible area:

- 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.
- commitments signed for package 5 are subject to maintaining the value of the area throughout the commitment period, the parcels on which the commitments apply can be changed from one year to another;
- only farmers that have arable areas smaller than 10 ha within the farm are eligible.

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,
- 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),

Requirements specific to commitments

The requirements specific to Package 5 - adaptation to climate changes effects are:

- for each committed spring crop (maize, sorghum, sunflower, soybean) at least two hybrids/varieties will be used at the same time on the cultivated area in equal proportions with different precocities (early or semi-early and late or semi-late) (P),
- farmers who conclude commitments will have to assure crop rotation, so that in 2 consecutive years at least 3 different crops are used of the 4 eligible crops (maize, sorghum, sunflower, soy),
- the use of minimum tillage methods, as ploughing the areas under commitment is forbidden (P),
- the spreading of manure as compost (the maximum amount of manure to be spread on lands must be in accordance with the standards on maximum amounts of nitrogen fertiliser that can be spread on agricultural lands as defined in the "Code of Good Agricultural Practices for protection of waters against pollution caused by nitrates") (P),
- ploughing or disking the existing grasslands of agricultural holdings which have ongoing commitments is forbidden.
- beneficiaries shall keep records of farming activities connected with the implementation of agri-environmental requirements.
- the beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aimed at least at aspects regarding the identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of the farm necessary to comply with the basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, reductions of the support granted can be applied, that in some cases foreseen in the system of penalties applicable to Measure 10 can even mean exclusion from payment.

The eligible areas for Package 5 are presented in the Figure 8.2.M.10.1-5 – map P5 and in the list included in Annex Chap. 8.2. – list of eligible areas M.10, M11 and M.13.

8.2.8.3.5.7. Principles with regards to the setting of selection criteria

Pursuant to article 49(2) of Regulation 1305/2013 the selection criteria are not applied to the agri-environment-climate measure.

8.2.8.3.5.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

The compensation payments, calculated as standard costs cover entirely the estimated income foregone and additional costs and are, for Package 5 – adaptation to climate changes effects of – ***EUR 125/ha/year.***

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

Package 5 of the agri-environment and climate measure (article 28) may be combined on the same agricultural area with Package 1 of each sub-measure of the organic farming measure (11.1 and 11.2 - Article 29), as there are no similar requirements that could lead to the double financing of certain actions. Under this measure, the payments granted under package 5 may be cumulated with the payments granted under package 4, as there are no similar requirements that could lead to the double financing of certain actions. No other combination of packages on the same parcels is possible, as the eligible areas are different.

8.2.8.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.5.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under the section specific to the measure.

8.2.8.3.5.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks are presented in the specific section of the measure.

8.2.8.3.5.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure.

8.2.8.3.5.10. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments in the measure technical fiche.

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 29(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, 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

Following compliance with the specific requirements under Package 5, farmers incur additional costs or, in some cases, income foregone from the agricultural activity, due to the diversification of crops, to the adjustment of farming activities to the modified climate conditions and to the composting of organic materials with the aim to obtain organic fertilisers. Under the current climate context, farmers signing commitments under Package 5, 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 about 15% lower than for semi-late and late hybrids). The harvest decrease under the minimum tillage system compared to the conventional system is by 15% and the fuel consumption is 90% compared to the fuel consumption of the conventional system. By applying the requirements of this package, farmers also obtain some savings due to reduced use of certain agricultural activities specific to classical technologies.

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

8.2.8.3.6. Package 6 - pastures important for butterflies (Maculinea sp.)

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.6.1. Description of the type of operation

The assessment of ***populations in the species of the genus Maculinea*** - species that are on the list of animal and vegetal species of community importance that need strict protection, provided in the Annex IV of the Directive Habitats - 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 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 teleius*, *Maculinea alcon* and *Eriogaster catax*. Due to their extremely complex vulnerability, biology and ecology, the species of butterflies in the genus *Maculinea* have benefited in the last 20 years from many studies (e.g. the Action plan for the butterflies Maculinea in Europe, published in 1999 in the magazine Nature and Environment No 97) and generous financing from the EU budget, which has permitted the preparation of management plans for their preservation which have a strong scientific basis. 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 (sorbestrea)* are used. Mowing with a frequency of 3-5 times, as an agricultural practice specific for certain low-altitude areas or of 2-3 times in higher areas, but in periods unfavourable for the development of butterflies of genus *Maculinea* 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*), and also in this period the larvae are located inside the plant's flower. Only after mid-August have most larvae left the flowers. Certain *M. nausithous* larvae continue to be in inflorescence 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, well studied both in the Cluj areas, and in the Bucovina area, the support targeted by Package 6 shall promote late mowing (after August 25th). It should be noted that the implementation of this package will also indirectly contribute to the conservation of important habitats specific for natural and semi-natural pastures, and also of certain priority species whose ecology is connected to these habitats.

The areas selected as eligible under this package, since the period 2007-2013, are located in Cluj county and in Suceava county, on the territory covered by 26 ATUs, of which the permanent pastures area is of about 23,000 ha. At European level, the first steps were taken to elaborate action plans addressed to the preservation of butterflies of the genus Maculinea (http://www.bc-europe.eu/index.php?id=360).

The spatial distribution of areas eligible under this package is presented in the Figure 8.2.M.10.1-6 – map P6, while the list of eligible areas at ATU LAU2 level is included in Annex Chap. 8.2. – list of eligible areas M.10, M11, M.13.

Package 6 proposes 2 variants, applicable on areas of pastures important for butterflies:

- *Variant 6.1 – manual works on pastures important for butterflies (Maculinea sp.)*
- *Variant 6.2 – works by light equipment on pastures important for butterflies (Maculinea sp.)*

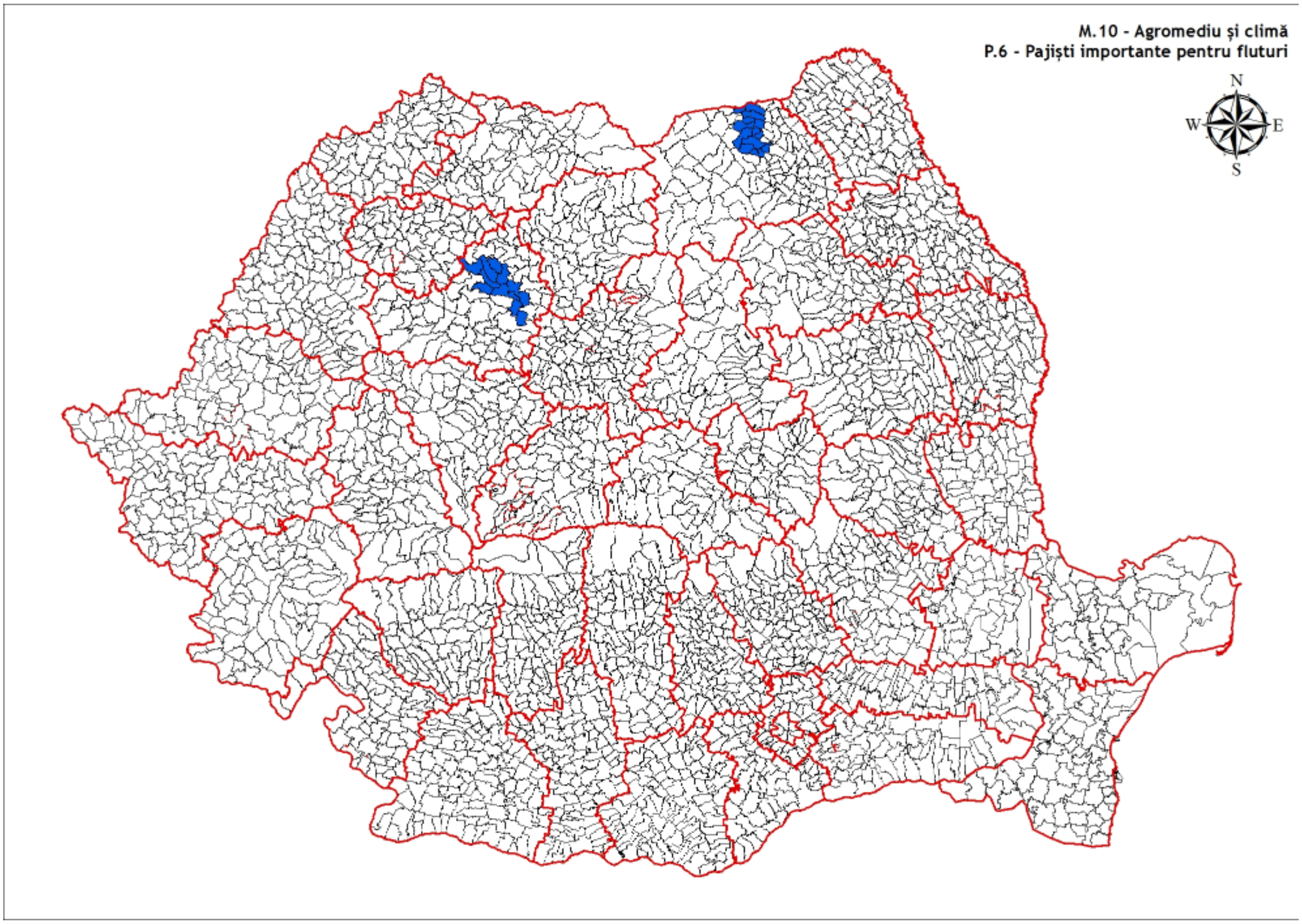

Figure 8.2.M.10.1-6 – map P6

8.2.8.3.6.2. Type of support

The support granted under this measure is a compensation payment for the income foregone and additional costs incurred by beneficiaries. The compensation payment is paid annually, as a fixed amount per unit of area (hectare).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.6.3. Links to other legislation

EU Legislation

- Title V, Chapter II and Title VI, Chapters I and II, of (EU) Regulation no. 1306/2013 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
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no 1307/2013 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.

National legislation:
- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- The Order on setting the method of implementation, the specific conditions and the eligibility conditions for the application of payment schemes that apply in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- GD no. 4/1995 on the fabrication, marketing and use of phytosanitary products for fighting disease, pests and weeds in agriculture and forestry and GD 1559/2004 on the procedure for certification of plant protection products in order to place them on the market and use them on the territory of Romania;
- Order no. 1378/1071/2010 on the modification and completion of the Regulation regarding the organization and operation of the Inter-ministerial Commission for certification of fertilisers, in order to register them on the list of certified fertilisers with the mention RO-FERTILISER, to be used and marketed in Romania, approved by Order of the minister of agriculture, forests, water and environment and of the Minister of health no. 6/22/2004,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.6.4. Beneficiaries

Farmers (users of agricultural lands).

8.2.8.3.6.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.6.6. Eligibility conditions

Eligible area:
- 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.

- The commitments within package 6 apply at the level of agricultural parcel, as there is no possibility to change parcels during commitments.

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,
- 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 he/she 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),

Requirements specific to commitments

The requirements specific to Package 6 – pastures important for butterflies (Maculinea sp.) are the following:

- The use of chemical fertilisers and pesticides is forbidden (P);
- The traditional use of manure is allowed up to the equivalent of maximum 40 kg. N/s.a/ha;
- Mowing can begin only after August 25th (P);
- Mechanized machinery are not allowed on the parcels under commitment, except those operated by animal power (for variant 6.1) or works can be done with low capacity mechanized machinery (short blade mower equipment and low speed movement), the use of heavy machinery is forbidden (for variant 6.2) (P),
- Grazing is to be done with maximum 0,7 LU per hectare.
- Actions leading to accelerated natural drainage of pastures under commitment are forbidden.
- The mown vegetal mass must be collected from pastures under commitment no later than 2 weeks from mowing;
- The flooded pastures will not be grazed earlier than 2 weeks after water withdrawal;
- There will be no surface seeding or over-seeding (seeding with species from local flora is allowed only in the cases when some areas are accidentally affected)
- Ploughing or disking the pastures within the farms with ongoing commitments is forbidden.
- The beneficiaries keep records of the agricultural activities correlated with the implementation of the agri-environment requirements.
- the beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aimed at least at aspects regarding the

identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of the farm necessary to comply with the basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, reductions of the support granted can be applied, that in some cases foreseen in the system of penalties applicable to Measure 10 can even mean exclusion from payment.

The areas eligible for Package 6 are presented in the map included in the Figure 8.2.M.10.1-6 – map of P6 and in the list included in Annex Chap. 8.2. – list of eligible areas M.10, M11, M.13.

8.2.8.3.6.7. Principles with regards to the setting of selection criteria

Pursuant to article 49(2) of Regulation 1305/2013 selection criteria are not applied to the agri-environment-climate measure.

8.2.8.3.6.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.
The compensation payments, calculated as standard costs, cover the entire estimated income foregone and additional costs estimated.

Package 6 - pastures important for butterflies (*Maculinea sp.*) they are:

- variant 6.1 – *manual works on pastures important for butterflies (Maculinea sp.)* – ***EUR 361/ha/year;***
- variant 6.2 – *works by light equipment on pastures important for butterflies (Maculinea sp.)* – ***EUR 282 /ha/year***

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

No combinations of packages on the same parcels are possible, as the eligible areas are different.

8.2.8.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.6.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under the specific section of the measure.

8.2.8.3.6.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks are presented in the specific section of the measure.

8.2.8.3.6.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure fiche.

8.2.8.3.6.10. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments, in the measure technical fiche.

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 29(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, 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 Package 6, 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. Moreover, undertaking works with small size mechanized equipment on pastures under commitment or the prohibition of undertaking mechanized works (except those operated by animal power) on pastures under commitment within package 3, lead to higher costs for farmers. The works such as manual mowing or turning the hay require intense labour and are more expensive than the modern mechanized works. Also, the use of small-size mechanized equipment, although more economic than manual works, is more expensive than conventional mechanized practices. Overall, the agri-environment practice is not as profitable as the conventional practice, and therefore a compensation payment is granted.

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

8.2.8.3.7. Package 7 - arable lands important as feeding areas for Red-breasted Goose (Branta ruficolis)

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.7.1. Description of the type of operation

The objective of Package 7 is to ensure the survival and reproduction of the species ***Branta ruficolis (red-breasted goose)*** - an important species included in Annex 1 of Birds Directive - in the eligible areas designated within the measure. The implementation of the agri-environment-climate commitments adapted to ethological requirements specific to this species will make a contribution to reaching the objectives set by the 'International Single Species Action Plan for the Conservation of the Red-breasted Goose' (Bird Life International).

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 also included on the Red List of threatened species 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. The 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 2012-2013 (www.redbreastedgoose.aewa.info). 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 the Red-breasted Goose in Romania are located in Dobrogea region and the surrounding area. 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 Goloviţa 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 roost area, in particular, the South-West part of Techirghiol Lake. Along the Danube River, nearby Călăraşi, another main shelter for this species is located on the Iezeru Lake (Dan Hulea, Romanian Bird Society, 2002). The data collected during the monitoring operations on the Red-breasted Goose, carried out through the Common Research and Monitoring Programme (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.redbreastedgoose.aewa.info). 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 Ialomiţa and the Small Island of Brăila and Balta Albă. Geese are herbivores and in Romania the main food resources for the species are winter wheat and barley.

They may also feed on maize grains and newly germinated rapeseed plants, which 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. 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 to supplement their feed. The overlapping between geese feeding areas and arable lands used for intensive cereal production leads to potential conflicts regarding the maintenance of feeding areas under good quantity and quality conditions on one hand, and the losses caused by geese to these crops, on the other. In addition there are challenges from the change of crops traditionally used in Dobrogea with increased planting of technical plants that 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.

In the period 2014-2020, the areas eligible under Package 7 are represented only by feeding areas situated at the level of Special Protection Areas (SPAs) Important Bird Areas. These cover the eligible area designated for the period 2007-2013, which included the Important Bird Areas (IBAs), mainly covering the roost territories. In addition to areas previously proposed (2007-2013), in order to ensure consistency and homogeneity of eligible areas, other territories will be also included in the next programming-period, based on data obtained from geese equipped with satellite transmitters installed by the Romanian Bird Society and by partners from other Member States. 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 areas 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 Figure 8.2.M.10.1-7 - map P7 and the list of eligible areas at ATU LAU2 level is presented in Annex Chap. 8.2. – list of eligible areas M.10, M11, M.13.

In order to avoid any overlapping with the cross-compliance standard on soil protection during winter, Package 7 may apply on maximum 80% of the arable land area belonging to a farm.

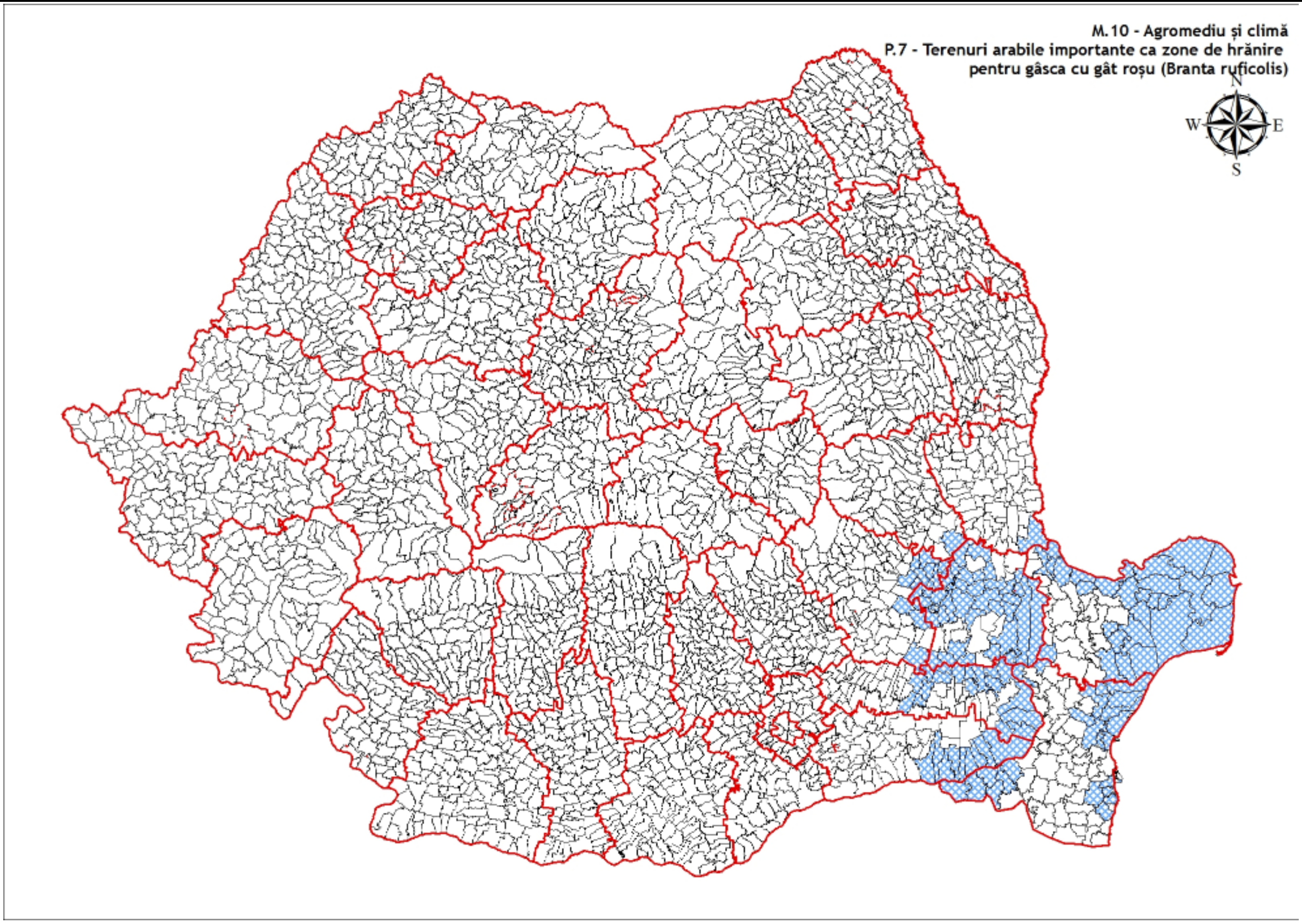

Figure 8.2.M.10.1-7 – map P7

8.2.8.3.7.2. Type of support

The support granted under this measure is a compensation payment for the income foregone and additional costs covered by beneficiaries. The compensation payment is paid annually, as a fixed amount per area unit (hectare).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.7.3. Links to other legislation

EU legislation:

- Title V, Chapter II and Title VI, Chapters I and II, of (EU) Regulation no. 1306/2013 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
- Title I, Article 4, Title II, Chapter 1 article 9 and Title III, Chapter 3, articles 43-46 of Regulation (EU) no 1307/2013 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) no73/2009.
- Directive 2009/128/EC establishing a framework for Community action to achieve the sustainable use of pesticides

National legislation:
- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- The Order on setting the method of implementation, the specific conditions and the eligibility conditions for the application of payment schemes that apply in agriculture in the period 2015-2020,
- Joint order of MARD/MEFW/NSVFSA no. 352/2015 on the approval of the rules regarding cross-compliance within support schemes and measures for Romanian farms,
- GD no. 4/1995 on the fabrication, marketing and use of phytosanitary products for fighting disease, pests and weeds in agriculture and forestry and GD 1559/2004 on the procedure for certification of plant protection products in order to use them on the territory of Romania;
- Order no. 1378/1071/2010 on the modification and amendment of the Regulation regarding the organization and operation of the Inter-ministerial Commission for certification of fertilisers, in order to register them on the list of certified fertilisers with the mention RO-FERTILISER, to be used and marketed in Romania, approved by Order of the minister of agriculture, forests, water and environment and of the Minister of health no. 6/22/2004,
- Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources.

8.2.8.3.7.4. Beneficiaries

Farmers (users of agricultural lands).

8.2.8.3.7.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.7.6. Eligibility conditions

Eligible area
- 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 the SPAs (Special Protection Areas) delimited in the Programme at ATU LAU2 level.
- In order to avoid any overlap with the cross-compliance standards regarding soil protection during winter, Package 7 can be applied on maximum 80% of the arable land area belonging to a farm
- The commitments within Package 7 apply at the level of the agricultural parcel, there is no

possibility to change parcels during commitments.

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,
- 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 the agri-environment requirements (basic records at the level of the entire farm and advanced records at the level of areas under commitment),

Requirements specific to commitments

The requirements specific to Package 7 – arable lands important as feeding areas for red-breasted goose (Branta ruficolis) are the following:

- In each year of the commitment, after September 15^{th}, a crop of winter cereals (wheat, barley, rye, triticale) or rapeseed has to be set-up (P),
- Sowing autumn cereals (wheat, barley, rye, triticale) or rapeseed should be completed before October 15^{th},
- During the 5 year period of the commitments, it is mandatory to set up the maize crop during summer in at least 2 years
- When a corn crop is set-up, in that year, on the parcel under commitment, the autumn crop is incorporated into the soil no later than the end of March (P),
- The parcels under commitment can be sown with corn, but no later than May 15^{th} and maize will not be harvested before September 15^{th} ,
- When harvesting corn crop an area of minimum of 5% and a maximum of 10% is left unharvest or in case a corn crop is not established in that year of commitment, the farmer must ensure 100 kg of corn grains per ha in at least one feed point located on each committed parcel (P),
- Pesticides and phyto-stimulators (fertilisers) cannot be used in the period between sowing the autumn crop and March 15^{th} (P),
- agricultural works and/or grazing during the period October 15^{th} – March 15^{th} are forbidden
- It is forbidden to use methods of chasing birds in the period between October 15^{th} and March 31^{st} (P).
- Ploughing or disking the pastures within the farms with ongoing commitments is forbidden.
- The beneficiaries keep records of the agricultural activities correlated with the implementation of agri-environment requirements.

- the beneficiaries of the measure will have to prove that they have the competencies necessary for implementing the commitments or commit themselves to get the necessary knowledge and information or to provide the expertise necessary in the field of implementation of agri-environment-climate commitments, through consultancy or advisory services aimed at least at aspects regarding the identification of agricultural parcels, filling-in and submitting commitments and payment applications, the management measures applicable at the level of farm necessary to comply with the basic requirements and specific requirements of commitments.

In the case of non-compliance with specific requirements of commitments, reductions of the support granted can be applied, that in some cases foreseen in the system of penalties applicable to Measure 10 can even mean exclusion from payment.

The areas eligible for Package 7 are presented in Figure 8.2.M.10.1-7 – map P7 and in the list included in Annex Chap. 8.2. – the list of eligible areas M.10, M11, M.13.

8.2.8.3.7.7. Principles with regards to the setting of selection criteria

Pursuant to article 49(2) of Regulation 1305/2013 selection criteria are not applied to agri-environment-climate measure.

8.2.8.3.7.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

The compensation payments, calculated as standard costs, cover the entire estimated income foregone and additional costs estimated, that is ***EUR 250/ha/year*** *for* package 7 – arable lands important as feeding areas for red-breasted goose (Branta ruficolis).

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

Payments granted under Package 7 cannot be cumulated with the payments granted under Package 4, due to the different requirements applicable on arable lands during winter. Combination of packages on the same parcels is not possible, as the eligible areas are different.

8.2.8.3.7.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.7.9.1. Risk(s) in the implementation of the measures

The specific risks identified are presented under the specific section of the measure.

8.2.8.3.7.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks are presented in the specific section of the measure.

8.2.8.3.7.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure.

8.2.8.3.7.10. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments in the measure technical fiche.

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 29(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, 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

As a result of the compliance with Package 7 specific requirements, farmers incur an income loss as compared to farmers using conventional farming practices.

The setting-up of the autumn crop which, if rotated with a summer crop (maize), generates costs associated to land preparation activities (e.g. ploughing or disking), to procurement of seeds as well as expenditure related to the incorporation of the crop into the soil during spring, given that this crop cannot be sold by farmers, the income foregone being equivalent to 100% of expenditure incurred.

If farmers choose to maintain the autumn crop to sell the obtained production, then these farmers incur a loss of production due to the interdiction to use crop protection methods in the period October 15th – March 15th (e.g. use of pesticides, birds chasing away methods, use of phyto-stimulators). Therefore, the losses caused by feeding the birds leads to a production loss by 25% in case of cereals or even to the full loss of the crop in case of rape, as geese feed on the buds of this plant during its incipient growing phases or even un-root the plants in areas with humidity in excess. These losses, cumulated with the production cuts due to the interdiction to use pesticides and phyto-stimulators during October 15th – March 15th, lead to a decrease of production by 40% on average. If no maize crop is set-up, additional expenditure are incurred due to the procurement of the needed quantity of grain maize, its transportation to the feeding points located on parcels for which commitments were signed and handling of the maize (loading/unloading).

As the setting-up of the maize crop during summer is mandatory for minimum 2 out of the 5 years of commitment, the compensation payment was calculated for a crop rotation system applied in 3 out of the 5 years and, as well, based on successive crops of autumn wheat – maize applied in 2 out of the 5 years. The income foregone and additional costs incurred under the commitments is due to the non-harvesting of production on 5% of the committed parcels, in order to provide the feed for geese. Under this package farmers make savings due to the non-use of chemical fertilisers or phyto-stimulators in 3 out of the 5 years of commitment when the winter crop is capitalized. The income foregone and additional costs calculated under this package were established as an average for the 5 years of the commitments, ensuring the same level of the compensation payment for each year 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.

To avoid any overlapping of requirements for package 7 with GAEC standard on soil protection during winter, by providing farming land coverage or by maintaining it untilled on at least 20% of farm arable land area, this package can be applied on maximum 80% of arable land area belonging to a farm.

The calculation methodology is validated by ICPA, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.1 - letter of ICPA on the validation of the methodology for calculation of payment M 10.1 P1-P7).

8.2.8.3.8. Package 8 - breeding of farm animals of local breeds in danger of abandonment

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.8.3.8.1. Description of the type of operation

Genetic diversity is an indispensable factor for the development of agricultural production and of rural areas. The national priorities of policies related to development and use of genetic diversity of domestic animals (Strategy on development of agri-food sector on medium and long term Horizon 2020-2030 of MARD) are targeted towards the production and sustainable use of certain species and breeds with a high production potential as well as to the maintenance and use of animal breeds in danger of abandonment. Maintaining genetic resources by increasing the number of adult reproduction animals of specified local traditional breeds in danger of abandonment leads to a valuable source of genes, well-adapted to the local and regional 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 the breeding of local animal breeds in danger of abandonment also preserves the local identity and their cultural-historical value. In Romania, the adult female reproductive livestock is recorded and updated in the genealogical records of breeds established and maintained by animal breeders associations and accredited by the National Agency for Animal Husbandry 'Prof. Dr. G. K. Constantinescu' - ANZ.

Breeds belonging to the 5 animal species included in Package 8 are local breeds and were selected for this package because they have a cultural and historical importance due to their age but they have lost the economic competition with commercial breeds and without financial support are threatened by abandonment.

The local breeds of farm animals in danger of abandonment proposed under package 8 have a number of pure-bred adult reproduction females lower than thresholds at which a breed is considered in danger of abandonment established according to Regulation (EC) no. 1974/2005 and the total number of adult reproduction females of these breeds per species for 2014 is the following:

- Cattle: Oxen – 312
- Cattle: Buffalo – 289
- Sheep – 15.825
- Goats – 2.464
- Swine – 72
- Equine – 768

Compared to these values the number of pure-bred adult reproduction females is expected to increase up to 10% per year.

Currently there are 11 associations accredited by the competent authority for maintaining studbooks for 16 breeds. For 5 breeds of equine the studbook is managed by ANZ. For each breed there are rules of

organization and functioning of the studbook recognized by ANZ, that include provisions for maintaining the purity of the breed as well as provisions on the obligations of breeders regarding the minimum rate of replacement of old females and avoidance of inbreeding.
ANZ as competent authority shall monitor the evolution of the number of females registered in the studbook as well as the technical capacity of associations to register and update of data in the studbook. Also, ANZ monitors the development of all breeds and identifies the animal breeds that are in danger.

Package 8 is applied at national level.

8.2.8.3.8.2. Type of support

The support granted under this measure is compensation payment for the income foregone incurred by beneficiaries. The compensation payment is paid annually, as a fixed amount per LSU (calculated for the pure-bred adult reproduction females).

The support under this measure is granted following the signature of voluntary commitments for a period of 5 years. After the end of the initial 5-year period, the commitments can be extended on an annual basis, until the end of the NRDP 2014-2020 implementation period.

8.2.8.3.8.3. Links to other legislation

EU legislation:

- Title V Chapter II, Title VI Chapters I and II of Regulation (EU) no. 1306/2013 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,

- Title I Article 4, Title II Chapter 1 Article 9, Title III Chapter 3 Article 43-46, of Regulation (EU) no. 1307/2013 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;

National legislation:

- National Implementation Framework,
- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture during the 2015 – 2020 period;
- Order on establishing the implementation manner of the specific conditions and eligibility criteria for applying payment schemes that apply in agriculture during the 2015 – 2020 period;
- Joint order of MARD/MMAP/NSVFSA no. 352/2015 approving rules regarding cross-compliance under the supporting schemes and measures for Romanian farms;
- Order approving the Code of good farming practices for the protection of waters against pollution caused by nitrates from agricultural sources
- Government Decision no. 1188/2014 on the organisation and operation of the National Agency for Animal Husbandry 'Prof. Dr. G. K. Constantinescu',
- GEO no. 113/2002 on the identification and registration of bovines in Romania,
- MARD Order no. 765/2009 on the approval of standards for reproduction animals from the bovine

species,

- GEO no. 23/2010 on the identification and registration of swine, ovine and goats as well as for modification and completion of some legal acts
- Order no. 20/2006 approving the standards for reproductive animals from ovine and caprine species, with subsequent amendments and additions,
- Animal breeding Law no. 72/2002, with subsequent amendments and additions,
- Horse Law no. 389/2005, with subsequent amendments and additions,
- Order of MARD No 765/2009 for the approval of the rule on the reproduction animals from bovine species,
- 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 on the approval of the programme for supervision, prevention, control and eradication actions of animal diseases, of diseases transmissible from animals to people, on animal and environment protection, on identification and registration of bovine, swine, equine, ovine and caprine animals.

8.2.8.3.8.4. Beneficiaries

Farmers (users of agricultural lands) who are breeding pure-breed adult reproductive females of local breeds in danger of abandonment.

8.2.8.3.8.5. Eligible costs

The eligible costs under this measure are made of standard costs, calculated for each package/variant, based on the assessment of 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.

Transactional and investment costs are not included in the standard costs.

8.2.8.3.8.6. Eligibility conditions

Eligible area:

- Package 8 - breeding of farm animals of local breeds in danger of abandonment is available on the entire national territory

Beneficiaries:

- shall hold pure-bred reproduction female animals from local breeds in danger of abandonment of the species foreseen in the programme, registered in the breed genealogical records – main section;
- shall be the users of agricultural areas located on the Romanian territory, identifiable in the Integrated Administration and Control System (IACS), where they ensure a livestock density of minimum 0.3 LSU/ha (the load is calculated for the entire farm livestock and is related to the areas of permanent pastures);
- shall undertake to comply with the relevant basic requirements for Package 8 foreseen in the programme, on the entire farm area;
- shall undertake to keep records of activities implemented within the farm, relevant for the

compliance with the commitments;

- shall undertake to comply with the specific requirements of the voluntary commitments on the breeding of adult female reproductive animals from local breeds in danger of abandonment.

Specific requirements of commitments

The specific requirements for Package 8 - breeding of farm animals of local breeds in danger of abandonment are the following:

- the beneficiary undertakes to respect the rules of organization and functioning of the studbook of breed managed by associations accredited by ANZ based on Article 5 letter a) of GD No 1188/2014
- the beneficiary undertakes to maintain for a period of 5 years the number of adult reproduction females set-out in the conclusion of the commitment as well as the female descendants needed to replace those animals until the end of the programme; if the committed livestock is reduced due to causes such as sickness, slaughtering, death or sale, the beneficiary shall notify the Paying Agency and shall restore the adult female reproductive livestock by transfer from young animals or by acquisition; if the restoration is not done in maximum 6 months from the notification then the support will be reduced proportionally (P).
- the beneficiary ensures a livestock density of maximum 2,0 LSU/ha (the load is calculated on the entire livestock on the farm and is related to areas of permanent grassland).
- flooded grasslands will not be grazed earlier than two weeks after withdrawal of water
- tilling or disking of grasslands in the farms with ongoing commitments is forbidden.
- Beneficiaries shall keep records of farming activities related to the implementation of agri-environmental requirements.
- beneficiaries of the measure will have to demonstrate they hold the required skills to implement those commitments or they undertake to obtain the necessary information and knowledge or to ensure the expertise necessary for the implementation of agri-environmental and climate commitments through advisory or consultancy services that aim at least at aspects of the identification of agricultural parcels, completion and submission of commitments and payment applications, applicable management measures at the farm level necessary to comply with the basic requirements and the specific requirements of the commitments.

In the event of non-compliance with the specific requirements of the commitments, reductions of the support granted will be applied, which in some cases provided in the system of penalties applicable to Measure 10 may lead to the exclusion of payment.

The equine used mainly for sport or recreational purposes are not eligible for payments within this package.

8.2.8.3.8.7. Principles with regards to the setting of selection criteria

Pursuant to Article 49 (2) of Regulation 1305/2013 selection criteria are not applied to the agri-environment and climate measure.

8.2.8.3.8.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

The compensation payments, calculated as standard costs cover entirely the estimated income foregone under Package 8 - breeding of farm animals of local breeds in danger of abandonment are:

- Sheep – ***EUR 87/LSU***
- Goats – ***EUR 40/LSU***
- Bovines (including oxen and buffalo) – ***EUR 200/LSU***
- Equidae – ***EUR 200/ LSU***
- Swine – ***EUR 176/LSU***

The calculation methodologies are validated by an independent body according to the provisions of Article 62(2) of Regulation (EU) no. 1305/2013 (Chapter 18.2 Figure 18.2. M10.2 - letter of ICEADR on the validation of the methodology for calculation of payment M 10.1 P8).

The beneficiaries of Package 8 may be granted agricultural area payments under the other measures and/or packages.

8.2.8.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.8.9.1. Risk(s) in the implementation of the measures

The specific risks identified, related to the use of agricultural lands, are presented under the specific section of the measure.

The specific risks identified, related to the breeding of farm animals of local breeds in danger of abandonment are as follows:

- Non-compliance with the eligibility criteria on farm animals of local breeds in danger of abandonment under commitment,
- Diseases and sanitary problems affecting the animals, death and slaughtering-sanitary risk,
- Environment /pollution incidents that could affect the animals – environment risk.

8.2.8.3.8.9.2. Mitigating actions

The measures envisaged to improve measure implementation and mitigate risks related to the use of agricultural land, are presented in the specific section of the measure.
The measures envisaged to improve measure implementation and mitigate risks related to the breeding of farm animals of local breeds in danger of abandonment are as follows:

- cross administrative checks with other relevant external databases,
- signature of collaboration protocols to ensure the exchange of relevant information,
- elaboration of a progressive sanctioning system for application of reductions proportionally to the commitment non-compliance level,
- establishment of detailed standards in the technical implementation procedures in regard to the recognition of force majeure cases and exceptional situations
- training activities of associations of animal breeders on breeding of animals of local breeds in danger of abandonment carried out by ANZ.

8.2.8.3.8.9.3. Overall assessment of the measure

Clarifications on the overall assessment of the measure are presented in the specific section of the measure.

8.2.8.3.8.10. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

Based on the dynamics of the number of female reproductive animals of local breeds (recorded in the breeds genealogical registers) in the period 2008-2013 (Figure 8.2.M.10.1-8 – dynamics of local breeds 2008-2013), ANZ has established and certified the list of local breeds in danger of abandonment in Romania and the corresponding danger (risk level), according to Article 7 (3) of Regulation (EU) no. 807/2014, as follows:

Sheep:

- Ţigaie with black Teleorman head
- Raţca (Valach with corkscrew-shaped horns)
- Karakul of Botosani
- Merinos de Suseni
- Transilvanian Merinos
- Merinos de Cluj
- Merinos de Palas
- Tigaie – ferruginous variety

Goats

- Carpatina
- Banat-white

Oxen:

- Steppe Grey

Buffalos:

- Romanian buffalo

Equidae:

- Furioso North Star
- Huţul
- Gidran
- Romanian Semi-heavy
- Arabian Shagya
- Nonius
- Lipizan

Swine:

- Bazna,
- Mangalița

CENTRALIZED LIST OF LIVESTOCK THAT ARE GENETIC RESOURSE IN THE PERIOD 2008-2013

No. of adult reproduction females

No.	Species		Breed	Year					
				2008*	2009*	2010**	2011**	2012**	2013***
1.	Cattle	Oxen	Steppe Grey	45	51	61	65	61	67
		Buffaloes	Romanian buffalo	221	228	44	67	81	289
2.	Sheep		Ţigaie- ferruginous variety	1151	1271	1521	1521	1120	1120
			Raţca (Valach with corkscrew-shaped horns)	2058	2371	3221	3108	3235	3680
			Karakul of Botoşani	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
			Ţigaie with black Teleorman head	3654	4030	3455	3252	3119	3438
3.	Goats		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
			Huţul	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.	Swine		Bazna	65	79	31	30	30	22
			Mangaliţa	260	548	35	36	33	55

*) According to Order of MARD no. 582/2008 and Order of MARD no. 634/2009 approving the List of animal genetic resources

in critical condition, in danger of extinction and of those vulnerable, subject to programmes of preservation and use in 2008 and 2009;

**) According to system data managed by the National Agency for Improvement and Reproduction in Animal Husbandry (in Ro-ANARZ) 'Prof. Dr. G. K. Constantinescu' – only adult reproduction females;

***) According to Government Decision no. 962/2013 on approving the provision of de minimis aids for preservation of animals local breeds in danger of abandonment.

Figure 8.2.M.10.1-8 – dynamics of the local breeds 2008-2013

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(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, 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 to cover the income foregone and additional costs due to compliance with the voluntary commitments on breeding of farm animals from local 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 basis for the compensation payments is the standard output (Standard Output - SO), specific to each of the animal species that was used to reflect the economic effects of the use of these breeds compared to the conventional breeds.

The SO calculation methodology was elaborated based on questionnaires-forms prepared by MARD and 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 data for the year 2013.

The standard output per individual breeder (individual SO) is the ratio between the total standard output (total SO) and the average number of animals (average no.).

By multiplying the individual SO (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 per farm – intermediary data), therefore an average SO can be calculated per species.

The difference between the values of average SO by species in danger of abandonment obtained based on data collected for 2013 and the value of the standard output SO 2010, calculated by FADN, by commercial animal species, as average value for five consecutive years (2008 - 2012) EUR/head, gives the values of income foregone incurred by breeding animals of local breeds in danger of abandonment, expressed in EUR/head.

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 Article 9 and Annex II to the Implementing Regulation (EU) no. 808/2014. If the value of the income foregone is below the maximum quantum of the support (EUR/head), then the value of the compensation payment is equal to the value of the income foregone. If the value of the income foregone is above the maximum quantum of the support (EUR/head), then the value of the compensation payment is equal to the maximum quantum of the support.

The calculation methodology is validated by ICEADR, as an independent body, according to the provisions of Article 62(2) of Regulation (EU) no 1305/2013 (Chapter 18.2 Figure 18.2. M10.1-2 - letter of ICEADR on the validation of the methodology for calculation of payment M 10.1 P8).

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 verifiability and controllability of 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 Article 62 of Regulation (EU) no. 1305/2013, performed by the Managing Authority (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 by farmers 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,
- inadequate record-keeping for agricultural activities relevant in terms of commitments.

8.2.8.4.2. Mitigating actions

The measures taken to improve the measure implementation and to reduce risks include:

- revision of eligibility criteria and specific requirements in order to ensure clarity of the measure
- 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 and information materials available online,
- the beneficiaries of the measure will have to prove that they possess the relevant knowledge and information or they benefit of the technical expertise required to implement the commitments.

The commitments will be managed through the Integrated Administration and Control System (IACS) administered by the Paying Agency. The commitments undertaken by farmers under Measure 10 will be checked by administrative and on-the-spot methods (including rapid field visits for the verification of certain requirements related to compliance with certain dates established for the performance of agricultural works), the efficacy and efficiency of these methods being provided for in specific procedural provisions. The administrative checks will take account all ongoing commitments and will be based on the information recorded in IACS and on cross-checks with other relevant databases. The eligibility requirements related to

the inclusion in eligible areas and to the eligibility of expenditure (e.g. land category of use, farm and parcel size), the maintenance of areas or of the number of animals under commitment, the compliance with the commitment period and with the other commitments taken by farmers are subject to administrative checks. These checks are conducted based on data recorded in IACS, for each year of commitment (based on information included in the payment applications) and comparatively, between each commitment year and the initial commitment, also using the reference information provided by cross checks (e.g. Farm Register, LPIS, Animal Register, Genealogical Registers, etc.).
The specific and/or basic requirements for Measure 10 packages in regard to the use of fertilisers and pesticides, compliance with the maximum animal load on committed areas, limitation on use of organic fertilisers and crop rotation on arable lands (including types of used crops and certain dates when farming works shall be carried out) will be subject to administrative controls within IACS, including by cross-checks with external databases (e.g. animal register etc.). The on-the-spot checks will be carried out on premises of representativeness and adequate level of control samples, by means of visual and documentary checks confirming the compliance with the requirements. The sample selection will take into account the effectiveness of the applied risk factors, by means of an annual analysis of their efficacy. 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. In cases when not all requirements and standards corresponding to purposes selected for control can be verified in the field, then quick field visits will be conducted to confirm the compliance. As a basic control method, all specific and basic requirements will be checked by means of the agri-environment registers. Detailed verifications will be carried out by remote-sensing (compliance of areas and compliance with certain cross-compliance standards) and by on-the-spot controls (compliance of areas, compliance with cross-compliance requirements and basic requirements at farm level and compliance with specific requirements at the level of parcels under commitments). The on-the-spot control results will be included in the control reports, while their documentation will be made by specific technical means (GPS measurements or by remote-sensing, photos, etc.).

To create the premises needed to achieve the objectives established under the envisaged priorities, an appropriate institutional framework will be developed (also including the delegation of certain functions on the technical implementation), as well as working procedures for the management and control activities along the procedural flow.

A good correlation shall be carried out between the procedural flows dedicated to the management of the packages of the M12 (Pillar 2) and the schemes financed through Pillar 1 of the CAP, including in terms of delegated functions and applicable systems of sanctions.

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 shift towards a low carbon 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, protection of habitats of certain 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 maintenance of local animal breeds in danger of abandonment provides for a valuable genes database, adapted to the environmental conditions and resistant to diseases, and also preserves the 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.

Following the analysis carried out by the Managing Authority 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 are ensured, both in terms of vocational training and in terms of improved working procedures, so that the financial interests of the European Union shall not be prejudiced.

The manuals of procedures for the stages of the procedural flow (promotion of measures and information of beneficiaries, submission and administration of payment application, risk analysis and sampling, on-the-spot control and supervisory control, authorization of payments, monitoring and reporting) shall be prepared by the Paying Agency (or another delegated entity, where applicable) and endorsed by the Managing Authority, before the approval at Ministry level.

8.2.8.4.4. Agri-environment-climate commitments

8.2.8.4.4.1. Package 1 - pastures with high natural value (HNV)

8.2.8.4.4.1.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reporting

On-the-spot control:

- Agri-environment register
- Visual verification on farm (including by quick field visits planned for the verification of requirements related to the compliance of certain data for carrying out the agricultural works),
- Controls by remote-sensing

The principles regarding verification of the commitments that will be considered when elaborating procedures, are presented under the "mitigation actions" section of the measure fiche.
Check of the requirements applicable to commitments under Package 1:

- maintaining commitments and eligibility of surfaces – administrative check (based on IACS and LPIS data) by ensuring traceability of commitments for each parcel
- interdiction to use chemical fertilisers and pesticides - will be checked through administrative

controls (information exchange with institutions responsible for verifying compliance with relevant national legislation) and on-the-spot checks (visual inspection, agri-environment register)

- limited use of manure - will be realized by administrative checks (cross-checking with livestock register) and on-the-spot controls (visual inspection and agri-environment register for application of organic fertilisers and number of animals)
- mowing - will be realized by on-the-spot checks (visual check and agri-environment register for the date of mowing and gathering the hay)
- limit load of animals and grazing - administrative checks (cross-checking with livestock register for the maintenance of a reduced load of animals) and on-the-spot check (visual inspection and by agri-environment register for maintaining a reduced load of animals throughout grazing period and use of flooded meadows)
- interdiction of seeding or overseeding - on-the-spot check (visual inspection and agri-environment register)
- necessary skills needed to implement commitments - administrative check (documentation that demonstrates the access of advisory or consultancy services).

8.2.8.4.4.2. Package 2 - traditional agricultural practices

8.2.8.4.4.2.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:

- Agri-environment register
- Visual verification on farm (including by quick field visits),
- Controls by remote-sensing

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.
Check of the requirements applicable to commitments under Package 2:

- the method of performance of works – it will be done by on-the-spot checks (visual check and agri-environment register for manual works and light equipment)

8.2.8.4.4.3. Package 3 - pastures important for birds - variant 3.1 – Crex crex

8.2.8.4.4.3.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:

- Agri-environment register

- Visual verification on farm (including by quick field visits planned for the verification of requirements related to the compliance of certain data for carrying out the agricultural works),
- Controls by remote-sensing

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.

Check of the requirements applicable to commitments under Package 3.1:

- maintaining commitments and eligibility of surfaces – administrative check (based on IACS and LPIS data) by ensuring traceability of commitments for each parcel
- interdiction to use chemical fertilisers and pesticides - administrative controls (information exchange with the institutions responsible for verifying compliance with relevant national legislation) and on-the-spot checks (visual inspection, agri-environment register)
- limited use of manure - administrative checks (cross-checking with livestock register) and on-the-spot controls (visual check and agri-environment register for the application of organic fertilisers and the number of animals)
- mowing - on-the-spot checks (visual check and agri-environment register for data regarding hay mowing and gathering)
- the method of performance of works – on-the-spot checks (visual check and agri-environment register for manual works and light equipment)
- limited load of animals and grazing - administrative check (cross-checking with livestock register for the maintenance of a reduced load of animals) and on-the-spot check (visual check and by agri-environment register for maintaining a reduced load of animals throughout grazing and use of flooded meadows)
- interdiction of seeding or overseeding - on-the-spot check (visual check and agri-environment register)
- possessing the necessary skills needed to implement commitments - administrative check (documentation that demonstrates the access of advisory or consultancy services)
- hay mowing and gathering

8.2.8.4.4.4. Package 3 - pastures important for birds - variant 3.2 – Lanius minor şi Falco vespertinus

8.2.8.4.4.4.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:

- Agri-environment register
- Visual check on farm (including by quick field visits planned for the verification of requirements related to the compliance of certain data for carrying out the agricultural works),
- Controls by remote-sensing

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.

Check of the requirements applicable to commitments under Package 3.2:

- maintaining commitments and eligibility of surfaces – administrative check (based on IACS and LPIS data) by ensuring traceability of commitments for each parcel
- interdiction to use chemical fertilisers and pesticides - administrative controls (information exchange with the institutions responsible for verifying compliance with relevant national legislation) and on-the-spot checks (visual inspection, agri-environment register)
- limited use of manure - administrative checks (cross-checking with livestock register) and on-the-spot controls (visual check and agri-environment register for the application of organic fertilisers and the number of animals)
- mowing - on-the-spot checks (visual check and agri-environment register for the date of hay mowing and gathering)
- the method of performance of works – on-the-spot checks (visual check and agri-environment register for manual works and light equipment)
- limit load of animals and grazing - administrative checks (cross-check with livestock register for the maintenance of a reduced load of animals) and on-the-spot check (visual check and by agri-environment register for maintaining a reduced load of animals throughout grazing period and the use of flooded meadows)
- interdiction of seeding or overseeding - on-the-spot check (visual check and agri-environment register)
- possessing the necessary skills needed to implement commitments - administrative check (documentation that demonstrates the access of advisory and consultancy services).

8.2.8.4.4.5. Package 4 - green crops

8.2.8.4.4.5.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:

- Agri-environment register
- Visual check on farm (including by quick field visits planned for the verification of requirements related to the compliance of certain data for carrying out the agricultural works),
- Controls by remote-sensing.

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.

Check of the requirements applicable to commitments under Package 4:

- maintaining commitments and eligibility of surfaces – administrative check (based on IACS and

LPIS data) by ensuring traceability of commitments for each parcel
- interdiction to use chemical fertilisers - will be checked through administrative controls (information exchange with the institutions responsible for verifying the compliance with relevant national legislation) and on-the-spot checks (visual check, agri-environment register)
- periods of establishment and incorporation of green crops and eligibility of cultures - will be realized by administrative checks (based on IACS and LPIS data) and on-the-spot checks (visual check of requirements when they can be checked, the agri-environment register)
- possessing the necessary skills needed to implement commitments - administrative check (documentation that demonstrates the access of advisory and consultancy services).

8.2.8.4.4.6. Package 5 - adaptation to climate change effects

8.2.8.4.4.6.1. Verification methods of commitments

Administrative control:
- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:
- Agri-environment register
- Visual check on farm (including by quick field visits),
- Controls by remote-sensing

The principles regarding verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.

Check of the requirements applicable to commitments under Package 5:
- maintaining commitments and eligibility of surfaces – administrative check (based on IACS and LPIS data) by ensuring the traceability of commitments for each parcel
- establishment and eligibility of crops - will be realized by administrative checks (based on IACS and LPIS data) and on-the-spot checks (visual check and agri-environment register)
- use of manure - will be realized by administrative checks (cross-check with livestock register) and on-the-spot controls (visual check and agri-environment register for the application of organic fertilisers and the number of animals)
- possessing the necessary skills to implement the commitments - administrative check (documentation that demonstrates the access of advisory and consultancy services).

8.2.8.4.4.7. Package 6 - pastures important for butterflies (Maculinea sp.)

8.2.8.4.4.7.1. Verification methods of commitments

Administrative control:
- Verification of commitments and of payment applications
- Cross-check with databases and external reporting

On-the-spot control:

- Agri-environment register
- Visual check on farm (including by quick field visits planned for the verification of requirements related to the compliance of certain data for carrying out the agricultural works),
- Controls by remote-sensing

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.

Check of the requirements applicable to commitments under Package 6:

- maintaining commitments and eligibility of surfaces – administrative check (based on IACS and LPIS data) by ensuring the traceability of commitments for each parcel
- interdiction to use chemical fertilisers and pesticides - administrative controls (information exchange with institutions responsible for verifying compliance with relevant national legislation) and on-the-spot checks (visual check, agri-environment register)
- limited use of manure - administrative checks (cross-check with the livestock register) and on-the-spot controls (visual check and agri-environment register for the application of organic fertilisers and the number of animals)
- mowing - on-the-spot checks (visual check and agri-environment register for the date of hay mowing and gathering)
- the method of performance of works – on-the-spot checks (visual check and agri-environment register for manual works and light equipment)
- limited load of animals and grazing - administrative checks (cross-check with the livestock register for the maintenance of a reduced load of animals) and on-the-spot check (visual check and by agri-environment register for maintaining a reduced load of animals throughout grazing period and the use of flooded meadows)
- interdiction of seeding or overseeding - on-the-spot check (visual check and agri-environment register)
- possessing the necessary skills to implement the commitments - administrative check (documentation that demonstrates the access of advisory and consultancy services).

8.2.8.4.4.8. Package 7 - arable lands important as feeding areas for Red-breasted Goose (Branta ruficolis)

8.2.8.4.4.8.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:

- Agri-environment register
- Visual verification on farm (including by quick field visits planned for the verification of requirements related to the compliance of certain data for carrying out the agricultural works),
- Controls by remote-sensing

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.
Check of the requirements applicable to commitments under Package 7:

- maintaining commitments and eligibility of surfaces - administrative check (based on IACS and LPIS data) by ensuring the traceability of commitments for each parcel
- interdiction to use fertilisers and pesticides - will be checked through administrative controls (information exchange with the institutions responsible for verifying the compliance with the relevant national legislation) and on-the-spot checks (visual check, agri-environment register)
- interdiction of agricultural activities during winter – on-the-spot check (visual check and the agri-environment register)
- the periods of establishment, harvest/incorporation of crops and eligibility of crops - will be realized by administrative checks (based on IACS and LPIS data) and on-the-spot checks (visual check when the requirements can be checked, the agri-environment register)
- possessing the necessary skills to implement commitments - administrative check (documentation that demonstrates the access of advisory and consultancy services).

8.2.8.4.4.9. Package 8 - breeding of farm animals of local breeds in danger of abandonment (bovine, ovine, caprine, ecvidee, porcine)

8.2.8.4.4.9.1. Verification methods of commitments

Administrative control:

- Verification of commitments and of payment applications
- Cross-check with databases and external reports

On-the-spot control:

- Agri-environment register
- Visual check on farm (including by quick field visits),
- Controls by remote-sensing

The principles regarding the verification of the commitments that will be considered when elaborating procedures are presented under the "mitigation actions" section of the measure fiche.

Check of the requirements applicable to commitments under Package 8:

- maintaining commitments - administrative check (based on IACS and LPIS data) requirements for the eligibility and keeping of animals – administrative check (cross-check with livestock register and studbooks and exchange of information with the responsible institutions) and on-the-spot check (visual check and agri-environmental register)
- interdiction of sowing or overseeding - on-the-spot check (visual check and agri-environment register)
- possessing the necessary skills to implement commitments - administrative check (documentation that demonstrates the access of advisory and consultancy services)

8.2.8.5. 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 basic requirements are described in the section on commitments in the measure technical fiche.

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 by Directive 2009/128/EC of the European Parliament and of the Council, 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

The minimum requirements on the use of fertilisers and plant protection substances are presented in the specific section on basic requirements applicable to commitments in the measure technical fiche.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

The list of local breeds in danger of abandonment is presented under the specific section of Package 8.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(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, 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

According to the provisions of Article 62 (2) of Regulation (EU) no. 1305/2013, the National Research-Development Institute for Soil, Agro-Chemistry and Environment Protection – ICPA Bucharest has provided the validation and verification of the calculation of compensation premium level to cover the income foregone due to commitments under Packages 1-7 of Measure 10, in terms of consistency and plausibility (Chapter 18.2 Figure 18.2.M10. 1-1 letter of ICPA on the validation of the methodology for calculation of payments M.10.1 P1-P7). According to the same provisions, the Institute for Research for the Agricultural Economy and Rural Development under the Academy of Agricultural and Forestry Sciences 'Gheorghe Ionescu Șișești', has provided the validation and verification of calculations of compensation premium level for covering the income foregone due to compliance with the voluntary commitments under Package 8 on breeding of farm animals or local breeds in anger of abandonment, in terms of consistency and plausibility (Chapter 18.2 Figure 18.2 .M10.1-2- letter of ICEADR on the validation of the methodology for calculation of payments M.10.1 P8). As well, for all the packages of Measure 10, it is ensured that the double funding with agricultural practices beneficial for the climate and the environment ('greening') under Article 43 of Regulation 1307/2013, or over-compensation is avoided.

The values of the parameters used in the compensation payments calculation methodology for the packages of Measure 10 were provided by the Institutul de Cercetare şi Dezvoltare pentru Pajişti Braşov (the Institute for Research and Development for Pastures from Braşov) (studies on the productive potential of permanent pastures and the management of permanent pastures), by the Institutul Naţional de Cercetare-Dezvoltare Agricolă Fundulea (the National Institute for Agricultural Research and Development of Fundulea) (studies on the establishment of methodologies for field crops), MARD, FADN, NIS. The reference periods of the used parameters are of minimum 3 years. Depending on the available data the most recent average values calculated over periods of 3 to 5 years of prices and costs were used and in most cases were used average values for the 2009-2012 period. The calculations for packages 5 and 8 have used the standard production value SO 2010 calculated by FADN as an average of 5 consecutive years (2008 – 2012).

From the perspective of specific requirements of each package/variant, there are no significant differences in the regional or sub-regional conditions, with effects on the income foregone or additional costs, therefore similar conditions are ensured for all beneficiaries of Measure 10 and the over or under-compensation is avoided.

The combination, on the same area, of area payments granted under this measure with the direct payments granted to farmers and with the payments granted for areas facing natural constraints (Measure 13 – Article 31), is permitted due to the fact that there are no similar requirements, ensures that the double funding of certain actions or the over-compensations are avoided. The combination, on the same area, of payments granted under Package 5 with the payments granted under Package 4 or Package 7, due to the fact that there are no similar requirements, also ensures that the double funding of certain actions or the over-compensation are avoided.

Given the eligibility conditions related to the category of use of agricultural lands under packages proposed under Measure 10, the double funding of greening measures set out in Article 45 of Regulation (EU) no. 1307/2013 (maintenance of permanent grassland) is avoided. The requirements of the agri-environment and climate measure are higher, in terms of restriction level, compared to the greening condition to maintain the areas of permanent grassland. The applicable specific requirement on the interdiction of ploughing or disking the existing grasslands within farms with ongoing commitments is established to ensure the consistency of commitments and does not generate income foregone and additional costs in the payment calculation methodology.

From the perspective of the greening practices set out in Article 44 of Regulation (EU) no. 1307/2013 (diversification of crops on arable lands):

- in the case of packages 1, 2, 3 and 6, the double funding or the over-compensation is avoided due to the fact that these do not apply on arable lands,
- in the case of packages 4 and 7, the double funding or the over-compensation is avoided due to the fact that the specific requirements generating additional costs and income foregone are not the ones related to crop diversification,
- in the case of package 5, the double funding or the over-compensation is avoided through the establishment of the eligibility condition (only farmers with arable crops below 10 ha within the farm are eligible).

In terms of greening practices set out in Article 46 of Regulation (EU) no. 1307/2013 (ecological focus areas), in the context of the notification made by Romania, there is no risk of over-compensation or double funding with the packages applicable on arable lands (4, 5 and 7), as the maintenance of these elements on arable lands does not represent a specific requirement that generated additional costs or income foregone in the calculation methodology for compensation payments under Measure 10. The notification made by Romania also foresees that the areas subject to agri-environment and climate measure (according to Article 28 of 1305/2013) are not taken into account in the calculation of ecologic focus areas.

The description of the calculation methodology for income foregone and additional costs is presented under the specific section of each package of Measure 10.

8.2.8.5.1. Agri-environment-climate commitments

8.2.8.5.1.1. Package 1 - pastures with high natural value (HNV)

8.2.8.5.1.1.1. Baseline

8.2.8.5.1.1.1.1. Relevant GAEC and/or SMR

Commitment: use of chemical fertilisers is forbidden

SMR1 – Farmers have a series of obligations, including:

- to have a manure storage facility
- to comply with periods of application and timing of interdiction
- to not exceed 170 kg nitrogen / ha / year (for> 170kg N an agri-chemical study is required)
- to follow a fertilization plan
- not to apply fertilisers on water protection strips
- to hold regulatory acts in the environmental protection and/or water management field (where appropriate)

Commitment: the use of pesticides is forbidden

- **GAEC3** – Farmers have the obligation to not discharge directly or unload products containing dangerous substances on the ground

SMR10 – Farmers must take into consideration:

- to use only approved plant protection products (PPP) and only in accordance with their instructions of utilisation
- not to apply treatments with PPP on water protection areas and other protected areas
- not to use PPP classified as very toxic (T +) and toxic (T) without authorization

Commitment: the traditional use of manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

SMR1 – see description of SMR1 from the previous requirement concerning forbidding the chemical fertilisers

Commitment: 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 – farmers have the obligation to maintain the terraces existing on January 1st 2007.

SMR2 – farmers have the obligations to:

- comply with the SPA management plan
- follow the EIA/SEA/appropriate evaluation procedure for authorizing the activities in SPA deliberate killing or capture of wild birds, destruction of nests, egg collection, vegetation burning, cutting of trees / shrubs and agri-forestry belts or changes in land use and water courses are forbidden

8.2.8.5.1.1.1.2. Minimum requirements for fertilisers and pesticides

Commitment: the use of chemical fertilisers is forbidden

- Basic requirement: the use of fertilisers – Joint Order 1378/1071/2010- Interdiction to use fertilisers not authorised for sale

Commitment: the use of pesticides is forbidden

- Basic requirement: Phyto-sanitary - GD 1559/2004, GO 4/1995, with subsequent amendments and additions – It is allowed to use only plant protection products authorised for sale and only in compliance with the instructions for use

Commitment: the traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- Basic requirement: requirements on the protection of water against pollution with nitrates from agriculture – Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources – 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.

8.2.8.5.1.1.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.1.1.4. Minimum activities

'Minimum activity':

- Carrying out a minimum activity on agricultural areas kept in a state suitable for grazing or cultivation on permanent grasslands by grazing ensuring a minimum load of 0.3 LSU/ha with the animals that they are exploiting or with an annual mowing, according to the specific provisions of the legislation on grasslands.

- In the case of permanent grasslands located at altitudes above 1800 m, naturally maintained in an appropriate status for grazing the minimum activity consists of grazing, providing a minimum load of 0.3 LSU/ha with the animals that they are exploiting (an exemption to this provision are the permanent grasslands areas that are subject to the ongoing multiannual commitments under measure 214 – 'Agri-Environment Payments' from the National Rural Development Programme 2007 – 2013.

8.2.8.5.1.1.2. Relevant usual farming practices

Use of permanent grasslands and of traditional orchards used extensively through mowing and/or grazing: intensive or extensive. The permanent grasslands are mainly used for animal breeding, by mowing for obtaining fodder or by grazing, the animal load varying from one case to another. On a large scale, the mowing is practiced by mechanised equipment, but it is also carried out manually in areas with a more difficult access. The mowing is carried out 3-4 times as a specific practice in lower areas or 2-3 times in higher areas, starting before flowering. The requirement of the package regarding the obligation of mowing after certain dates aims at ensuring self-sowing. The general practice is fertilisation with organic fertilisers, the intensively used pastures being fertilised with chemical fertilisers. Plant protection substances for elimination of invasive species or of species without economic value are used locally. Sowing and over-sowing with species of high economic value are performed. The risks are related to intensification (intensive use of pastures or their transformation into arable lands) in areas with high agricultural potential and in areas with easy access or to the abandonment of agricultural activities in areas with a low agricultural potential, in areas characterised by unfavourable soil-climate conditions and in areas with difficult access.

8.2.8.5.1.2. Package 2 - traditional agricultural practices

8.2.8.5.1.2.1. Baseline

8.2.8.5.1.2.1.1. Relevant GAEC and/or SMR

Commitment: Package 2.1 - Works by mechanised equipment are forbidden on the area of pastures and traditional orchards under commitment, except for the ones operated by animals Commitment: Package 2.2 - mowing may only be performed with small-capacity mechanised equipment, while the use of heavy machinery is forbidden

- **GAEC5** – see description of GAEC5 for commitment on mowing of Package 1.

8.2.8.5.1.2.1.2. Minimum requirements for fertilisers and pesticides

Not applicable.

8.2.8.5.1.2.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.2.1.4. Minimum activities

'Minimum activity':

- Carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on permanent grasslands by grazing ensuring a minimum load of 0.3 LSU/ha with the animals that they are exploiting or an annual mowing, according to the specific provisions of the legislation on grasslands.
- in case of permanent grasslands located at altitudes above 1800 m, naturally maintained in an

adequate status for grazing the minimum activity consists of grazing, providing a minimum load of 0.3 LSU/ha with the animals that they are exploiting (an exception to this provision are the permanent grasslands areas that are subject to the ongoing multiannual commitments under measure 214 – 'Agri-Environment Payments' in the National Rural Development Programme 2007 – 2013.

8.2.8.5.1.2.2. Relevant usual farming practices

On a large scale, mowing is practiced by mechanical equipment (most commonly with light equipment), but also manually in the less accessible areas. Through package 2 is intended to return to traditional practices where mechanized mowing is currently practiced but also to maintain manual mowing due to the risk of intensification of the agricultural activities.

8.2.8.5.1.3. Package 3 - pastures important for birds - variant 3.1 – Crex crex

8.2.8.5.1.3.1. Baseline

8.2.8.5.1.3.1.1. Relevant GAEC and/or SMR

Commitment: the use of chemical fertilisers is forbidden

- **SMR1** – See description of SMR1 on the similar commitment under Package 1.

Commitment: the use of pesticides is forbidden

- **GAEC3** – See description of GAEC3 on the similar commitment under Package 1.
- **SMR10** – See description of SMR10 on the similar commitment under Package 1.

Commitment: the traditional use of manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- **SMR1** – See description of SMR1 on the similar commitment under Package 1.

Commitment: Mowing may only be executed after July 31st

- **GAEC5** – See description of GAEC5 on the similar commitment under Package 1.
- **SMR2** – See description of SMR2 on the similar commitment under Package 1.

Commitment: Works by mechanised equipment are forbidden on the area of pastures under commitment, except for those operated by animals or works may be carried out with small capacity mechanized equipment (mowing with short blade and small speed equipment), the use of heavy machinery is forbidden.

- **GAEC5** – See description of GAEC5 on mowing commitment under Package 1.

8.2.8.5.1.3.1.2. Minimum requirements for fertilisers and pesticides

Commitment: the use of chemical fertilisers is forbidden

- Basic requirement: the use of fertilisers – Joint Order 1378/1071/2010 - Interdiction to use fertilisers not authorised for sale

Commitment: the use of pesticides is forbidden

- Basic requirement: Phyto-sanitary - GD 1559/2004, GO 4/1995, with subsequent amendments and additions – It is allowed only the use of plant protection products authorised for sale and only in compliance with the instructions for use.

Commitment: the traditional use of manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- Basic requirement: the requirements on the protection of water against pollution with nitrates from agriculture - Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources – the natural fertilisers applied 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.

8.2.8.5.1.3.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.3.1.4. Minimum activities

'Minimum activity':

- Carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on permanent grasslands by grazing ensuring a minimum load of 0.3 LSU/ha with the animals that they are exploiting or with an annual mowing, according to the specific provisions of the legislation on grasslands.
- in case of permanent grasslands located at altitudes above 1800 m, naturally maintained in an adequate status for grazing the minimum activity consists of grazing providing a minimum load of 0.3 LSU/ha with the animals that they are exploiting (an exception to this provision are the permanent grasslands areas that are subject to the ongoing multiannual commitments under measure 214 – 'Agri-Environment Payments' from the National Rural Development Programme 2007 – 2013.

8.2.8.5.1.3.2. Relevant usual farming practices

Use of permanent pastures and of traditional orchards used extensively through mowing and/or grazing: intensive or extensive. The permanent pastures are mainly used for animal breeding, through mowing for obtaining fodder or through grazing, the animal load varying from one case to another. The mowing is practiced on a large scale by mechanised means, but it is also carried out manually in less accessible areas. The mowing is carried out 3-4 times as a specific practice in lower areas or 2-3 times in higher areas, starting before fructification. The general practice is fertilisation with organic fertilisers, the intensively used pastures are fertilised with chemical fertilisers. Plant protection substances for elimination of invasive species or of species without economic value are used locally. Sowing and over-sowing with species of high economic value is performed. The risks are related to intensification (intensive use or pastures or their transformation into arable lands) in areas with high agricultural potential and in easy accessible areas or to the abandonment of agricultural activities in areas with a low agricultural potential, in areas characterised by unfavourable soil-climate conditions and in areas difficult to reach.

8.2.8.5.1.4. Package 3 - pastures important for birds - variant 3.2 – Lanius minor şi Falco vespertinus

8.2.8.5.1.4.1. Baseline

8.2.8.5.1.4.1.1. Relevant GAEC and/or SMR

Commitment: the use of chemical fertilisers is forbidden

- **SMR1** – See description of SMR1 on the similar commitment under Package 1.

Commitment: the use of pesticides is forbidden

- **GAEC3 -** See description of GAEC3 on the similar commitment under Package 1.
- **SMR10 -** See description of SMR 10 on the similar commitment under Package 1.

Commitment: the traditional use of manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- **SMR1** – See description of SMR1 on the similar commitment under Package 1.

Commitment: Mowing shall be executed by July 1st at the latest, and a 3-meter wide strip shall be left unmown on the boundaries of each parcel (it may be mown after September 1st)

- **GAEC5** – See description of GAEC5 on mowing commitment under Package 1.
- **SMR2** – See description of SMR2 on mowing commitment under Package 1

Commitment: works by mechanised equipment are forbidden on the area of pastures under commitment, except those worked with the help of animals or may be carried out with small capacity mechanized equipment; the use of heavy machinery is forbidden.

- **GAEC5** – See description of GAEC5 on mowing commitment under Package 1.

8.2.8.5.1.4.1.2. Minimum requirements for fertilisers and pesticides

Commitment: the use of chemical fertilisers is forbidden

- Basic requirement: the use of fertilisers – Joint Order 1378/1071/2010 - Interdiction to use fertilisers not authorised for sale

Commitment: the use of pesticides is forbidden

- Basic requirement: Phyto-sanitary - GD 1559/2004, GO4/1995, 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

Commitment: the traditional use of livestock manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- Basic requirement: requirement on the protection of waters against pollution caused by nitrates from agricultural sources - Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources - 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.

8.2.8.5.1.4.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.4.1.4. Minimum activities

'Minimum activity':

- Carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on permanent grasslands by grazing ensuring a minimum load of 0.3 LSU/ha with the animals that they are exploiting or with an annual mowing according to the specific provisions of the legislation on grasslands.

- in case of permanent grasslands located at altitudes above 1800 m, naturally maintained in an adequate status for grazing, the minimum activity consists of grazing, providing a minimum load of 0.3 LSU/ha with the animals that they are exploiting (an exception to this provision are the permanent grasslands areas that are subject to the ongoing multiannual commitments under measure 214 – 'Agri-Environment Payments' from the National Rural Development Programme 2007 – 2013.

8.2.8.5.1.4.2. Relevant usual farming practices

Use of permanent grasslands: intensive or extensive. The permanent grasslands are mainly used for animal breeding, through mowing for obtaining fodder or through grazing, the animal load varying from one case to another. The mowing is practiced on a large scale by mechanised means, but it is also carried out manually in areas with a more difficult access. The mowing is carried out 3-4 times as a specific practice in lower areas or 2-3 times in higher areas, starting before fructification. The general practice is fertilisation with organic fertilisers, the intensively used pastures are fertilised with chemical fertilisers. Plant protection substances for elimination of invasive species or of species without economic value are used locally. Sowing and over-sowing with species of high economic value is performed. The risks are related to intensification (intensive use of grassland or their transformation into arable lands) in areas with high agricultural potential and in areas with easy access or to the abandonment of agricultural activities in areas with a low agricultural potential, in areas characterised by unfavourable soil-climate conditions and in areas with difficult access.

8.2.8.5.1.5. Package 4 - green crops

8.2.8.5.1.5.1. Baseline

8.2.8.5.1.5.1.1. Relevant GAEC and/or SMR

Commitment: Green crops shall be sowed until September 30th, using: pees, vetch, rape, mustard, lupine, sweet clover

- **GAEC5** – farmers have the obligation to maintain the existing terraces on January 1st 2007 and to carryout works throughout the level curves on the arable land with a slope higher than 12% cultivated with weeding plants.

Commitment: the use of chemical fertilisers is forbidden, only organic fertilisers may be used before the setting-up of green crops

- **SMR1** - see description of SMR1 for the commitment of Package 1 on organic fertilisers

Commitment: the biomass formed shall be incorporated into the soil by March 31st at the latest.

- **GAEC6** – for the maintenance of soil organic matter level, farmers must consider to not cultivate sunflower on the same site more than 2 consecutive years and not to burn the arable stubble

Commitment: the package may only apply on maximum 80% of the arable land area belonging to a farm

- **GAEC4 –** for the minimum soil cover during winter, the arable land must be covered with autumn crops and/or to remain untilled after harvesting on at least 20% of the total arable land of the farm

8.2.8.5.1.5.1.2. Minimum requirements for fertilisers and pesticides

Commitment: the use of chemical fertilisers is forbidden, only organic fertilisers may be used before setting-up green crops

- Basic requirement: the use of fertilisers – Joint Order 1378/1071/2010 - Interdiction to use fertilisers not authorised for sale
- Basic requirement: Requirements on the protection of water against pollution with nitrates from agriculture – Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources – the natural fertilisers applied 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.

8.2.8.5.1.5.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.5.1.4. Minimum activities

'Minimum activity':

- Carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on the arable land by removal of vegetation by mowing or disking or by using herbicides at least once a year.

8.2.8.5.1.5.2. Relevant usual farming practices

Use of arable lands: intensive or extensive. Current practices do not have an anti-erosion character, ensuring the minimum coverage of lands during winter only on 20% of the farm arable area, for compliance with the cross-compliance standard. The general practice is the fertilisation of arable land mainly with chemical fertilisers.

8.2.8.5.1.6. Package 5 - adaptation to climate change effects

8.2.8.5.1.6.1. Baseline

8.2.8.5.1.6.1.1. Relevant GAEC and/or SMR

Commitment: Application of manure in composted form (the maximum quantity of manure applied on the land shall be compliant with the Standards on maximum quantities of fertilisers with nitrogen that can be applied on the agricultural land, as defined in the 'Code of good agricultural practices for protection of water against pollution by nitrates').

- **SMR1** - see description of SMR1 for the commitment of package 1on organic fertilisers

8.2.8.5.1.6.1.2. Minimum requirements for fertilisers and pesticides

Commitment: Application of manure in composted form (the maximum quantity of manure applied on the land shall be compliant with the Standards on maximum quantities of fertilisers with nitrogen that can be applied on the agricultural land, as defined in the 'Code of good agricultural practices for protection of water against pollution by nitrates')

- Basic requirement: requirements on protection of waters against pollution caused by nitrates from agricultural sources - Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources – the natural fertilisers applied 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.

8.2.8.5.1.6.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.6.1.4. Minimum activities

‘Minimum activity’:

- Carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on the arable land by removal of vegetation by mowing or disking or by using herbicides at least once a year.

8.2.8.5.1.6.2. Relevant usual farming practices

Use of arable lands: intensive or extensive. Usual practices are not adapted to the climate change effects, especially within small farms; therefore, in the absence of large-scale irrigation use, the efficacy of Romanian agriculture is strictly dependant on the manifestation of climate conditions. Early varieties are not used on a large scale, as they are generally less productive. Fertilisation is mainly made with chemical fertilisers and when organic fertilisers are used, these are not in composted form. This is also due to the fact that small farms do not have individual platforms for manure storage. The technology applied in most cases for the preparation of the soil in order to set up crops on the arable lands is based on the tillage works.

8.2.8.5.1.7. Package 6 - pastures important for butterflies (Maculinea sp.)

8.2.8.5.1.7.1. Baseline

8.2.8.5.1.7.1.1. Relevant GAEC and/or SMR

Commitment: the use of chemical fertilisers is forbidden

- **SMR1** – See description of SMR1 for the similar commitment under Package 1.

Commitment: the use of pesticides is forbidden

- **GAEC3** - See description of GAEC3 for the similar commitment under Package 1.
- **SMR10** - See description of SMR10 for the similar commitment under Package 1.

Commitment: traditional use of manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- **SMR1** – See description of SMR1 for the similar commitment under Package 1.

Commitment: Mowing may only start after August 25th

- **GAEC5** – See description of GAEC5 for commitment under Package 1 regarding mowing.
- **SMR2** –See description of SMR2 for commitment under Package 1 regarding mowing

Commitment: the works by mechanised equipment are forbidden on the area of pastures under commitment, except for animal-operated or works may be carried out with small capacity mechanized equipment (mowing with short blade and small speed equipment), the use of heavy machinery is forbidden.

- **GAEC5** – See description of GAEC5 for commitment under Package 1 regarding mowing

8.2.8.5.1.7.1.2. Minimum requirements for fertilisers and pesticides

Commitment: the use of chemical fertilisers is forbidden

- Basic requirement: the use of fertilisers - Joint Order 1378/1071/2010 - Interdiction to use fertilisers not authorised for sale.

Commitment: the use of pesticides is forbidden

- Basic requirement: Phyto-sanitary - GD 1559/2004, GO 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.

Commitment: the traditional use of manure is only allowed up to the equivalent of maximum 40 kg N s.a./ha (1 LSU/ha)

- Basic requirement: Requirements on the protection of water against pollution with nitrates from agriculture – Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources – The natural fertilisers applied may not contain more than 170 kg of nitrogen (N) as pure ingredient per 1 ha of the agricultural land. Farmers shall comply with the periods when the use of fertilisers is forbidden. Farmers shall follow a fertilisation plan.

8.2.8.5.1.7.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.7.1.4. Minimum activities

'Minimum activity':

- carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on permanent grasslands by grazing ensuring a minimum load of 0.3 LSU/ha with the animals that they are exploiting or with an annual mowing according to the specific provisions of the legislation on grasslands.
- in case of permanent grasslands located at altitudes above 1800 m, naturally maintained in an adequate status for grazing the minimum activity consists of grazing providing a minimum load of 0.3 LSU/ha with the animals that they are exploiting (an exception to this provision are the permanent grasslands areas that are subject to the ongoing multiannual commitments under measure 214 – ''Agri-Environment Payments'' from the National Rural Development Programme 2007 – 2013.

8.2.8.5.1.7.2. Relevant usual farming practices

Use of permanent grasslands and traditional orchards extensively used through mowing and / or grazing: intensive or extensive. The permanent grasslands are mainly used for animal breeding, through mowing for obtaining fodder or through grazing, the animal load varying from one case to another. The mowing is practiced on a large scale by mechanised means, but it is also carried out manually in areas with a more difficult access. The mowing is carried out 3-4 times as a specific practice in lower areas or 2-3 times in higher areas, starting before fructification. The general practice is fertilisation with organic fertilisers, the intensively used pastures are fertilised with chemical fertilisers. Plant protection substances for elimination of invasive species or of species without economic value are used locally. Sowing and over-sowing with species of high economic value are performed. The risks are related to intensification (intensive use of grasslands or their transformation into arable lands) in areas with high agricultural potential and in areas with easy access or to the abandonment of agricultural activities in areas with a low agricultural potential, in areas characterised by unfavourable soil-climate conditions and in areas with difficult access.

8.2.8.5.1.8. Package 7 - arable lands important as feeding areas for Red-breasted Goose (Branta ruficolis)

8.2.8.5.1.8.1. Baseline

8.2.8.5.1.8.1.1. Relevant GAEC and/or SMR

Commitment: during the maize yield harvesting, an area of minimum 5% and maximum 10% shall be left unharvest or, if no maize crop is set up, then, for that commitment year, the farmer 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 commitment.

- **SMR2** – See description of SMR2 for commitment under Package 1

Commitment: organic fertilisers may not be used in the period between the sowing of the autumn crop and March 15th

- **SMR1** – See description of SMR1 for commitment under Package 1 regarding organic fertilisers

Commitment: pesticides cannot be used in the period between seeding the autumn crop and March 15th

- **GAEC3** – See description of GAEC3 for the similar commitment under Package 1
- **SMR10** – See description of SMR10 for the similar commitment under Package 1

Commitment: when a maize crop is established, in that year, on the committed parcel, the autumn crop is incorporated into the soil at the latest by the end of March.

- **GAEC5** – See description of GAEC5 for commitment under Package 4
- **GAEC6** – See description of GAEC6 for commitment under Package 4

Commitment: the package may only apply on maximum 80% of the arable land area belonging to a farm

- **GAEC4** – See description of GAEC4 for the similar commitment under Package 4.

8.2.8.5.1.8.1.2. Minimum requirements for fertilisers and pesticides

Commitment: phyto-stimulators (natural fertilisers) may not be used in the period between the sowing of the autumn crop and March 15th

- Basic requirement: requirements on the protection of waters against pollution caused by nitrates from agricultural sources - Order on the approval of the Code of good agricultural practices for water protection against pollution with nitrates from agricultural sources – the natural fertilisers applied 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.

Commitment: pesticides may not be used in the period between the sowing of the autumn crop and March 15th

- Basic requirement: Phytosanitary - GD 1559/2004, GO 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.

8.2.8.5.1.8.1.3. Other relevant national/regional requirements

Not applicable.

8.2.8.5.1.8.1.4. Minimum activities

'Minimum activity':

- Carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on the arable land by removal of vegetation, by mowing or disking or by using herbicides at least once a year

8.2.8.5.1.8.2. Relevant usual farming practices

Land use: predominantly intensive, sometimes extensive. Modern technologies, based on the use of chemical fertilisers and plant protection substances are used on a large scale. Eligible areas are generally dominated by mono-crops applied on extended areas. Bird species wintering in the areas targeted are a threat to farmers due to the damages to crops.

8.2.8.5.1.9. Package 8 - breeding of farm animals of local breeds in danger of abandonment (bovine, ovine, caprine, ecvidee, porcine)

8.2.8.5.1.9.1. Baseline

8.2.8.5.1.9.1.1. Relevant GAEC and/or SMR

Commitment: the beneficiary commits to maintain the female adult reproductive livestock foreseen at the signature of the commitments, for a period of 5 years, as well as of the female descendants needed to replace these animals until the end of the programme.

CATTLE

- **SMR7** - Farmers that have animals of bovine species according to the non-professional or professional character of the holding have obligations related to their identification and registration, such as:
    - to use SNIIA
    - to register in the holding registry all the animal entries and exits, as well as any event such as birth, slaughtering, etc.
    - to hold the bovine passport
    - to identify the animals up to 20 days of age and to register them in the RNE database
- **SMR13** - Farmers must apply the minimum requirements for animal protection according to the

legislation in the field. The breeding conditions and animal exploitation are established in relation with the species, breed, production category, development degree, etc. Farmers must have records of the livestock, consultations and veterinary treatments, etc.

SHEEP and GOATS

- **SMR 8 -** Farmers that have animals of sheep and goats species according to the non-professional or professional character of the holding have obligations related to their identification or registration, such as:
  - to use SNIIA
  - to register in the holding registry all the animal entries and exits, as well as any event: birth, slaughtering, etc.
  - to make sure that all the farm animals that are more than 6 months old are registered in SNIIA
- **SMR13** - See description for bovines

EQUIDAE

- **SMR13** - See description for bovines

SWINE

- **SMR6** - Farmers that have animals of swine species according to the non-professional or professional character of the holding have obligations related to their identification and registration , such as:
  - to use SNIIA
  - to register in the holding registry all the animal entries and exits, as well as any event: birth, slaughtering, etc.
- **SMR12** - Farmers must apply the minimum standards for the protection of pigs for breeding and fattening according to the regulations in the field
- **SMR13 -** See description for bovines

8.2.8.5.1.9.1.2. Minimum requirements for fertilisers and pesticides

Not applicable.

8.2.8.5.1.9.1.3. Other relevant national/regional requirements

Commitment: The Beneficiary shall commit to comply with the rules of organisation and operation of the genealogic breeds record managed by associations accredited by ANARZ based on Article 5 letter a) of the GD no 1188/2014

- Basic requirement: the obligation that the animals be of pure bred, registered in the genealogical register of that breed – main section:
  - CATTLE: pursuant to Article 1 letter a and b in the MARD Order no.765/2009 on the approval of standards for reproductive animals from the bovine species
  - SHEEP and GOATS: Article 2 letter a and b in Order no 20/2006 approving the standards for reproduction animals from ovine and caprine species, with subsequent amendments and additions
  - EQUINE: Article 6 letter a in the Law on horse no 389/2005, with subsequent amendments and

additions

- SWINE: Article 1 letter a and c in the MAFRD Order no. 13/2006 on the approval of standards for reproductive animals from the swine species, with subsequent amendments and additions

Commitment: the beneficiary commits to maintain the female adult reproductive livestock foreseen at the signature of the commitments, for a period of 5 years, as well as of the female descendants needed to replace these animals until the end of the programme.

- Basic requirement: Obligation of animal identification:
  - CATTLE: pursuant to Article 1 letter a in GEO no 113/2002 on the identification and registration of bovines in Romania
  - SHEEP and GOATS: Article 1 letter a in GEO no 23/2010 on the identification and registration of pigs, ovine and goats, as well as for amendments and addition of certain legal acts
  - EQUINE: Article 19 paragraph (1) in the Animal Husbandry Law no 72/2002, with subsequent amendments and additions
  - SWINE: Article 1 letter a in GEO no 23/2010 on the identification and registration of swine, ovine and goats, as well as for amendments and addition of certain legal acts
- Basic requirement: Obligation that the animals be included in the Programme of surveillance, prevention, control and eradication of animal diseases, of diseases transmissible from animal to humans, protection of animals and environment protection, identification and registration of bovines, swine, equidae, ovine and goats, approved by GD no 1156/2013.

8.2.8.5.1.9.1.4. Minimum activities

"Minimum activity"

- carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on permanent grasslands by grazing ensuring a minimum load of 0.3 LSU/ha with the animals that they are exploiting or with an annual mowing, according to the specific provisions of the legislation on grasslands.
- In case of permanent grasslands located at altitudes above 1800 m, naturally kept in a state suitable for grazing, the minimum activity consists of grazing providing a minimum load of 0.3 LSU/ha with the animals that they are exploiting (an exemption to this provision are the permanent grasslands areas that are subject to the ongoing multiannual commitments under measure 214 – ''Agri-Environment Payments' 'from the National Rural Development Programme 2007 – 2013

8.2.8.5.1.9.2. Relevant usual farming practices

In Romania, the breeding of local breeds in danger of abandonment is carried out in semi-intensive and/or extensive system.

The extensive breeding system is practiced in the family household where animals are bred for own consumption and only a reduced quantity of products is sold on the organized market. The animals are bred in simple shelters, with no specific technical endowment and by grazing on the pasture or, for some species, feeding to a great extent with household leftovers to which bran, maize, barley, oats, rooted plants, pumpkin plants, potatoes, alfalfa, green fodder are added. Under this system, the animal husbandry performances are not to be noted, the production has a pronounced seasonal nature, especially for covering the own consumption.

The semi-intensive breeding system defines a holding with a larger livestock number. The acceptance of this animal breeding system requires modernised shelters and an adequate endowment with feeding equipment, watering equipment and provision of microclimate conditions.

Local animal breeds have a low production potential but they are known for their high adaptation degree to the exploiting conditions in extensive and semi-intensive system as well as for their high resistance to diseases. The interest of breeders for a certain breed is reduced if through its production level this does not provide efficiency regarding exploitation. Therefore, the stock is reducing until extinction.

8.2.8.6. Other important remarks relevant to understand and implement the measure

The initial commitments concluded by farmers starting with 2015 cover the 5 year period from the date of their signature. After the conclusion of the initial commitments, they can be prolonged annually, without exceeding the implementation period of the NRDP 2014-2020.

A revision clause is foreseen for the commitments concluded within this measure in order to assure their adjustment in the case of the modification of the basic requirements or the greening measures the commitments must exceed.

A revision clause is provided for the commitments concluded within this measure, which exceed the current programming period in order to ensure their adjustment to the legal framework for the next programming period. If the adaptation is not accepted by the beneficiary, the commitment ceases and the reimbursement is not requested for the period when the commitment effect was effective.

The ongoing commitments can be transformed into another commitment provided by the NRDP 2014-2020, in the period of accomplishment of the respective operation, provided the existing commitment is substantially reinforced and the conversion presents important advantages in the environment field. In the case of transformation of engagements, a new commitment is concluded for the whole period specified by the measure related to the new commitment, regardless of the period when the initial commitment was already implemented.

It is also possible to adapt the ongoing commitments, provided the new commitments take into account the accomplishment of the objectives of the initial commitment. The beneficiary must accomplish the commitment adapted for the rest of the period of the initial commitment.

The detailed rules on the transformation and adaptation of the commitments shall be established by national rules.

The beneficiaries of the measure must respect the cross-compliance standards at the level of the entire farm.

In order to assure the necessary premises to achieve the objectives proposed, relevant information regarding the commitments shall be provided on a large scale by information and publicity actions carried out at the level of the Programme. Information and promotion actions shall be carried out annually, starting with the first implementation year of Measure 10 by the responsible institutions (MA-NRDP, AFIR and APIA), including those assured by technical assistance (e.g. caravans and promotion and/or information campaigns, information materials published on the website of the institutions and on the NRDP portal, the information provided in the form of the single area payment application, Applicant's Guide, etc.).

The beneficiaries of the measure will also have to prove that they have relevant knowledge and information or benefit from the technical expertise required to implement the commitments (on issues related to the identification of agricultural parcels, completion and submission of commitments and payment claims, management measures applicable at farm level required to comply with the basic requirements and the specific requirements of the commitments) before making the second payment to farmers with commitments on areas larger than 300 ha and before making the third payment to farmers with commitments on areas up to 300 ha. The minimum applicable rules shall be determined by national rules.

The beneficiaries who had a commitment for the same package before the current commitment and previously proved compliance with these requirements and during the implementation period of the old commitment had no sanctions for specific requirements and basic requirements, do not need to prove they have the knowledge necessary and relevant information or assure the necessary expertise for the new commitment.

In order to accomplish these conditions, by the support granted within the Programme, the beneficiaries of the agri-environment and climate measure can be granted training services (Measure 1) or advisory services (Measure 2), under the specific conditions foreseen by the Programme. The farmers who have commitments on areas smaller than 100 ha and farmers who previously had not agri-environment commitments will be selected with priority as final beneficiaries of the Measures 1 and 2.

8.2.9. M11 - Organic farming (art 29)

8.2.9.1. Legal basis

Article 29 of Regulation (EU) no. 1305/2013
Article 9 of Regulation (EU) no. 807/2014
Article 11 of Regulation (EU) no. 808/2014

8.2.9.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

General description of the measure

Organic farming promotes extensive agricultural practices, providing environmental public goods and responding to society's demand for the use of environmentally friendly farming practices and also to consumers' increased demand for organic products. The practices specific to organic farming contribute to protecting biodiversity, maintaining soil fertility and functionality, reducing pollution of water resources (by eliminating percolation of pesticides, the strict manure management) and improved water management (improvement of soil structure, reducing the risk and seriousness of floods and draught in the context of climate changes), reducing carbon dioxide emissions and ensuring animal welfare conditions (low density of livestock). In addition to its environmental benefits, it can serve as a basis for adding value to agricultural output and developing local economic activities. Also, by the support granted to the pastures used in ecological system, a positive correlation will be done between biodiversity conservation and compliance with animal welfare standards. Through the support granted under this measure, farmers will be encouraged to convert from conventional to organic farming methods, as well as to maintain these methods after the initial period of conversion.

The positive environmental contribution of organic farming has been widely recognised in various scientific studies, for example '*Sustainable management of natural resources with a focus on water and agriculture'*, a project carried out by the Institute for European Environmental Policy, BIO Intelligence Service and the Ecologic Institute (http://www.ieep.eu/work-areas/agriculture-and-land-management/sustainable-land-use/2013/09/sustainable-management-of-natural-resources-with-a-focus-on-water-and-agriculture) and in EU policy making, including the European Action Plan for Organic Farming (2014). The contribution to climate change mitigation and adaptation was recognised by the 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): "*The organic farming contributes to the mitigation of greenhouse effect and global warming, by its capacity to sequestrate 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"* (http://www.fao.org/organicag/oa-specialfeatures/oa-climatechange/2010-11/related-documents/en/)
In terms of permanent pastures, their positive impact has been recognized in various studies by the European Commission, for example "*Agri-environmental Measures - Overview on General Principles, Types of Measures and Application*" (http://ec.europa.eu/agriculture/publi/reports/agrienv/rep_en.pdf) or in specialized publications such as

"*High Nature Value Farming in Europe - 35 European countries - experiences and perspectives', 2012 (http://www.bioone.org/doi/pdf/10.1659/mrd.mm126).*

Support under this measure will contribute to the objectives of the Europe 2020 strategy in terms of sustainable growth and the 7th Environment Action Programme to 2020 on practicing a sustainable agriculture through sustainable management of natural resources.

One of the objectives of the *Strategy for the development of the agri-food sector on medium and long term Horizon 2020-2030* elaborated by the Ministry of Agriculture with assistance from the World Bank, which will be approved by the Romanian Government in the next period is to increase both the production and the export of organic products due to the increasing demand on the external market.

In Romania, the support for maintaining the lands certified for organic farming was included in the NRDP 2007-2013 as a package under Measure 214, an area of 80 thousands ha is supported, while the payments for the conversion period were granted pursuant to Article 68 of the Council Regulation (EU) No. 73/2009, the supported area is more than 95 thousands ha in 2012. With regard to the share of organic farming area, this is 2.1% of UAA in 2012. The area occupied by permanent pastures is of 4.9 mil. ha, of which 3.4 mil. ha pastures and 1,5 million hayfields, representing 34% of the agricultural area of Romania. Permanent pastures area ranging on organic farming system recorded constant growing, currently reaching 103,701 ha, representing over 70% of the agricultural area comprised in the organic farming system, which were financially supported only during conversion. In this situation, there is a real danger of farmers giving up and return to conventional farming system and of decrease of the organic animal products on the market.

In the 2014-2020 NRDP Strategy, organic farming represents one of the main tools for minimizing water pollution within the sustainable land management systems targeting fertiliser, crop protection, and water and erosion control management. The organic farming methods set out in Article 29 can help protect the natural resources, with positive effects on soil quality, contributing to the elimination of degradation processes.

The eligible costs within this measure cover only those commitments that exceed the mandatory level non-remunerated of the basic requirements consisting in:

- 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 (1) (c) (ii) and (iii) of Regulation (EU) no 1307/2013;
- minimum relevant requirements for the use of fertilisers and plant protection products provided for in the national laws;
- Other relevant mandatory requirements established by the national laws.

Link of the measure with the needs

The support granted under this measure will contribute to addressing the needs regarding: *'Maintaining and improving water resources'* (015) and *'Protection and improvement of soil resources'* (016) identified in section 5.5 of the programme.

In order to answer to the needs identified, the support under the measure 11 - 'Organic farming' will be granted in two directions: conversion to organic farming methods and maintaining organic farming practices. Therefore, two sub-measures are proposed to be implemented:

- 11.1 support to convert to organic farming practices and methods;
- 11.2 support to maintain organic farming practices and methods.

Contribution of the measure to Focus Areas

- Priority 4 - Restoring, preserving and enhancing ecosystems related to agriculture and forestry
  - **FA 4B** - *Improving water management, including fertiliser and pesticide management*

The support granted under measure 11 *Organic farming* will help improve water quality by avoiding the use of pesticides and strict management of manure, organic farming practice leading to the decrease of pollution of water resources (water courses and surface water bodies and also groundwater).

Secondary effects:

Measure 11 is directly programmed under the Focus Area indicated above. In addition, that measure is expected tocontribute indirectly to the objectives of the folowing focus areas:

- Priority 4 - Restoring, preserving and enhancing ecosystems related to agriculture and forestry
  - **FA 4A** - *Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes*

The support granted under measure 11 *Organic farming* will contribute to the biodiversity conservation against conventional farming. The main advantages of organic farming in terms of biodiversity come from the non-use of chemical fertilisers, herbicides and synthetic pesticides, from the low livestock density, from the use of biological measures for pest control (e.g. maintenance of green fences, of marginal areas of agricultural lands and of other uncultivated areas), from the maintenance of more intense soil biological activity closer to natural conditions, from the use of diverse crops and mixed land use.

  - **FA 4C** - *Preventing soil erosion and improving soil management*

The support granted under measure 11 *Organic farming* will contribute to soil fertility conservation better than conventional farming due of higher levels of organic matter content of the soil, the higher biological activity and a higher potential of erosion control. In addition, in organic farming there is no pollution of soil from synthetic pesticides. A better soil structure is maintained by implementing practices which are specific to organic farming, thus increasing the capacity to cope with water-related problems resulting from climate changes, the risk of floods and drought effects.

- Priority 5 - promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors
  - **FA 5E** – *Fostering carbon conservation and sequestration in agriculture and forestry*

The support granted under measure 11 *Organic farming* will contribute to 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 reduction of greenhouse gas emissions per tonne of food produced by organic farming as compared to conventional farming.

Also, agricultural practices specific to organic farming will impact the rural vitality as the higher labour requirements within organic farms - compared to conventional farming requirements - create better employment opportunities in the rural areas.

Contribution to cross-cutting objectives "Environment" and "Climate change"

In addition - to the direct contribution of the agricultural practices defined in the European Regulations on organic production to the environment objectives and climates changes - the organic farming practices also target several additional activities, which may increase the efforts to mitigate climate changes, 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 solutions that are historically verified and which compensate, in the medium to long-term, the disadvantage of lower productivity in comparison with conventional farming. Agricultural practices favouring the diversification of crops and technological elements (according to season and space), the 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 and environment protection measure, are also fostered. Organic farming also promotes pest management methods based on reducing pesticide use contributing to the implementation of the provisions of Directive 2009/128/EC on the sustainable use of pesticides.

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 regard to the setting of selection criteria

8.2.9.3.1. 11.1 Support for the conversion to organic farming methods

Sub-measure:

- 11.1 - payment to convert to organic farming practices and methods

8.2.9.3.1.1. 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 convert to practices and methods specific to organic farming, as defined in the Regulation (EC) no. 834/2007.
The period of commitment for conversion to organic farming methods is of a maximum 2 years (for annual crops) or maximum 3 years (for perennial crops).

Following the end of the commitment period, the beneficiaries of the sub-measure shall maintain the certification of areas subject to the commitment for conversion to organic farming methods, for a period of minimum 5 years from signing that commitment.

During this period of time following the commitment for conversion to organic farming methods, the farmers may sign commitments to maintain the organic farming practices (sub-measure 11.2) on the certified agricultural areas.

8.2.9.3.1.2. Type of support

Compensation payments with intensity of 100%.

The support under this sub-measure is provided for operations carried out for conversion to organic farming.

The sub-measure comprises 6 packages:

- Package 1 – Arable crops on arable lands (including forage crops) under conversion to organic farming;
- Package 2 – Vegetables under conversion to organic farming;
- Package 3 – Orchards under conversion to organic farming;
- Package 4 – Vineyards under conversion to organic farming;
- Package 5 – Medicinal and aromatic plants under conversion to organic farming;
- Package 6 – Permanent pastures under conversion to organic farming

The support is granted annually as a fixed amount per area unit (hectare) as a compensation payment for the income foregone and additional costs incurred by the beneficiaries who conclude voluntary commitments for a period of maximum 2 years (for annual crops) and maximum 3 years (for perennial crops).

8.2.9.3.1.3. Links to other legislation

EU legislation:

- R (EU) no 808/2014 laying down rules for the application of R (EU) no 1305/ 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD);
- R (EU) no 1306/2013 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. 485/2008R (EU) No 1307/2013 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 ;
- R (EC) No 834/2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91;
- R (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control;
- R (EC) No. 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

National Legislation:

- The National Implementation Framework
- GEO No 3/2015 for the approval of the payment schemes that apply in agriculture in the period 2015-2020,
- MADR Order no. 352/ 2015 on the approval of cross-compliance rules in Romania;

- Minimum relevant requirements for the use of fertilisers and plant protection products set out in the national laws (Order on the approval of the Code of good agricultural practices for the protection of waters against pollution with nitrates from agricultural sources, GO No 4/1995, GO 1559/2004);
- Emergency Ordinance No 34/2000 on organic agri-food products;
- MARD Order No 181/2012 on the approval of rules for the organisation of the inspection and certification system in organic farming;
- MARD Order No 1253/2013 on the approval of rules for the registration of organic farming operators.

8.2.9.3.1.4. Beneficiaries

Active farmers (users of agricultural lands) registered in the organic farming system.

8.2.9.3.1.5. Eligible costs

Standard costs, calculated based on the assessment of additional costs and income foregone resulting from the application of specific organic farming practices, which go beyond the mandatory non-remunerated level of the basic requirements.

The standard costs calculated for this sub-measure do not include transaction and investment costs.

8.2.9.3.1.6. Eligibility conditions

Eligible area:

- agricultural areas under the land use category of arable land (Package 1, 2 and 5), orchards (Package 3), vineyards (Package 4) and permanent pasture (Package 6),
- commitments under sub-measure 11.1 apply at agricultural parcel level, with no possibility of parcel change during commitments period,
- package 6 - permanent pasture under conversion to organic farming may be applied only to administrative-territorial units that are not eligible under Measure 10 for packages applicable on permanent pastures (package 1, 2, 3.1, 3.2 and 6), presented in Figure 8.2.M.11-1 - P6 map and in Annex Chap. 8.2 - the list of eligible areas M.10, M.11, M.13.

The beneficiary:

- falls within the **active farmer** category (according to the national definition), within the meaning of Article 9 of R (EU) No 1307/2013;
- is the user of an agricultural area located on the Romanian territory, identifiable in the Integrated Administration and Control System (IACS);
- holds a minimum area of the farm of 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);
- is registered as an organic farming operator, in each year when support is requested, according to the legal provisions;
- concludes a contract with an independent inspection and certification body authorized according to the provisions of the national laws during the entire period of the commitment;
- commits to keep records of the agricultural activities correlated to the implementation of commitments (basic level for the entire farm and higher level for the areas under commitment).

Requirements specific to commitments

- the beneficiaries of the sub-measure must comply with specific organic farming practices on agricultural lands covered by the commitments during the entire period of its application;
- the beneficiaries of the sub-measure must maintain the certification of the areas which were the subject of the commitment to convert to organic farming methods for a period of at least 5 years after signing that commitment;
- the beneficiaries keep records of the agricultural activities correlated to the implementation of commitments;
- the beneficiaries of the measure will have to prove they have the competencies required to implement commitments or undertake to obtain the necessary information and knowledge and provide the necessary expertise in implementing organic farming commitments through advisory and consultancy services, covering at least the aspects related to the identification of agricultural parcels, filling in and submission of commitments and payment applications, management measures applicable at the farm level necessary to comply with the basic requirements and the specific requirements of the commitments.
- for permanent pastures for which commitments are signed, a minimum load of 0.3 LU / ha over the whole period of commitment will be ensured.

In case of failure to comply with the specific requirements of the commitments, the support granted will be reduced, which may go up to the exclusion from payment in some cases set out in the system of penalties applicable to Measure 11.

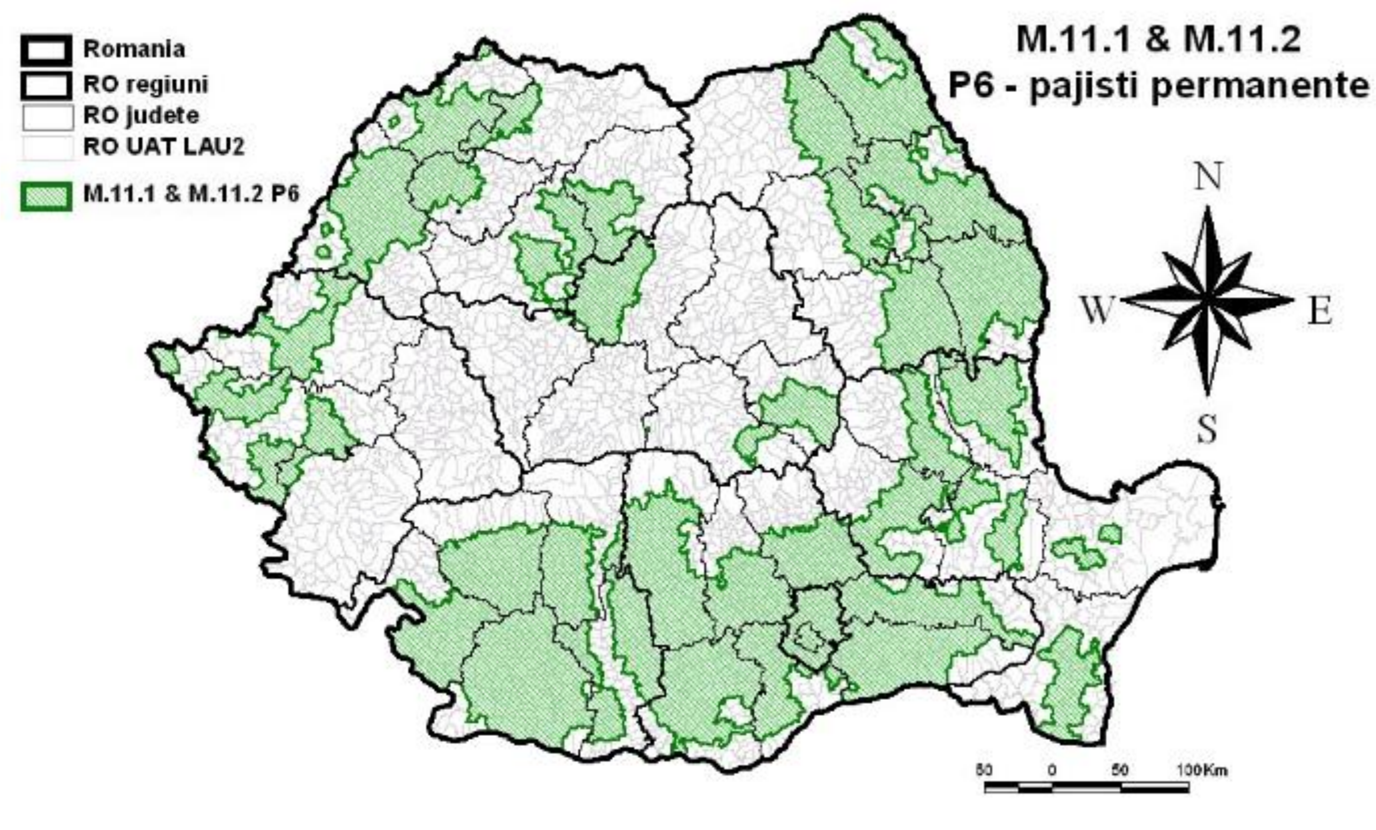

Figure 8.2.M.11-1 – map P6

8.2.9.3.1.7. Principles with regards to the setting of selection criteria

Pursuant to Article 49(2) of R (EC) 1305/2013 selection criteria are not required for this sub-measure.

8.2.9.3.1.8. (Applicable) amounts and support rates

The compensation rate is of 100% non-refundable public support.

The compensation payments are calculated as standard costs for each of the 6 packages proposed. This corresponds to 100% compensation of income foregone and additional costs for most crops.

Due to the limits laid down in Annex II to R (EU) No 1305/2013, two payments cover only part of the income foregone and additional costs:

- in the case of the compensation payment for conversion to organic farming for vegetables the percentage is 83% and
- the compensation payment for conversion for aromatic herbs covers 79% of the income foregone and additional costs calculated.

The compensation payments under the packages of the sub-measure 11.1 granted for the conversion period are:

- Package 1 - agricultural crops on arable lands (including forage crops) under conversion to organic farming ***- 293 euro/ha/year***,
- Package 2 - vegetables under conversion to organic farming ***- 500 euro/ha/year***,
- Package 3 - orchards under conversion to organic farming ***- 620 euro/ha/year***,
- Package 4 - vineyards under conversion to organic farming ***- 530 euro/ha/year***,
- Package 5 - medicinal and aromatic plants under conversion to organic farming ***- 365 euro/ha/year***.
- Package 6 - permanent pastures under conversion to organic farming ***- 124 euro/ha/year***;

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*".

Package 1 of the sub-measure can be combined with packages 4 and 5 of the sub-measure 10.1 agri-environment and climate, and the package 2 of this sub-measure can be combined only with the package 4 of the sub-measure 10.1 agri-environment and climate.

During the period of commitments, crop rotation is allowed on the same parcel from one year to another, between packages 1, 2 and 5.

8.2.9.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.1.9.1. Risk(s) in the implementation of the measures

As the risks identified are similar for both sub-measures, they are presented under the chapter „*Verifiability and controllability'* of the measure fiche.

8.2.9.3.1.9.2. Mitigating actions

As the measures undertaken to reduce risks are applied for both sub-measures, they are presented at the chapter „*Verifiability and controllability'* of the measure fiche.

8.2.9.3.1.9.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, it is presented -in the chapter „Verifiability and controllability of the measure' of the measure fiche.

8.2.9.3.1.10. 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 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 29(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, 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 measure fiche.

8.2.9.3.2. 11.2 Support for maintaining organic farming practices

Sub-measure:

- 11.2 - payment to maintain organic farming practices and methods

8.2.9.3.2.1. 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 maintain organic farming-specific practices and methods, as defined in the Regulation (EC) No 834/2007.

The commitments for maintaining the organic farming (including those that follow immediately after the initial conversion period) are concluded for a period of 5 years. After the 5-year period of the commitments for maintaining organic farming, these can be extended annually, without going beyond the PNDR 2014-2020 implementation period.

8.2.9.3.2.2. Type of support

Compensation payments with intensity of 100%.

The support under this sub-measure is provided for operations carried out in view of maintaining the organic farming practices.

The sub-measure comprises 6 packages:

- Package 1 – Agricultural crops on arable lands (including forage crops) certified to organic farming;
- Package 2 – Vegetables certified to organic farming ;
- Package 3 – Orchards certified to organic farming;
- Package 4 – Vineyards certified to organic farming;
- Package 5 – Medicinal and aromatic plants certified to organic farming;
- Package 6 - Permanent pastures certified to organic farming

The support is granted annually as a fixed amount per area unit (hectare) and is a compensation payment for income foregone and additional costs incurred by beneficiaries who conclude voluntary commitments for a period of 5 years.

8.2.9.3.2.3. Links to other legislation

EU legislation:

- R (EU) No 808/2014 laying down rules for the application of R (EU) 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD);
- R (EU) no. 1306/2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulation (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 ;
- R (EU) No. 1307/2013 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;

- R (EC) No 834/2007 on organic production and labelling of organic products and repealing Regulation (EEC) No. 2092/91;
- R (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007 on organic production and labelling of organic products with regard to organic production, labelling and control;
- R (EC) No 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

National Legislation:

- MARD Order No 352/ 20015 on the approval of cross-compliance rules in Romania;
- relevant minimum requirements for the use of fertilisers and plant protection products set out in the national laws (Order on the Code of good agricultural practices, GO No 4/1995, GO 1559/2004;
- Emergency Ordinance No 34/2000 on organic agri-food products;
- MARD Order No 181/2012 on the approval of rules on the organisation of the inspection and certification system for organic farming,
- MARD Order No 1253/2013 on the approval of rules for the registration of organic farming operators,
- Law on the agricultural co-operation No 566/2004.

8.2.9.3.2.4. Beneficiaries

Active farmers (users of agricultural lands) registered in the organic farming system.

8.2.9.3.2.5. Eligible costs

Standard costs, calculated based on the assessment of additional costs and income foregone resulting from the application of specific organic farming practices which go beyond the mandatory non-remunerated level of the basic requirements.

The standard costs calculated for this sub-measure do not include transaction and investments costs.

8.2.9.3.2.6. Eligibility conditions

Eligible area:

- agricultural areas under the land use category of arable land (Package 1, 2 and 5), orchards (Package 3), vineyards (Package 4) and permanent pasture (Package 6),
- commitments under sub-measure 11.2 apply to agricultural parcel level, with no possibility of changing parcels during the period of commitments,
- Package 6 - permanent pasture certified to organic farming can only be applied in administrative-territorial units that are not eligible under Measure 10 for packages applicable on permanent pastures (package 1, 2, 3.1, 3.2 and 6), presented in Figure 8.2. M.11-1 - P6 map and in Annex Chap. 8.2 - list of eligible areas M.10, M.11, and M.13.

Beneficiary:

- falls within the **active farmer** category (according to the national definition), within the meaning of

Article 9 of Regulation (EU) No 1307/2013;

- is the user of an agricultural area located on the Romanian territory, identifiable in the Integrated Administration and Control System (IACS);
- holds a minimum area of the farm of 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);
- is registered as an organic farming operator, in each year when support is requested, according to the legal provisions;
- concludes a contract with an independent inspection and certification body authorized according to the provisions of the national laws during the entire period of the commitment;
- commits to keep records of the agricultural activities correlated to the implementation of commitments (basic level for the entire farm and higher level for the areas under commitment).

Requirements specific to commitments

- the beneficiaries of the sub-measure must comply with specific organic farming practices on the agricultural lands covered by the commitments during the entire period of its application,
- the beneficiaries keep records of the agricultural activities correlated to the implementation of commitments,
- the beneficiaries of the measure will have to prove they have the competencies required to implement the commitments or undertake to obtain the necessary information and knowledge and provide the necessary expertise in implementing organic farming commitments through advisory and consultancy services, covering at least the aspects related to the identification of agricultural parcels, filling in and submission of commitments and payment applications, management measures applicable at farm level necessary to comply with the basic requirements and the specific requirements of the commitments,
- in the case of permanent pastured for which commitments are signed ,a minimum load of 0.3 LU/ha will be ensured over the whole period of commitment.

In the case of failure to comply with the specific requirements of commitments, reductions of the support granted shall be applied which may go to the exclusion from payment in some cases set out in the system of penalties applicable to Measure 11.

8.2.9.3.2.7. Principles with regards to the setting of selection criteria

Pursuant to Article 49(2) of R 1305/2013 selection criteria are not required for this sub-measure.

8.2.9.3.2.8. (Applicable) amounts and support rates

The compensation rate is 100% non-refundable public support.

Compensation payments are calculated as standard costs for each of the 6 packages proposed. This corresponds to a 100% compensation of the income foregone and additional costs for most crops.

Due to the limits laid down in Annex II of R (EU) No 1305/2013, one of the payments covers only a part of the income foregone, respectively the compensation payment for the maintenance of organic practices for vegetables, the percentage is 89% of the income foregone and additional costs calculated.

The compensation payments are calculated as standard costs per ha of agricultural area for each of the 6 packages proposed:

- Package 1 - agricultural crops on arable lands (including forage crops) certified to organic farming - ***218 euro/ha/year***,
- Package 2 – vegetables certified to organic farming - ***431 euro/ha/year***,
- Package 3 - orchards certified to organic farming - ***442 euro/ha/year***,
- Package 4 - vineyards certified to organic farming - ***479 euro/ha/year***,
- Package 5 - medicinal and aromatic plants certified to organic farming - ***350 euro/ha/year,***
- Package 6 – permanent pastures certified to organic farming - ***111 euro/ha/year.***

Payments granted within Article 29 may be cumulated with the other types of area payments: direct payments, payments granted based on Article 31 "*Payments for areas facing natural constraints or other specific constraints*".

Package 1 of the sub-measure can be combined with packages 4 and 5 of the sub-measure 10.1 on agri-environment and climate, and package 2 of the sub-measure can be combined only with package 4 of the sub-measure 10.1 *agri-environment- climate*.

During the period of commitments, the crop rotation is allowed on the same land parcel from one year to another, between packages 1, 2 and 5.

8.2.9.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.2.9.1. Risk(s) in the implementation of the measures

As the risks identified are similar for both sub-measures, they are presented under the chapter '*Verifiability and controllability''* of the measure fiche.

8.2.9.3.2.9.2. Mitigating actions

As the measures undertaken to reduce risks are applied for both sub-measures, they are presented under the chapter '*Verifiability and controllability''* of the measure fiche.

8.2.9.3.2.9.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, it is presented under the chapter „*Verifiability and controllability of the measure*' in the fiche of Measure 11.

8.2.9.3.2.10. 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 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 29(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, 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*' '

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 verifiability and controllability of the measure are based on the results of the ex-ante assessment performed by the MA 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:

- late submission of the payment applications);
- Failure to declare all the areas;
- Incorrect identification of the 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 comply with the measure-specific requirements for the areas under commitment;
- Failure to record the agricultural activities relevant in terms of commitments.

8.2.9.4.2. Mitigating actions

Among the measures taken to improve measure implementation and mitigate risks, the following can be mentioned:

- Identification of agricultural parcels by electronic means,
- Annual promotion of broad information campaigns for beneficiaries where information is disseminated regarding the correct implementation of the commitments.
- the beneficiaries of the measure will have to prove that they possess the relevant knowledge and information or they benefit from the technical expertise required to implement the commitments,
- upgrade of the existing IT system to the measure requirements and development of a progressive sanction system,
- A protocol of collaboration was signed between the MARD and the PA to improve the information flow on the results of controls for organic farming.

The commitments will be managed through IACS. The commitments will be checked by administrative and on-the-spot methods (including by rapid field visits for the verification of certain requirements), the efficacy and efficiency of these methods are 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

IACS and on cross-checks with relevant external databases. The eligibility requirements (e.g. land use category, the size of farms and of parcels), maintaining surfaces, compliance with the commitment period and other commitments are subject to administrative checks. These checks are conducted based on the data recorded in IACS, for each year of the commitment (based on the information included in the payment applications) and comparatively, between each commitment year and the initial commitment also using the reference information provided by cross checks (e.g. Farm Register, LPIS, Animal Register, etc.). The on-the-spot checks will be carried out on premises of representativeness and adequate level of control samples, by means of visual checks and documentary checks confirming the compliance with the requirements. The sample selection will take into account the effectiveness of the risk factors applied, by means of an annual analysis of their efficacy. 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. In cases when not all requirements and standards corresponding to purposes selected for control can be verified in the field, then quick field visits will be conducted to confirm the compliance. As a basic control method, all specific and basic requirements will be checked by means of the farm registers. Detailed verifications will be carried out by remote-sensing (compliance of areas and compliance with certain cross-compliance standards) and by on-the-spot controls (compliance of areas, compliance with cross-compliance requirements and basic requirements at farm level and compliance with specific requirements at the level of parcels under commitments). The on-the-spot control results will be included in the control reports, while their documentation will be made by specific technical means (GPS or remote-sensing measurements, photos, etc.).

To create the premises needed to achieve the objectives established under the envisaged priorities, an adequate institutional framework will be developed (also including the delegation of certain functions on the technical implementation), as well as working procedures for the management and control activities along the procedural flow.

The measure verification and control mechanisms include the mandatory requirements regarding the records of the authorized documents for the compliance of the beneficiary with the provisions of R (EC) No 834/2007, established according to Annex XII of R (EC) No 889/2008 (records of the documents supplied by the control bodies), as well as the exchange of information between the control bodies and the competent authorities, according to Article 27 of R (EC) No 834/2007 and the R (EU) No 392/2013 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-the-spot by the competent authorities.

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 linked to the implementation of sustainable agricultural practices, by promoting organic farming, the efficient use of natural resources and supporting the shift toward a low carbon economy and adapted to climate change effects, while promoting a sustainable and balanced development of the rural area.
In order to ensure the maximization of the expected impact, the measure targets the equal treatment of applicants and of different types of commitments, as well as an efficient and effective use of financial resources in compliance with the rural development priorities of the Union. To establish the basis needed to

achieve the objectives established under the envisaged priorities, an adequate institutional framework will be developed (also comprising the delegation of certain functions for the technical implementation), as well as working procedures for the management and control activities throughout the procedural flow.

Following the analysis undertaken by the Managing Authority and the Paying Agencies based on experience acquired in the period 2007-2013, it can be concluded that the verifiability and the controllability of the measure is ensured both in terms of vocational training and in terms of improved working procedures, so that the financial interests of the European Union are not prejudiced.

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 signed shall be registered as lands in conversion/ certified under the organic system, by an authorized inspection and certification body, in compliance with Regulation 834/2007. The areas for which commitments are signed within this measure must continue to be registered by an inspection and certification body throughout the duration of the commitment and must continue to be used according to the organic production methods, in compliance with the relevant national legislation and with the EC Regulation No 834/2007.

- relevant mandatory standards established pursuant to title VI chapter I in Regulation (EU) No 1306/2013:
  - GAEC 6 - Maintenance of soil organic matter level, including ban on burning arable stubble:
    - sunflowers are not cultivated on the same location for more than 2 consecutive years;
    - it is prohibited to burn stubble and crop residues on arable land and permanent pastures vegetation.
  - GAEC 7 – Retention of landscape features, including isolated trees and existing terraces on agricultural land, taking measures to prevent the onset of invasive plant species ensure a minimum level of maintenance of agricultural land:
    - retention of landscape features, including isolated trees and existing terraces on the arable land;
    - farmers must prevent installation of unwanted vegetation on agricultural land, including on agricultural land fallow;
    - permanent pastures are maintained by ensuring a minimum level of grazing of 0.3 LU/ha and their mowing at least once a year.

- relevant criteria and minimum activities established pursuant to the article 4 paragraph (1) letter (c) points (ii) and (iii) of the Regulation (EU) No 1307/2013:
  - carrying out a minimum activity on agricultural areas naturally kept in a state suitable for grazing or cultivation on arable land is done by removing the vegetation by mowing or disking works or using herbicides at least once a year, and on permanent pasture by grazing,

providing a minimum load of 0.3 LU/ha with animals they exploit or an annual mowing, in accordance with specific legislation on pastures. If the permanent pastures ae located above 1800m, naturally kept in a state suitable for grazing, the minimum activity consists in grazing, providing a minimum load of 0.3 LU/ha, with the animals they exploit.

  - in the case of vineyards and orchards, the minimum agricultural activity involves at least an annual cutting for maintenance or at least one annual mowing of weeds between rows or an annual work for soil maintenance.

- the relevant minimum requirements for the use of fertilisers and plant protection products set out in the national legislation:

  - **Phytosanitary** - GO *4/1995, with subsequent amendments and additions*
    - It is allowed to use only the plant protection products authorized for sale and only in compliance with the use instructions;
    - The phytosanitary treatments may only be carried out by persons holding an authorisation for provision of services with phytosanitary products;
  - **Requirements on water protection against nitrate pollution from agriculture**
    - *Order on the approval of the Code of Good Agricultural Practice against pollution caused by nitrates from agricultural sources* – The natural fertilisers applied shall 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 act based on a fertilization plan;
  - **Use of fertilisers** – *Joint Order MARD/MEF/MH 94/1.378/1.071/2010* – Ban on the use of fertilisers unauthorized for sale.

- other relevant mandatory requirements set out in the national legislation:

  - **Organic farming** – *MARD Order No 1253/2013* – Operators producing organic products or those under conversion period shall register this activity with the Ministry of Agriculture and Rural Development, through the specialized department, and shall be subject to the control carried out by an approved 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 29(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, 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 payment (CP) is based on the calculation of additional costs and income foregone resulting from the commitments taken to comply with organic farming specific practices, applying the following formula:

CP per ha = income foregone + additional costs (net)

The calculation of compensation payments is based on the national average yield, producer prices and variable costs that depend on yields.

The variable costs taken into account are :

- direct costs (seeds, fertilisers, crop protection);
- variable costs with machinery (fuel, repair of machinery);
- costs for seasonal labour.

The amounts of compensation payments depend very much on the income foregone, i.e. differences in the value of output. These differences originate from differences in output per hectare (yield/ha) and producer prices of conventional and organic products. Since data on yields and producer prices of organic production do not exist in Romania and hardly in other Member States, 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 in the calculation.

The items considered in the calculation of compensation rates per crop per hectare, including for permanent pastures are:

- yields;
- producer prices;
- seed costs (or plants);
- fertiliser costs;
- plant protection costs;
- fuel costs;
- machinery repair costs;
- seasonal labour costs;
- costs of certification.

In terms of the sources of data used in the study, national sources were used such as the MARD database (RICA), the National Institute of Statistics, the National Institute for Research - Development in Agriculture Fundulea (INCDA), Murfatlar and http: // www.atayurt.ro/. They also used the data published by the European Commission (http://epp.eurostat.ec.europa.eu/portal/page/portal/agriculture/data/database and http://ec.europa.eu/energy /observatory/oil/bulletin_en.htm) and international data sources, mostly from Germany, as the German market is a major destination for organic products from Romania. The data published by KTBL (http://www.ktbl.de/index.php?id=792), by "Öko-Landbau Marktbilanz AMI" (http://www.ami-informiert.de/ ami-shop / ami-shop Startseite / Produkte / markt-bilanz.html) Landesanstalt für Landwirtschaft (LFL) (https://www.stmelf.bayern.de/idb/default.html), Bundesanstalt für Agrarwirtschaft (AWI (http://www.awi.bmlfuw.gv.at/idb/default.html;jsessionid=B799373721FA7520B3697C9DCD201D64), http://www.abg.at/en/international/fees_int, etc. were used. Depending on the availability of data, we used a reference period 2002 - 2013, the data from 2002 are updated by a factor of inflation, but most of the data are recorded in the years 2010-2012.

The calculation of compensation payments is based on the following assumptions:

- Conventional and organic production of main arable crops and for vegetables, are carried out in commercial farms with arable land that use with modern management methods;

- The conventional farm uses its arable (vegetable production) land with the same shares as the national average land is used;
- Comparative organic farm uses its share of arable land equal to the average share of land in organic system used at national level; does not own livestock and uses certified organic compost purchased for fertiliser;
- 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 fertilisers and pesticides, 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 fertilisers;
- During the certified period, the organic products can be sold at a higher price than the conventional products;
- There is a competitive market within the EU which leads to relative similar prices for 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 conventional farm includes the costs of compliance with the relevant mandatory ('greening') standards. Compliance with these standards imposes costs on conventional farming and/or decreases of 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. Consequently, the CRs resulted by the use of the calculation methodology do not lead to an over-compensation of M 11 beneficiaries, thus avoiding the double funding of practices corresponding to the application of ‘'greening' standards’' referred to in Article 43 of R (EU) No 1307/2013. The adopted 'greening' conditions:

- do not affect the variable costs of conventional and organic production differently (in terms of EUR/ha) and/or
- do not reduce the yield and modify the conventional and organic output value differently (in terms of EUR/ha).

These similarities between conventional and organic farming practices (implicitly manifested as variable costs and/or output values similar for both production methods) lead to the justification of the non-differentiation of resulted CR, and does not require the deduction of certain additional costs or income foregone from the payments corresponding to the packages of organic farming sub-measures.

Pursuant to Article 62 in the R (EU) No 1305/2013, in Chapter 18.2 (Figure 8.2.M.11-1 – ICPA validation letter for payment calculation methodology M.11 P1-5 and Figure 8.2.M11-2 - ICPA validation letter for payment calculation methodology M.11 P1-6 there are the certifications of the calculations for packages 1-5 and 6 by ICPA, as independent body. In these statements 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 and the adequate nature of the methodology in terms of avoiding double funding.

8.2.9.6. Other important remarks relevant to understand and implement the measure

A revision clause is foreseen for the commitments concluded within this measure in order to ensure their adjustment in the case of the amendment of the basic requirements or the greening measures (Article 43 of Regulation (EU) No 1307/2013) the commitments have to overcome.

A revision clause is foreseen for the commitments concluded within this 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.

Ongoing commitments for organic farming can be transformed in the period of its operation into another commitment provided by 2014-2020 NRDP measures, provided that the following conditions are complied with:

- the transformation presents significant benefits to the environment,
- the existing commitment is substantially reinforced.

In the case of transformation of the commitments, a new commitment shall be signed for the whole period specified by the measure related to new commitment, regardless of the period in which the initial commitment has already been implemented.

It is also possible to adapt the ongoing commitments to organic farming, provided that the new commitments take into account the achievement of initial commitment objectives. The beneficiary must meet the commitment adapted for the remaining period of the initial commitment. The detailed rules on transformation and adaptation of commitments will be established by national rules.

The beneficiaries of the measure must comply with the cross-compliance standards set out in the national law pursuant to Title VI of Regulation (EU) No 1306/2013 at the level of the entire agriculture holding.

In order to ensure the basis required to achieve the objectives proposed, the beneficiaries of the measure shall prove that they possess the relevant knowledge and information or benefit from the technical expertise needed to implement the commitments. For this purpose, the possession of needed knowledge and relevant information or the provision of required expertise shall be demonstrated:

- Prior to the execution of the first payment (until the end of the first year of the commitment), by farmers with commitments on areas larger than 300 ha,
- Prior to the execution of the second payment (until the end of the 2nd year of the commitment), by farmers with commitments on areas up to 300 ha.

In order to comply with these conditions, through the support granted under the Programme, the beneficiaries of organic farming measures can benefit from training services (Measure 1) or from advisory services (Measure 2), under the specific conditions set out in the Programme (including those related to the selection of final beneficiaries).

The beneficiaries of organic farming payments who do not benefit from services provided under Measure 1 or Measure 2 shall make proof of:

- obtaining the needed knowledge and information, by presenting documents attesting the participation in a training course on the implementation of organic farming commitments or

- ensuring the expertise in terms of the implementation of the organic farming commitments, covering at least the issues related to the identification of agricultural parcels, filling in and submission of the commitments and of 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 or consultancy services.

Organic farming is stimulated within the NRDP 2014-2020 by introducing principles of selection in measures 4 (sub-measure 4.2), 16 (sub-measures 16.1 and 16.4) and in the Fruit-growing thematic sub-programme (sub-measures 4.1a, 4.2a, 9a, 16.1a, 16.4a).

Fostering investments in organic farming in the RDP 2014-2020 is encouraged by increasing the intensity of support by 20% compared to the intensities applied to the other beneficiaries (not exceeding 90% of the projects eligible value) in the sub-measures 4.1 and 4.1a.

8.2.10. M13 - Payments to areas facing natural or other specific constraints (art 31)

8.2.10.1. Legal basis

Articles 31- 32 of 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

General description

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 (Figure 8.2.M.13-1 – ANC map). 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 process of designation of areas facing natural or other specific constraints (ANC's) , 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 (in the West of the country) – where the natural features lead to a decrease in the natural productivity.

For the two categories of ANC 'mountain areas' (Article 32(1)(a)) and 'areas affected by specific constraints' (Article 32(1)(c)), the same designation as used in the 2007-13 RDP ('mountain area' designated according to Article 18 of (EC) Regulation 1257/1999 and 'areas facing significant constraints' designated according to Article 19 of (EC) Regulation 1257/1999) will continue to be applied. Romania will from 2015 introduce a new delimitation based on biophysical criteria to designate 'areas, other than mountain areas, facing significant natural constraints', (Article 32(1)(b)), replacing the previous category of 'areas affected by specific constraints' (designated in the 2007-13 RDP according to Article 20 of the (EC) Regulation 1257/1999) LFA's applied under the 2007-13 RDP. Until 2014 the old delimitation of the LFA's from NRDP 2007-2013 was used, where the payments were granted based on the provisions in the (EC) Regulation 1698/2005.

Given the fact that through the sub-measure 4.3 investments in the secondary irrigation infrastructure will be supported in areas where economically viable irrigation arrangements exist (the eligible area in the 4.3 sM is of approx. 620,000 ha, out of the total of 823,130 ha recommended for the inclusion in investments programmes by the Strategy for Investments in the Irrigation Sector), it is possible that on a medium and long term, the natural constraints to be overcome in some of these areas. Therefore, in order to update the current fine-tuning exercise and hence the degree to which the natural constraints manifest in the eligible area within 13.2 sM, , the information used in the fine-tuning exercise will be reviewed 2 years after the approval of the NRDP 2014-2020. In the case that in some areas the natural constraints have been overcome (irrigations - over 50% of the agricultural area of ATU or the average yield estimated at ATU level is greater than 80% of the EU average), these areas will be excluded from the 13.2 sM eligible area. The result of the assessment will be sent and discussed with the EC.

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. These areas are designated as ‘mountain areas’.

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 drought-related climate factor (dryness). There are also 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 temperature), etc. The identification and designation of these ‘other 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. These areas are designated as ‘other areas affected by specific constraints’.

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 on 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- climate (Figure 8.2.M.13-2 – ANC and AECM overlapping map).

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 species *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).

Support under this measure is intended to compensate for the economic disadvantages faced by farmers when carrying out the agricultural activities 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 on 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 Nature Value (HNV) lands in a proportion of 48.71% of the eligible ATU areas or with areas important for biodiversity (species of priority animals or plants and habitats important for these species) in a proportion of 18.64% of the eligible ATU areas. 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 areas**, in **areas facing significant natural constraints** and in areas **facing other specific constraints**.

Link of the measure with the needs
Support under this measure will contribute to addressing the Need no. 16 ‘The protection and improvement of soil resources’, identified in Chapter 4 of the programme.
In order to answer to the needs identified, the operations will be carried out within three sub-measures:

- sM 13.1 – compensation payment for the mountain areas
- sM 13.2 – compensation payment for areas, other than mountain areas, facing significant natural constraints
- sM 13.1 – compensation payment for other areas affected by specific constratins

Contribution of the measure to 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.

Through the continuation of farming in the eligible areas, namely the practice of agricultural works on agricultural lands, concurrent with respecting the cross-compliance rules (mandatory rules of environmental management and plant health), soil erosion is prevented and its sustainable management is assured, thereby contributing to FA 4C.

Secondary effects: Measure 13 is programmed under the Focus Areas indicated above. In addition, that measure is expected to contribute indirectly to Priority 4 - 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.

Considering the main objective of the measure, namely to encourage the continued use of agricultural lands and avoid land abandonment (leaving land in a poorly maintained status), the maintenance of the rural landscape and biodiversity is assured, thereby contributing to FA 4A.

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.**

Also, by supporting the continuation of agricultural activity, especially on lands used as grasslands, their degradation is prevented, thus avoiding soil erosion and loss of vegetation cover. The support granted in the measure contributes to carbon sequestration both in biomass and soil, thus addressing the **climate changes** topic.

A list of the eligible areas under Measure 13 is presented in the Annex Chap. 8.2 – the list of eligible areas for M.10, M.11, and M.13 within the 2014-2020 NRDP.

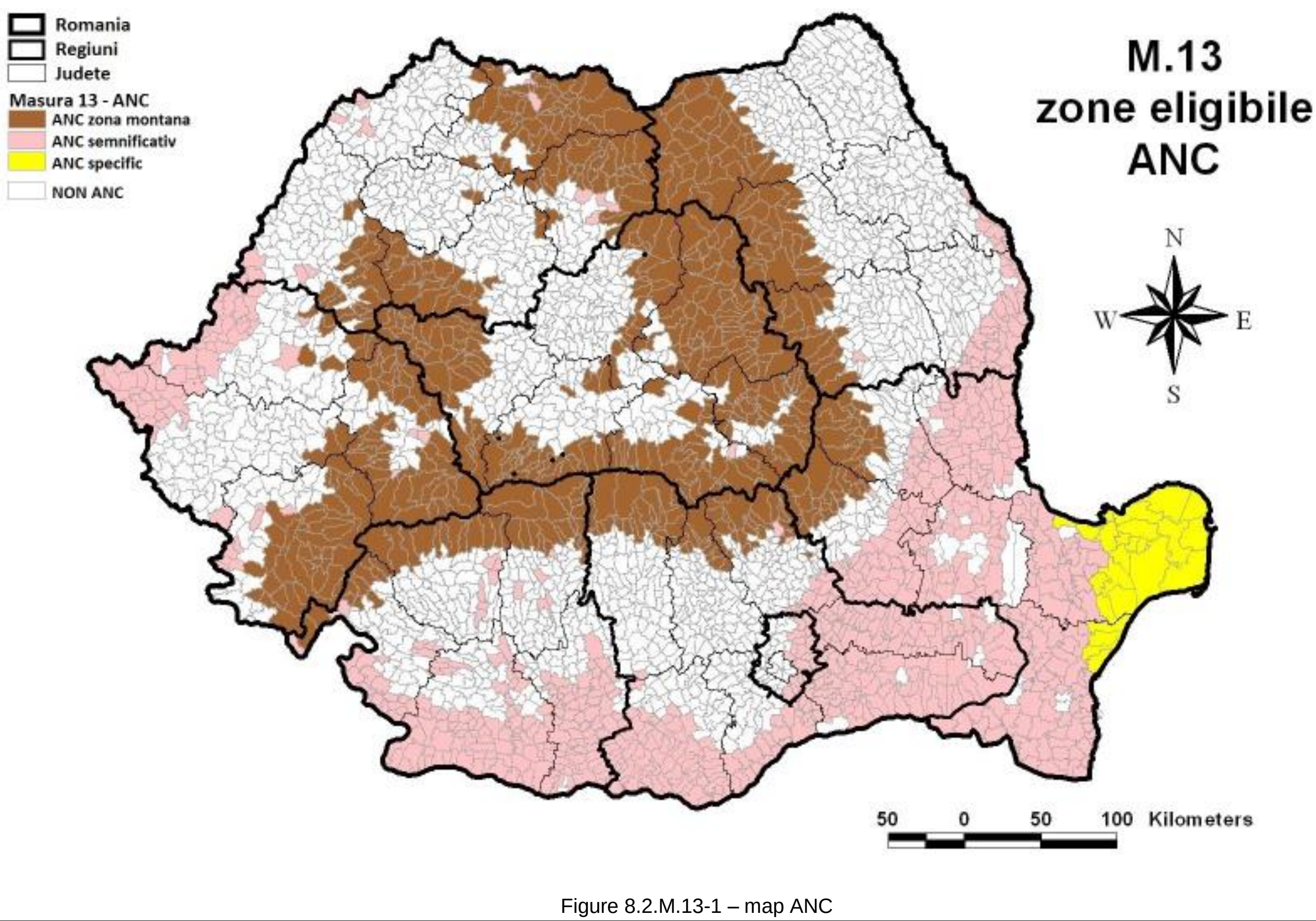

Figure 8.2.M.13-1 – map ANC

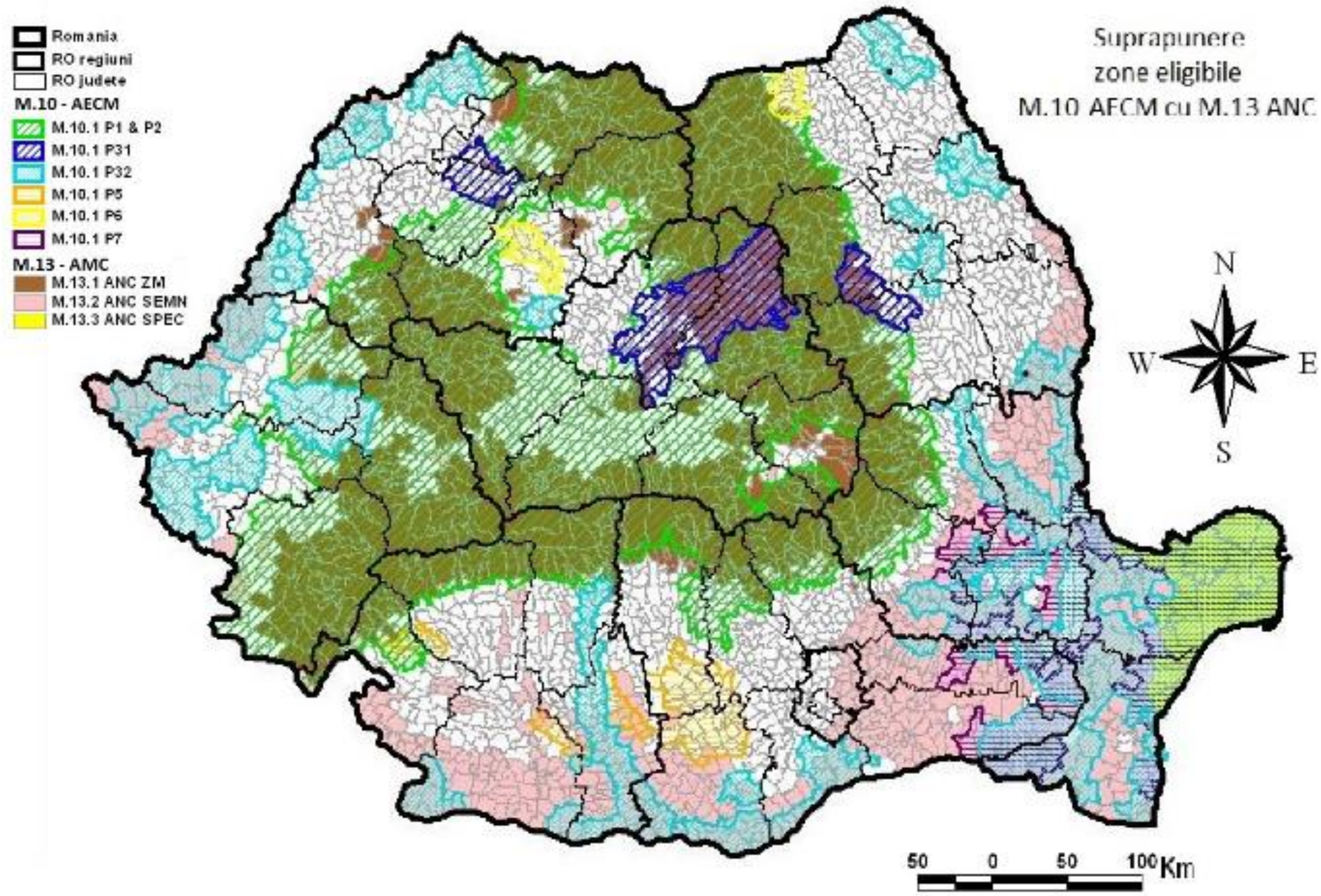

Figure 8.2.M.13-2 –ANC and AECM overlapping map

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 regard to the setting of selection criteria

8.2.10.3.1. 13.1 Compensation payments in the mountain area

Sub-measure:

- 13.1 - compensation payment in mountain areas

8.2.10.3.1.1. Description of the type of operation

Sub-measure 13.1 '***Compensation payments in the mountain area***' is an instrument whereby financial support is provided to compensate farmers 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 (Article 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.

8.2.10.3.1.2. Type of support

The compensation payment is paid on an annual basis, as a fixed amount, granted per surface unit (hectare) and it contributes to covering the income foregone and additional costs incurred by farmers signing annual voluntary commitments to continue agricultural activities in the areas designated in accordance with:

- Article 32 (2) of Regulation (EU) no. 1305/2013 Payments for mountain areas.

8.2.10.3.1.3. Links to other legislation

EU legislation:

- Title VI Chapter I in 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,
- Article 9 of 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.

National legislation:

- National Implementation Framework,
- The GEO No 3/2015 approving payment schemes that apply in agriculture for the period 2015-2020.
- ORDER on the approval of the cross-compliance rules within the support schemes and measures for farmers in Romania.

8.2.10.3.1.4. Beneficiaries

The **beneficiaries** of this sub-measure are the **active farmers**.

8.2.10.3.1.5. Eligible costs

These will be represented by the compensation premiums granted to beneficiaries, to cover the income foregone or additional costs incurred by farmers due to the natural constraints manifested in the areas where they carry out their activity.

Avoiding over-compensation and double-funding

Romania will not implement the specific payment for areas with natural constraints under Pillar I of the CAP (Article 48-49 of Regulation (EU) 1307/2013, financed by the European Agricultural Guarantee Fund) so there is no risk of overcompensation or double-funding of the same disadvantage.

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 compensation payments for the agricultural area (Pillar II of CAP – rural development).

8.2.10.3.1.6. Eligibility conditions

The eligibility conditions applicable under this sub-measure are:

- the beneficiary of the support shall fall under the ***active farmer*** category, defined in the national legislation pursuant to Article 9 of Regulation (EU) 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 Article 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 the 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.

Other conditions within commitments, for which reductions of the support are applied in case of non-compliance (in some cases set out in the system of penalties it may go up to exclusion from payment), consist of:

- at the level of the entire farm, the beneficiaries comply with the cross-compliance standards set out pursuant to Title VI, Chapter I of Regulation (EU) No 1306/2013, laid down in the national legislation.

8.2.10.3.1.7. Principles with regards to the setting of selection criteria

Pursuant to article 49 (2) of Regulation 1305/2013 selection criteria are not required for this sub-measure.

8.2.10.3.1.8. (Applicable) amounts and support rates

The non-refundable public support provided under this measure - as compensation payment - has an intensity of 100%.

In order to avoid any risk of overcompensation and ensure the effective use of funds, 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 compensation payment is of ***86 euro/ha/year***.

8.2.10.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.1.9.1. Risk(s) in the implementation of the measures

As the risks identified are similar for all the sub-measures, they are presented in the measure fiche.

8.2.10.3.1.9.2. Mitigating actions

As the risks identified are similar for all the sub-measures, the arrangements undertaken to reduce them are presented in the measure fiche.

8.2.10.3.1.9.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, it is presented in the measure fiche.

8.2.10.3.1.10. Methodology for calculation of the amount or support rate, where relevant

The methodology for the calculation of compensation rates provided under sub-measure 13.1 is presented under sub-chapter ''Methodology for calculation of the amount or support rate'' in the fiche of Measure 13.

8.2.10.3.1.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

Degressivity of financial support at commitment level

In the case of farms with agricultural areas of more than 50 ha (the threshold from which degressivity applies), the value of the payment decreases for those agricultural areas exceeding this value:

- 1-50 ha - 100% of the payment value per ha,
- 50.01-100 ha - 75% of the payment value per ha,
- 100.01-300 ha - 50% of the payment value per ha,
- Over 300 ha - 35% of the payment value per ha.

[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 designation of the **mountain area** has not changed compared to the 2007-2013 programming period, it was realized based on the following criteria:

1. The presence at the basic administrative-territorial unit (ATU) (communes or towns) located at medium altitudes higher than or equal to 600 meters, its limits being those of the physical blocks (identified in the Integrated Administration and Control System) that belong to the ATU;

2. The presence of the basic administrative-territorial unit located at medium altitudes between 400-600 meters and with an average slope higher than or equal to 15%, its limits being those of the physical blocks (identified in the Integrated Administration and Control System) which belong to the ATU.

8.2.10.3.2. 13.2 Compensation payments for areas facing significant natural constraints

Sub-measure:

- 13.2 - compensation payment for other areas facing significant natural constraints

8.2.10.3.2.1. Description of the type of operation

Sub-measure 13.2 'Compensation payments for areas facing significant natural constraints' is an instrument whereby financial support is provided to compensate farmers 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 the Regulation (EU) No 1305/2013, at the indicated threshold value.

In order to ensure that within the areas with significant natural constraints, identified following the analysis of bio-physical criteria, there were not areas where these constraints had been overcome by investments, by economic activity or by production methods or agricultural systems which compensate for the income foregone or additional costs, a fine-tuning exercise was carried out pursuant to article 32(3) of Regulation (EU) 1305/2013. This fine tuning exercise was undertaken to eliminate from the eligible areas the areas where the constraints were overcome by irrigations and the areas where a certain type of agriculture is predominant (vineyards or orchards), and the use of this agriculture type does not lead to the incurrence of losses or additional costs due to natural conditions.

8.2.10.3.2.2. Type of support

The compensation payment is paid on an annual basis, as a fixed amount, granted per surface unit (hectare) and compensates the income foregone and additional costs incurred by farmers signing annual voluntary commitments to continue agricultural activities in the areas designated in accordance with:

- Article 32 (3) of Regulation (EU) No 1305/2013 - Payments for areas facing significant natural constraints.

8.2.10.3.2.3. Links to other legislation

EU legislation:

- Title VI Chapter I in 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,
- Article 9 of 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.

National legislation:

- National Implementation Framework,

- The Government Emergency Ordinance No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- Order on the approval of the cross-compliance rules within the support measures and schemes for farmers in Romania.

8.2.10.3.2.4. Beneficiaries

The **beneficiaries** of this sub-measure are the **active farmers**.

8.2.10.3.2.5. Eligible costs

Eligible costs

These will be represented by the compensation premiums granted to beneficiaries, to cover income foregone or additional costs incurred by farmers due to the natural constraints manifested in the areas where they carry out their activity.

Avoiding over-compensation and double-funding

Romania will not implement the specific payments for areas with natural constraints under Pillar I of the CAP (Articles 48-49 of Regulation (EU) 1307/2013, financed by the European Agricultural Guarantee Fund) so there is no risk of overcompensation or double-funding of the same disadvantage.

Measure combination

Payments provided under this measure can be cumulated on the same agricultural land area, with the direct payments granted to farmers (Pillar I of CAP) and with the compensation payments for the agricultural area (Pillar II of CAP – rural development).

8.2.10.3.2.6. Eligibility conditions

The eligibility conditions applicable under this sub-measure are:

- the beneficiary of the support shall fall under the ***active farmer*** category, defined in the national legislation pursuant to Article 9 of Regulation (EU) 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 Article 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 the cases set out in the conditions specific to the single area payment scheme, 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.

Other conditions within commitments, for which in case of non-compliance, reductions of the support are applied (which may, in some cases set out in the system of penalties, go up to exclusion from payment), consist of:

- the beneficiaries, at the level of the entire farm, comply with the cross-compliance standards set out in the national legislation pursuant to Title VI, Chapter I of Regulation (EU) No 1306/2013.

8.2.10.3.2.7. Principles with regards to the setting of selection criteria

Pursuant to article 49 (2) of Regulation 1305/2013 selection criteria are not required for this sub-measure.

8.2.10.3.2.8. (Applicable) amounts and support rates

The non-refundable public support provided under this measure - as compensation payment - has an intensity of 100%

In order to avoid overcompensation and to assure the efficient use of the funds, 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 compensation payment is of ***54 euro/ha/year***.

8.2.10.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.2.9.1. Risk(s) in the implementation of the measures

As the identified risks are similar for all the sub-measures, they are presented in the measure fiche.

8.2.10.3.2.9.2. Mitigating actions

As the identified risks are similar for all the sub-measures, the arrangements undertaken to reduce them are presented in the measure fiche.

8.2.10.3.2.9.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, it is presented in the measure fiche.

8.2.10.3.2.10. Methodology for calculation of the amount or support rate, where relevant

The methodology for the calculation of compensation payments provided under sub-measure 13.2 is presented under sub-chapter 'Methodology for the calculation of the amount or support rate' in the fiche of Measure 13.

8.2.10.3.2.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

Degressivity of financial support at commitment level

In case of farms with agricultural areas of more than 50 ha (the threshold from which degressivity applies), the value of the payment decreases for those agricultural areas exceeding this value:

- 1-50 ha - 100% of the payment value per ha,
- 50.01-100 ha - 75% of the payment value per ha,
- 100.01-300 ha - 50% of the payment value per ha,
- Over 300 ha - 35% of the payment value per ha.

If the value of the compensation payment/ha reach a level below ***EUR 25/ha*** following the use of degressivity, the compensation payment per surface unit will be of ***EUR 25/ha.***

[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 designation of `areas facing significant natural constraints` was made at the level of territorial units (LAU2), based on the fulfilment on at least 60% of the ATU agricultural area of at least one biophysical criteria for the delimitation of areas facing natural constraints defined in Annex III of Regulation 1305/2013. After the verification of the requirement for the presence of at least one biophysical criterion at the 60% threshold on the agricultural area of ATU, the fine-tuning exercise was carried out (in order to eliminate the ATUs where the constraint was overcome), based on the presence of irrigation (areas irrigated in the 2007-2014 period of over 50% of the agricultural area of the ATU), the high percentage of vineyards or orchards surfaces (at least 20% of the agricultural area of the ATU) or where the average yields exceed 80% of the EU average for wheat and maize.

The methodology for the designation of **Areas facing significant natural constraints** is presented in Annex Chap. 8.2 – methodology for the designation of eligible areas M.13.

8.2.10.3.3. 13.3 Compensation payments for areas facing specific constraints

Sub-measure:

- 13.3 - compensation payment to other areas affected by specific constraints

8.2.10.3.3.1. Description of the type of operation

Sub-measure 13.3 ‘'Compensation payments for areas facing specific constraints’' is an instrument whereby financial support is provided to compensate farmers 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 regions 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. The Danube Delta together with the other adjacent units are the largest important area of wetlands in Europe, being part of the UNESCO worldwide heritage.

8.2.10.3.3.2. Type of support

The compensation payment is paid on an annual basis, as a fixed amount, granted per surface unit (hectare) and compensates 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:

- Article 32 (4) of Regulation (EU) No 1305/2013 - Payments for areas facing specific natural constraints.

8.2.10.3.3.3. Links to other legislation

EU legislation:

- Title VI Chapter I in 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,
- Article 9 of 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.

National legislation:

- National Implementation Framework,

- The GEO No 3/2015 for approving the payment schemes that apply in agriculture in the period 2015-2020,
- Order on the approval of the cross-compliance rules within the measures and support schemes for farmers in Romania.

8.2.10.3.3.4. Beneficiaries

The **beneficiaries** of this sub-measure are the **active farmers**.

8.2.10.3.3.5. Eligible costs

Eligible costs

These will be represented by the compensation 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 over-compensation and double-funding

Romania will not implement the specific payments for areas with natural constraints under Pillar I of the CAP (Article 48-49 of Regulation (EU) 1307/2013, financed by the European Agricultural Guarantee Fund) so there is no risk of overcompensation or double-funding of the same disadvantage.

Measure combination

Payments provided under this measure can be cumulated, on the same agricultural land area, with the direct payments granted to farmers (Pillar I of CAP) and with the compensation payments for the agricultural area (Pillar II of CAP – rural development).

8.2.10.3.3.6. Eligibility conditions

The eligibility conditions applicable under this sub-measure are:

- the beneficiary of the support shall fall under the *active farmer* category, defined in the national legislation pursuant to Article 9 of Regulation (EU) 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 Article 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 the cases laid down in the conditions specific to the single area payment scheme 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.

Other conditions within commitments, for which in case of non-compliance, reductions of the support are applied (which in some cases set out in the system of penalties, may go up to exclusion), consist of:

- the beneficiaries, at the level of the entire farm, comply with the cross-compliance standards set out in the national legislation pursuant to Title VI, Chapter I of Regulation (EU) No 1306/2013.

8.2.10.3.3.7. Principles with regards to the setting of selection criteria

Pursuant to article 49 (2) of Regulation 1305/2013, selection criteria are not required for this sub-measure.

8.2.10.3.3.8. (Applicable) amounts and support rates

The non-refundable public support provided under this measure - as compensation payment - has an intensity of 100%.
In order to avoid overcompensation and to ensure the efficient use of the funds, 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 compensation payment is of ***70 euro/ha/year***.

8.2.10.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.3.9.1. Risk(s) in the implementation of the measures

As the risks identified are similar for all the sub-measures, they are presented in the measure fiche.

8.2.10.3.3.9.2. Mitigating actions

As the risks identified are similar for all the sub-measures, the arrangements undertaken to reduce them are presented in the measure fiche.

8.2.10.3.3.9.3. Overall assessment of the measure

As the overall assessment of the measure is similar for all the sub-measures, it is presented in the measure fiche.

8.2.10.3.3.10. Methodology for calculation of the amount or support rate, where relevant

The methodology for the calculation of compensation payments provided under sub-measure 13.3 is presented under sub-chapter ''Methodology for calculation of the amount or support rate'' in the fiche of Measure 13, covering all 3 sub-measures.

8.2.10.3.3.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

Degressivity of financial support at commitment level
In case of farms with agricultural areas of more than 50 ha (the threshold from which degressivity applies), the value of the payment decreases for those agricultural areas exceeding this value:

- 1-50 ha - 100% of the payment value per ha,
- 50.01-100 ha - 75% of the payment value per ha,
- 100.01-300 ha - 50% of the payment value per ha,
- Over 300 ha - 35% of the payment value per ha.

If the value of the compensation payment/ha reaches a level below **EUR 25/ha** following the use of degressivity, then the compensation payment per surface unit will be in quantum of **EUR 25/ha**.

[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 designation of '**areas facing specific natural constraints**', did not change compared to the 2007-2013 programming period, being realized by selecting the eligible territorial administrative units that are found in whole in the 'Danube Delta' Biosphere Reservation.

The area covered by these ATUs are of special importance to the EU in terms of environmental objectives, requiring continued land management in order to conserve the environment, maintain the countryside landscape and preserve the tourist potential, the area of the 'Danube Delta' Biosphere Reservation receiving in multiple occasions national and international recognition in terms of nature protection. Also, the Danube Delta together with the other adjacent units represent the largest territory considered important wetlands in Europe, part of the UNESCO World Heritage Site.

Also, the ATUs eligible in this category are affected by the climate biophysical criteria 'dryness' and the biophysical criteria 'limited soil drainage' and 'unfavourable chemical properties - presence of salts, exchangeable sodium' in different percentages.

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 verifiability and controllability of 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 Article 62 of Regulation (EU) No 1305/2013, carried out 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 late submission of payment applications ,
- failure to declare all the 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 arrangements undertaken to improve the implementation of the measure 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,

- supply of all the necessary information to the beneficiaries regarding the implementation of commitments, through the single area payment application and annually updated guides.

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. The sanctioning system developed for the Measures 211 and 212 is also a progressive system 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 are set out 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-the-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.

8.2.10.4.3. 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.

For this purpose, procedures will be established for all phases of the implementation flow, with specific focus on administrative and on-the-spot controls.

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 verifiability and controllability of the measure are ensured, both in terms of vocational training and improved working procedure, so that the financial interests of European Union shall not be prejudiced.

8.2.10.5. Methodology for calculation of the amount or support rate, where relevant

Pursuant to article 31 paragraph 1 in the Regulation 1305/2013 compensation rates shall be calculated based on the income foregone and additional costs related to the agriculture practiced in the three categories of areas facing natural constraints compared to areas that do not face such constraints.

The methodology applied by Romania for 2015 was based on a comparison between the incomes (standard output - SO) per ha between the areas affected by natural constraints and the areas that do not face those constraints that reflect the limitation factors in indicative terms (lower yields, limitations on the use of lands, etc.) and, therefore, the difference to be compensated .

Shortly, the methodology used consists in the following steps:

(1) The assessment of a reference value at national level for the SO associated to arable lands. It was based on the annual statistics on the areas cultivated with the main 7 field crops for the period 2007-2011 (the Romanian Statistical Yearbook), data based on which the average SO was calculated.

The SO for each type of area, of the 4 types (mountain ANC, significant ANC, specific ANC, as well as for the areas without restrictions) was then calculated taking into consideration the quality credits (based on the soil studies) at LAU2 level.

(2) The evaluation of a reference value for the SO associated with permanent grasslands. In the case of the mountain areas, a slope differentiation (difficult/non difficult land) was taken into consideration using the weights for the two categories. The SO value for permanent grasslands was then calculated for each of the 4 types of areas, taking into account the quality credits at LAU2 level.

(3) The establishment of the use of lands as a percentage value (arable lands/permanent grasslands) for the 4 types of areas (APIA data - 2014).

(4) The establishment of the value of compensation rates for each type of area. It took into account the difference between the SO for each of the 3 types of areas with natural constraints compared to area without constraints.

The following main data sources were used:

- The Romanian Statistical Yearbook: the areas cultivated with the main arable crops (average for the period 2007-2011),
- APIA data (February 2014) on the efficient use of lands in each type of area (the 3 types of areas facing natural constraints, as well as for the areas without constraints),
- SO coefficients (FADN data, as an average for a period of 5 years - 2008-2012).

The calculations were made pursuant to article 62 in the Regulation (EU) No 1305/2013 by the National Research and Development Institute for Pedology, Agrochemistry and Environment Protection (ICPA) and the relevant certification is in the Chapter 18.

During the year 2015, Romania commits to revise the methodology applied and to fill in the source data used, necessary to check if the calculation methodology reflects accurately the real differences both in terms of additional costs and income foregone from those areas.

8.2.10.6. Information specific to the measure

Definition of the threshold level of area per holding on the basis of which the Member State 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 appropriate that the threshold for the start of compensation payments degressivity be 50 ha/farm.

Big farms, practicing more intensive farming systems, do not incur the same level of income foregone or additional costs compared to small farms (with the majority share in Romania). Therefore, in order to avoid the overcompensation of compensation payments granted to this category, the maximum threshold (at farm level) for the application of degressivity was set at over 300 ha. In this respect, it was considered for the establishment of the threshold an average size of 300 ha, which was calculated for the category of big farms (farms which, according to RO classification, present a Standard Output of EUR 250,000).

[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 constrains** 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 natural constraints is presented in Annex 8.2.M – eligible areas designation methodology M.13.

The list of administrative-territorial units falling under one of the categories foreseen by Article 32 of Regulation 1305/2013, established based on the methodology presented in Annex Chap. 8.2 – M13 eligible areas designation methodology, is presented in Annex Chap. 8.2 – list of eligible areas M.10, M.11, M.13.

The mountain area is covered by a total of 658 localities, totalling an agricultural area of 2,089,399 ha.

For areas facing natural and other specific constraints other than mountain areas, following the fine-tuning exercise a number of LAU2 administrative-territorial units were eliminated, where natural constraints were covered by investments (irrigations) or by economic activity (vineyards and orchards where normal productivity of lands by farm systems compensate for the income foregone or additional costs). Thus, a total of 769 localities were included in this category, with an agricultural area of 4,505,042 ha. The agricultural area excluded from eligible areas following the fine-tuning exercise is of 260,088 ha, of which 142,644 ha located in 12 localities situated in areas where natural constraints were overcome by irrigations, 48,603 ha located in 12 localities where more than 20% of the agricultural area is covered by vineyards or orchards and 68,840 ha located in 8 localities in areas where the average productivity (wheat and corn) exceeds the EU average.

The area occupied by the 24 localities situated in areas facing specific constraints (Danube Delta) is about 5,900 km^2, representing 2.47% of the total area of Romania, where the agricultural area is of 180,950 ha.

Thus, the national overview is presented in the Figure 8.2.M.13-3 – ANC areas.

The map of ATUs falling under areas facing natural constraints, according to the designation methodology is presented in Figure 8.2.M.13-4 – ANC map (and areas excluded from fine-tuning).

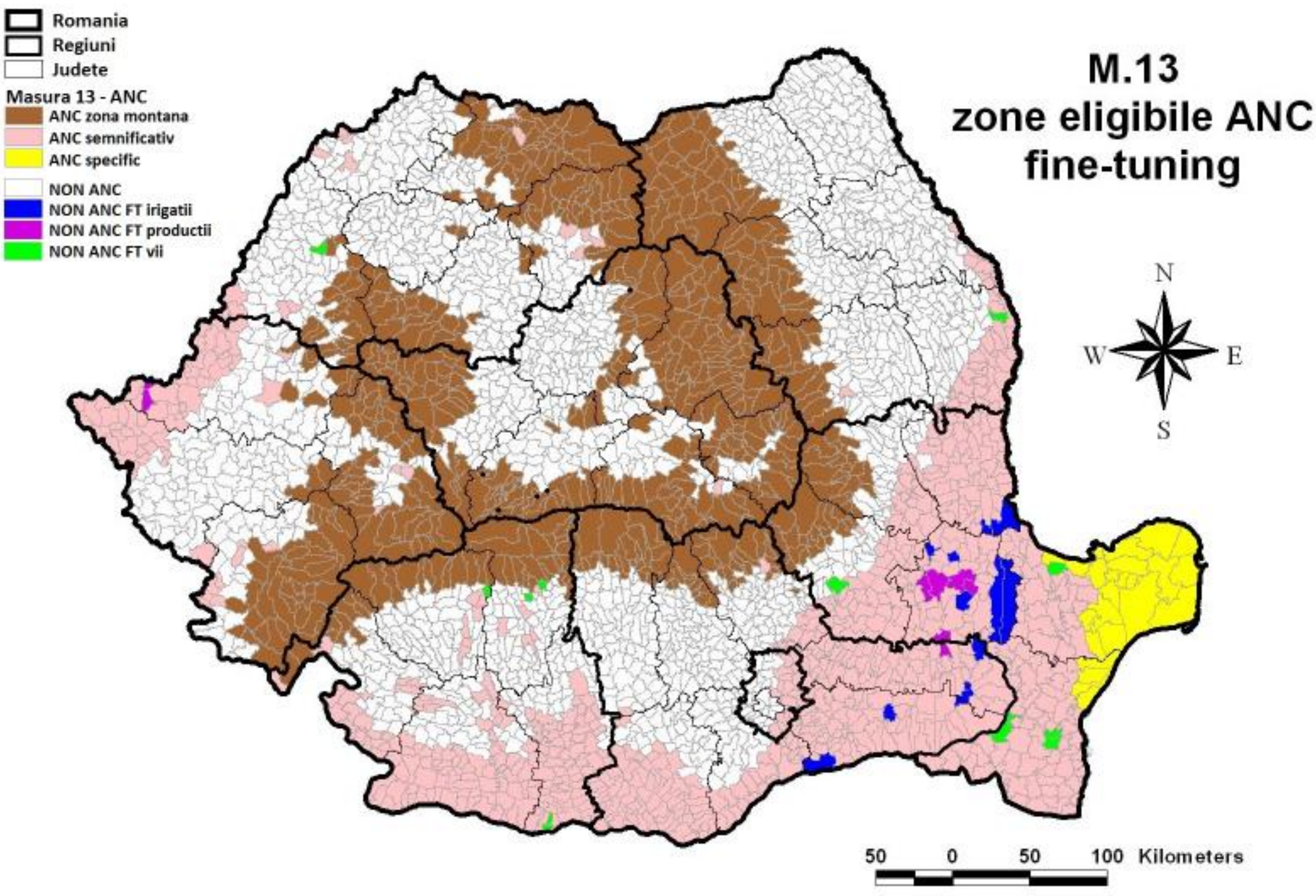

Figura 8.2.M.13-4 – ANC map (also areas excluded from fine-tuning)

R.1305/2013 Article 32 - ANC (2015-2020)	No LAU2	% LAU2	Agricultural area (ha)	Agricultural area (%)
Article 32(2) – ANC mountain area (ANC ZM)	658	20,69%	2.089.399	15,44%
Article 32(3) – significant ANC (ANC SEMN)	801	25,18%	4.765.130	35,20%
Article 32(4) – specific ANC (ANC SPEC)	24	0,75%	180.953	1,34%
Total ANC *(before FT)*	***1.483***	***46,62%***	***7.035.482***	***51,98%***
Total NON ANC	***1.698***	***53,38%***	***6.499.816***	***48,02%***
TOTAL RO	**3181**	**100,00%**	**13.535.298**	**100,00%**

Figure 8.2.M.13-3 – ANC areas before FT (Figure 1 - before FT)

R.1305/2013 Article 32 - ANC (2015-2020)	No LAU2	% LAU2	Agricultural area (ha)	Agricultural area (%)
Article 32(2) – ANC mountain area (ANC ZM)	658	**20,69%**	2.089.399	**15,44%**
Article 32(3) – significant ANC (ANC SEMN)	769	**24,17%**	4.505.042	**33,28%**
Article 32(4) – specific ANC (ANC SPEC)	24	**0,75%**	180.953	**1,34%**
Total ANC (after FT)	1451	**45,61%**	6.775.394	**50,06%**
NON ANC (excluding irrigations)	12	**0,38%**	142.644	**1,05%**
NON ANC (excluding vineyards)	12	**0,38%**	48.603	**0,36%**
NON ANC (excluding productions)	8	**0,25%**	68.841	**0,51%**
Article 32(4) – non ANC ***(after fine-tuning)***	32	**1,01%**	260.088	**1,92%**
TOTAL NON ANC (excluding non ANC after fine-tuning)	1698	**53,38%**	6.499.816	**48,02%**
TOTAL NON ANC (including non ANC after fine-tuning)	1730	**54,39%**	6.759.904	**49,94%**
TOTAL RO	**3181**	**100,00%**	**13.535.298**	**100,00%**

Figure 8.2.M.13-3 – ANC areas

8.2.10.7. Other important remarks relevant to understand and implement the measure

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8.2.11. M14 - Animal Welfare (art 33) – Not applicable.

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

8.2.12.1. Legal basis

Article 34 of **Regulation (EU) No 1305/2013**
Annex I, Part 1, section 8, point 2, letter (e) – 14 of **Commission implementing regulation (EU) No 808/2014.**

8.2.12.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Support under the measure *Forest environmental and climate services and forest conservation* envisages to complement the measures to conserve biodiversity and soil resources on forest lands included in the National Forest Fund (NFF) applied through the current regulatory system of forest management in Romania, by promoting voluntary commitments that seek to reinforce the sustainable management of forest lands, contributing to maintaining and improving forest biodiversity, to soil erosion reduction and to combat climate change.

The NFF area has remained relatively constant over time and in 2012 was 6,529,100 ha. The largest share of NFF area 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%. 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.

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 to ensure the sustainable management of the forest resources. The principles for the management of forests set up through technical standards and the Romanian forestry legislation comply with the six criteria for sustainable management of forests defined by the Ministerial Conference on the Protection of Forests in Europe, as well as the three guiding principles set up at European level through the new EU Forest Strategy.

In accordance with the legal provisions in force, the management of all NFF areas must observe the provisions of the applicable forest management plan. Forest management plans are made based on the *Technical rules for forest management 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 forest management plan must ensure the organization and management of forests to their state of maximum multifunctional efficiency, according to multiple environmental and socio-economic objectives of forestry, based on the concept of functional zoning and promoting the concept of systemic forest management. The minimum area of forest belonging to NFF for which a forest management plan is made is

100 ha. Owners who own forests with areas less than 100 ha have to associate in order to fulfil the requirement of minimum area required to prepare a forest management plan.

The provision of the forest-specific ecosystem services is ensured by functional zoning (assigning of forests to functional groups). 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). The functional zoning cannot be influenced by ownership form when the protective functions are more important than wood production.

In order to differentiate management measures and their provisions through forest management plans, 6 functional types, included in the two functional groups (Group I and Group II) have been defined that group functional categories with similar degree of intensity of the functions assigned to the included stands. Thus, the Type I (TI) includes forests with special functions for the protection of nature, for which, by law, is prohibited any exploitation of timber and other products, without the consent of the Romanian Academy. Type II (TII) includes forests with special protection functions located in areas with difficult ecological conditions, as well as stands where harvesting is not possible or admitted and special conservation works are applied. Types III, IV, V and VI includes stands where, as applicable, normal silvicultural treatments are allowed.

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).

Although the sustainable management of the NFF is ensured by the administrative framework created in

Romania, that is the functional zoning and their management through forest districts based on forest management plans provisions, the intensive nature of the forestry works applied, reflected by the large number of interventions, leads to the possibility to damage of the natural forest environment, contributing to impaired biological diversity, soil erosion, increased GHG emissions, etc.

Support under the forest-environment commitments sub-measure aims at promoting voluntary commitments going beyond the mandatory requirements in the national forest management framework and forest management plans, primarily to reduce the number of forest interventions and the application of felling technologies having a low impact on the soil and forest environment (low impact silviculture).

By establishing quiet areas and reducing the periodicity of forestry-technical interventions outside these areas, optimal conditions for wildlife development, shelter, feeding and nesting are secured in order to develop the fauna specific to forestry ecosystems. Also, by leaving deadwood in the forests (dry trees not broken down) to slowly decompose, rather than salvaging them for economic purposes, a wide variety of xylophagous (wood-eating) insects will be maintained, that in their turn shall contribute to keeping a stable population of insectivorous birds in the forest. At the same time, by maintaining dense stands, the forest's capacity to contribute to the reduction of atmospheric GHG concentration by carbon sequestration and adaptation to the effects of climate change, as well as to the increase of runoff retention (e.g. after floods) shall be improved.

The sub-measure will also contribute to the protection of soil resources in forests by promoting reduced impact logging, namely the use of draft animals for thinning works, instead of mechanised works that currently are applied on a large scale. Also, in young stands where thinnings are carried out, the use of draught animals for ground skidding reduces the frequency and severity of injuries brought about to remnant trees, thus maintaining the quality of the future yield.

Additional measures for biodiversity conservation promoted through sub-measure will also contribute to the objectives of Natura 2000 areas that will overlap with areas under commitment (approx. 38.6% of the NFF is included in the Natura 2000 network of protected areas).

In addition to improving biodiversity in established forests, 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.

Link of the measure with the needs:

Through its beneficial effects mainly on biodiversity and soil, the measure addresses the needs to maintain the biological diversity and the environmental value of the forestry lands (*Need 012*), to support an efficient and sustainable management of forests (*Need 013*), as well as to protect and improve soil resources (*Need 016*).

In order to answer the needs identified, the operations will be carried out within a sub-measure:

sM15.1 – payments for agri-environment and climate commitments

Contribution of the measure to the focus areas (FA):

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 the European landscapes*

By establishing quiet areas and reducing the periodicity of forestry-technical interventions outside these areas, the measure aims mainly to ensure optimal conditions for nesting, shelter and feeding for the development of the fauna specific to the forest ecosystems, thus contributing to the conservation of biodiversity, including on committed areas located in protected natural areas. Forest works that disrupt the wild fauna will be limited, providing the necessary conditions for the preservation of the biodiversity elements on the entire trophic chain (butterflies, insects, especially xylophagous insects, birds, small and large mammals, etc.).

FA 4C - *Preventing soil erosion and improving soil management*

By promoting the use of draught animals for the thinning works, instead of mechanised works, the support aims at reducing soil erosion, with effects on the maintenance of its quality, as well as on the reduction of runoffs, including in the extreme cases of torrents and floods.

Secondary effects:

Measure 15 is directly programmed under the focus areas indicated above. In addition, the measure is expected to indirectly contribute to the objectives related to the following focus areas:

DI 4B - *Improving water management, including fertiliser and pesticide management*

Reducing silvicultural interventions and using forest exploitation techniques that contribute to reducing soil erosion will secondarily contribute to the protection of water resources by reducing runoffs and increasing water retention in the canopy of trees and in the soil.

DI 5D - *Reducing green house gas and ammonia emissions from agriculture*

Supporting the protection of soil resources, will secondarily contribute to the mitigation of green house gas emissions from forest soil.

FA 5E - *Fostering carbon conservation and sequestration in agriculture and forestry*

Maintaining a high canopy density on committed areas and reducing soil erosion by forestry works will secondarily increase carbon storage in both soil and biomass.

Contribution to the "Environment" and "Climate" cross-cutting objectives

This measures aims at enhancing forest ecosystems stability and at improving the environmental services provided by them, thus contributing directly to the cross-cutting policy objectives on environment protection. 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. At the same time, the measure will contribute to soil erosion reduction, green house gas concentration reduction in the atmosphere, adaptation to climate changes and the improvement of water retention capacity.

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 regard to the setting of selection criteria

8.2.12.3.1. 15.1 Payments for forest-environmental and climate commitments

Sub-measure:

- 15.1 - payment for forest -environmental and climate commitments

8.2.12.3.1.1. Description of the type of operation

Forest-environment payments shall be granted to forest-holders included in the NFF who undertake, on a voluntary basis, to carry out the forest-environment commitments.

The commitments entered into by the forest-holders cover a period of five years from the date of their signature.

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.

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 of at least 20% of the total committed 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, crop maintenance, tending works until canopy closure, weeding, isolations, clearing and cleaning works, as well as the resumption of ecological restoration works have 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, on a surface smaller than 50%, the timber affected shall be extracted under the conditions of the law. In case the area where there are phenomena imposing the harvesting of the accidental products I or II is at least 50%, the commitment is concluded and the support previously received within the commitment does not need to be refunded.

2. On the area subject of the commitment which is not subject to conversion into a quiet area, the works

specified in the forest management plan may be carried out, taking into account 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 management plan provides special conservation works, such works shall be carried out, with the exception of timber harvesting.

The following must be considered when applying package 1:

- until the end of application of the forest management plan (or until the end of application of two forest management plans, in case the commitment spans over the application period of the two forest management plans) the remaining volume to be harvested by conservation felling on the entire area included in the commitment must be equal to at least five annual possibilities laid down in the forest management plan/forest management plans (aggregated) for harvesting by conservation felling and

- until the end of application of the forest management plan (or until the end of application of two forest management plans, in case the commitment spans over the application period of the two forest management plans) the remaining volume to be harvested by regeneration felling on the entire area included in the commitment must be equal to at least the volume resulted by multiplying the "Harvesting index of salvage products" five times the quiet zone area and four times outside quiet zone area. "Harvesting index of salvage products" is the volume per hectare expected to be harvested by felling for salvage purposes on the related areas, specified in the forest management plan/forest management plans of the production units in which the area in question is included.

Package 2 – Using draught animals to collect timber resulting from thinning works

Package 2 can only be applied in combination with Package 1.

Each applicant for financial support shall specify the forestry stands in which the applicant shall carry out thinning works using draught animals, throughout the duration of the commitment. The selected forestry stands should be included in the stands tending work plan, thinning section, part of the forest management plan. The total area of the selected forestry units may not exceed half of the total area of the forestry units specified in the work plan 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 exclusively draught animals for operations like ground skidding after thinning operations included in the commitment, up to the primary platform (collection point for the timber). 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 draught animals to be used shall be selected taking into account the fact that the average gathered volume must not exceed 0.3 m^3.

Beneficiaries of the sub-measure 8.1 *Afforestation and creation of woodland* can apply for support under sub-measure 15.1 *Payments for forest-environment commitments* only after the last maintenance work set out in the sub-measure 8.1 fiche - considered to be the moment of forest establishment - was performed.

8.2.12.3.1.2. Type of support

The support granted under this measure is a compensation payment. Support is granted annually, as a fixed amount per area unit (ha) and is a compensation for the income foregone and additional costs incurred by forest land-holders entering into voluntary commitments for a period of 5 years.

8.2.12.3.1.3. Links to other legislation

EU Legislation:
Regulation (EU) No 1306/2013 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

National legislation:
Law No 46/2008 - *The Forest Code*, with subsequent amendments and completions (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, with subsequent amendments and completions (hereinafter referred to as Order No 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 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 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 management planning* (hereinafter referred to 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 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 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 as Technical standards No 5).

8.2.12.3.1.4. Beneficiaries

- The owners of National Forest Fund lands can be:
  - private property of natural persons and legal entities
  - public property of the administrative and territorial units
  - private property of the administrative and territorial units
- Associations of land owners, as described above.

8.2.12.3.1.5. 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 foregone, which exceed the level of the relevant mandatory requirements, incurred by forest-holders after voluntarily undertaking the forest-environment commitments.
- The standard costs, calculated for the sub-measure *Payments for forest-environment commitments*, do not include transaction and investment costs.

8.2.12.3.1.6. Eligibility conditions

Eligible area:

- The measures refers to lands covered with forests and the lands intended for afforestation or reforestation, except for the areas falling within the functional type I (TI), provided the lands intended for afforestation or reforestation do not represent more than 15% of the area subject to commitment.
- The minimum area for which the commitment is concluded must be at least 100 ha.
- The areas covered by the commitment must be identified electronically.
- The area must be included in a forest management plan in force (the forest management plan is deemed to be in force after the minute of the second planning conference is approved, which means that the forest management plan implementation can start).

Beneficiaries:

- The beneficiary owns an area of forest land included in the NFF, located in Romania,
- The beneficiary undertakes to maintain the forest-environment commitment for a period of five years from the date of its signature,
- The beneficiary undertakes to comply with the specific requirements of the forest-environment packages for which he/she applies.
- The beneficiary must have an administration/forestry service agreement with an authorized forest

range.
- The beneficiary must participate with the entire area he/she holds in a production and/or protection unit.

8.2.12.3.1.7. Principles with regards to the setting of selection criteria

Principles with regard to the setting of selection criteria:

- The principle of the prevalence of forests with protection functions: priority shall be given to applications with a higher share of forests included in the TII functional type in the total area covered by the commitment.
- 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 (prioritization of functional groups and subgroups);
- The ownership principle: priority shall be given to applications submitted by holders - natural persons or by associations thereof.

Selection principles will be further detailed in the subsequent national legislation and shall take into account the provisions of article 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.

8.2.12.3.1.8. (Applicable) amounts and support rates

Compensation payment with a 100% intensity - non-refundable public support.

The compensation payments, calculated as standard costs, cover the entire estimated income foregone and additional costs and are:

Package 1 – Providing quiet areas: **25 euros/ha/year**

Package 2 – Using draught animals to collect timber resulting from thinning works **- 103 euros/ha/year** (for area for which annual support is requested under Package 2)

In the case of forests whose area exceeds 500 ha, the amount of income provided by the capitalization of the harvestable timber as main and secondary products - increases progressively, and as such the profitability of the forest holding is also improved; thus the risk of potential overcompensation emerges.

Degressivity of financial support will be applied for areas larger than 500 ha, so that the level of payments will be adjusted as follow:

- 100 – 500 ha – 100% of the payment value
- 500,01 – 1000 ha – 75% of the payment value
- 1000,01 – 5000 ha – 50% of the payment value
- Peste 5000 ha – 35% of the payment value

8.2.12.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.12.3.1.9.1. Risk(s) in the implementation of the measures

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:

- possible difficulty for beneficiaries to understand the specific requirements of the measure without the support of the forest range administrating the forest,
- the deadline for submitting payment claims is not met (late submission)
- failure to declare all the areas included in the holding
- the incorrect identification of the areas committed both by the beneficiary and the paying agency
- failure to comply with the eligibility criteria related to the area under commitment
- failure to observe the cross-compliance standards, at holding level,
- incompliance with requirements specific to the sub-measure for the areas under commitment.

8.2.12.3.1.9.2. Mitigating actions

Among the measures taken to improve the implementation of the sub-measure and to reduce risks, we mention:

- electronic identification of agricultural parcels within the holding and of the areas under 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 administrative system in place for the forestry sector in Romania, implemented through a flow of administrative documents and a control system of the legal provisions, complemented by the administrative and control system of the Agency that will implement the measure
- the sanction system developed for the sub-measure Payments for forest-environment 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 fiche

The commitments undertaken by the beneficiaries under this measure shall be checked using administrative and on-the-spot methods, ensuring their effectiveness and efficiency through specific procedural provisions. Administrative checks shall cover any ongoing commitments, based on the information recorded in the management information system of the funding applications and cross-checks with other relevant databases (including IACS and LPIS). On—the-spot checks shall be conducted ensuring the representativeness and adequacy of the control samples, related to the eligible commitments, by visual checks and documentation confirming the compliance with the requirements. The commitments selected for on-the-spot checks shall be checked when most requirements and standards can be checked 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 claims, risk analysis and sampling, on-the-spot control and supervision control, payment authorisation, monitoring and reporting) shall be developed by the Paying

Agency (or another delegated entity, if applicable) and approved by the Managing Authority prior to their approval by the Ministry.

The verifiability and controllability of the measure is based on the results of the ex-ante assessment carried out by the MA and the Paying Agencies, an evaluation that takes into account the results of the checks made, including during the previous programming period within similar measures, as laid down in Article 62 of Regulation (EU) No 1305/2013.

In order to create the premises needed to achieve the objectives established under the envisaged priorities, an appropriate institutional framework will be developed, including the delegation of certain functions on the technical implementation to institutions with the specific technical expertise, as well as working procedures for the management and control activities along the procedural flow.

8.2.12.3.1.9.3. Overall assessment of the measure

As a result of the analysis carried out by the Managing Authority and the Paying Agencies, based on the experience accumulated during the 2007-2013 programming period, it can be concluded that the verifiability and controllability of the measures both in terms of professional training and improved working procedures, are ensured, so as not to prejudice the financial interests of the European Union.

The verifiability and controllability of the measure shall be ensured from the perspective of the training and of the ongoing 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 co-operation protocols may be performed with specialised institutions.

8.2.12.3.1.10. 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 Romania, the preparation of forest management plans is required for any type of owner, regardless of the area of forest land held. All the beneficiaries of the measure must prove there are forest management plans in force during the entire commitment period and on the entire area committed.

Definition of an "equivalent instrument"

Not applicable.

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

The national forest fund is subject to forestry regime (Article 6 paragraph (1) in the *Forest Code*). All forest fund-holders must respect the forestry regime (Article 17 paragraph (1) in the *Forest Code*). The Forest Code, the subsequent forestry legislation, as well as the system of technical, forestry, economic and legal standards that comprise the forestry regime include the **relevant mandatory requirements** set out in the national law of forests or the relevant national legislation.

<u>Relevant legislation for the two packages:</u>

The implementation of **package 1** within the sub-measure *Payments for forest-environment commitments* takes into account giving up harvesting timber from salvage and conservation fellings during the periods and on the areas specified in the measure fiche.

Under current practice, based on the national legislation, a series of works are allowed, among which the works that are relevant for measure 15, package 1, are:
-salvage fellings – that are foreseen to be performed annually in all the stands that are not subject of thinning, conservation or regeneration works. The maximum volume that can be harvested by means of such works is $1m^3$/year/ha

-thinnings - that are foreseen to be performed with an average periodicity of 5-7 years. In the period between interventions, salvage fellings can be performed in order to capitalize the wood mass for natural elimination (maximum $1m^3$/year/ha)

-conservation fellings – that are performed in the stands under TII with an average periodicity of 7-10 years, and the harvesting index varies according to the stage of each stand, the extractions that go beyond 10% of the total volume of the stands need a sound justification

-regeneration fellings – that are foreseen to be performed in the stands under operational TIII – TVI. Usually, 1 or 2 interventions per decade are set out. In the period between interventions, salvage fellings can be performed in order to capitalize the wood mass for natural elimination (maximum $1m^3$/year/ha), provided the harvested volume is deducted

Within the commitment, the 4 types of works above are forbidden during the entire period and on the entire quiet area. For the rest of the committed area (up to 80%) all the four types of works are forbidden for a period of four years, except the conservation fellings that are forbidden during the entire commitment period.

The income foregone refers to the timber volume from the salvage products that are not harvested for five years period on the quiet area and four years on the rest of committed area from the forest management plan units where thinning works, regeneration and salvage fellings are planned, as well as for the products from conservation fellings for a period of five years on the entire committed area planned with such works.
The loss of wood mass was equated with the volumes that could have been harvested in the form of two types of products (salvage products related to thinning works, regeneration and salvage fellings and products from conservation fellings) during the commitment period, and the final quantitative loss is the average of the corresponding losses.

Package 2 aims to promote the practice of thinning works using draught animals rather than by mechanized means, which is the current practice and which is in compliance with relevant forestry legislation.

A more detailed description of the relevant mandatory requirements established by the national forestry act or other relevant national law and the usual practices specific to each management requirement is presented in the chapter ” Information specific to the measure”.

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 and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

See the description of the similar chapter in sub-measure 15.1.

Definition of an "equivalent instrument"

Not applicable.

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

Relevant mandatory requirements laid down by national law of forests or relevant law and normal practices specific to each management requirement applicable to sub-measure 15.1:

<u>Package 1 - Providing quiet areas</u>
Commitment:
(a) Giving up of timber harvesting from cleaning cuts in all the stands where there is no planned work of thinning, tending, conservation cuts or regeneration cuts.

- *relevant usual practices:* in the stands where thinning, tending, conservation or regeneration cuts are not planned by forest management plans, cleaning cuts are carried out (the maximum amount that can be harvested with such works is 1m³/year/ha).
- *Relevant mandatory requirements laid down in the national law of forests or relevant national legislation:* For each forest stand, the forest management plan provides the forestry works that can be carried out during its application period (5/10 years). (Article 19 of the Forest Code -"the management of national forest fund is regulated through forest management plans").

(b) Giving up of timber harvesting from cleaning cuts executed in the stands where thinning are carried out.

- *relevant usual practices:* thinning works are expected to be carried out at intervals of 5-7 years on average. In the years when thinning works are not carried out, cleaning cuts are executed for the capitalization of timber for the natural elimination (the maximum volume that can be harvested with such works is 1m³/year/ha).

- *Relevant mandatory requirements laid down in the national law of forests or relevant national legislation:* please see the requirements of commitment (a) above.

(c) Giving up of timber harvesting from cleaning cuts executed in the stands where regeneration cuts are carried out.

- *relevant usual practices:* during the applicability of forest planning, 1 or 2 works of regeneration cuts are carried out. In the period between the regeneration cuts, cleaning cuts are executed related to the capitalization of timber for natural elimination (the maximum volume that can be harvested with such works is 1 m³3/year/ha), provided the volume harvested is deducted.
- *Relevant mandatory requirements laid down in the national law of forests or relevant national legislation:*
  - Please see the requirements of commitment (a) above.
  - Deduction of the volume harvested by cleaning cuts in a forest planning unit consists in reducing the volume planned to be harvested by regeneration cuts during the applicability of the management plan with the volume harvested by cleaning cuts. (Article 2 (1) of technical rules on amendments to forest management plans and land use change category of forest, approved by Ministry Order 3814/2012).

(d) Giving up of timber harvesting from conservation cuts planned in the forest management plan.

- *relevant usual practices:* conservation cuts are carried out according to the provisions of the forest planning. Following the application of conservation cuts, during the period of application of the planning, a volume of timber is harvested that, usually, does not exceed 10% of the total volume of the stand.
- *Relevant mandatory requirements laid down in the national law of forests or relevant national legislation:* please see the requirements of commitment (a) above.

<u>Package 2 - Using draft animals to collect timber resulting from thinning works</u>

Commitment:

(a) Using draft animals to collect timber left from thinning works

- *Relevant usual practices:* in the current practice, thinning works are carried out mainly by mechanized means.
- *Relevant mandatory requirements laid down in the national law of forests or relevant national legislation:* for each forest stand, the forest management plan provides the forestry works that can be carried out during its application period (5/10 years). (Article 19 of Forest Code -”the management method of the national forest fund is regulated through forest management plans”).

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:

The implementation of package 1 within the sub-measure *Payments for forest-environment commitments* takes into account giving up harvesting wood from salvage cuts and conservation cuts for the periods and on the areas specified by the measure fiche. The performance of the salvage and conservation works according to the relevant mandatory requirements are the normal practice.

For the calculation of the income foregone within package 1, data were used from a stratified sample of 139 forest management plans, developed for the forests included in the NFF, privately owned by natural persons, legal entities, undivided natural persons and in public/private administrative and territorial units that are representative - as far as forestry is concerned - for the plain, hill and mountain areas. The areas and related volumes to be harvested, for which the following were planned: ***thinning works (T), regeneration felling (RF), conservation felling (CT) and salvage fellings (SF)*** (see"Other important remarks relevant to understand and implement the measure" chapter for definitions) were identified.

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 equal yields, stipulated in the *Forest Code*).

The income foregone refers to the volume of timber related to the **salvage products** which are not harvested for the period and on the management units of the area committed.

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 ***T***, ***RF*** and ***SF,*** 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 timber volume that depreciates over time, two working hypotheses were applied. 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 immediately after the end of the commitment period;

The amount of income foregone was calculated based on the average price of timber calculated in 2013 and on the volume of timber that represents the loss, calculated as described above. The average price of timber used at national level is calculated annually or, as appropriate, once every few years, by the Forest Department of the Ministry of Waters, Forests and Environment Protection.

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 under commitment and the average price of timber. The value of the compensation premium is EUR **25/ha/year,** representing the rounded average of the working variants.

Package 2 - Using draught animals to collect timber resulting from thinning works

The implementation of package 2 aims to promote the practices of thinning works by means of draught animals to the detriment of mechanized means. Thinning works performed by mechanized means is the most common method used in practice, as described in the relevant mandatory requirements.

For the calculation of additional costs from the use of draught animals at the performance of thinning works the costs related to timber gathering resulting from thinning were calculated, under two scenarios: using a tractor equipped for works, and using draught animals. The values used are those presented in the *Unified time and production standards for forestry works* (issued by National Forest Administration, 1997). 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 costs.

The forestry fund area - private property of natural persons, legal entities, undivided natural persons and public/private administrative territorial units, consists of properties larger than 100 hectares, and which may be subject to financing under this sub-measure is of 2,525,000 ha.

The data extracted from the forest management plans in the database used within the study, the weight of the areas covered with thinning works is 26, 15% of the NFF area. The same data indicate the average volume of timber intended to be harvested from the thinned areas. By multiplying the additional cost resulting from timber harvesting from thinning works using draught animals by the average volume of timber intended to be harvested following the thinning works, the value of the compensation payment is obtained that will be granted to beneficiaries of Package 2, respectively **103 euros/ha/year** (for annual area for which support is requested under Package 2)**.**

The compensation payments, calculated as standard costs, cover the entire estimated income foregone and additional costs.

The document issued by the independent body that certifies standard cost calculation, in compliance with the provisions of Article 62 in Regulation (EU) No 1305/2013, is presented in Chapter 18.

8.2.12.6. Other important remarks relevant to understand and implement the measure

The beneficiaries of the measure must observe, at the level of the entire agricultural holding, the cross-compliance standards established pursuant to Title VI of Regulation (EU) No 1306/2013, laid down in the national law.

A revision clause is provided for commitments concluded under this measure, in order to ensure their adjustment in case the mandatory requirements that the commitments must exceed are changed.

A revision clause is provided for commitments concluded under 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 requested in respect of the period during which the commitment was effective.

Ongoing commitments for payments for forest-environmental commitments can be converted into another commitment set out in the NRDP 2014-2020 measures, in the period of accomplishment of that commitment, provided that the following conditions are fulfilled:

- the conversion has significant benefits for the environment,
- the existing commitment is substantially reinforced.

When commitments are converted, a new commitment is concluded for the entire period specified by the measure of the new commitment, irrespective of the period when the original commitment has already been implemented.

It is also possible to adjust the ongoing commitments for payments for forest-environmental commitments, provided that the new commitments take into account the accomplishment of the objectives of the original commitment. The beneficiary shall fulfil the adjusted commitment for the rest of the duration of the original commitment.

The detailed rules on conversion and adjustment of commitments will be established by national rules.

Definitions of the terms used in the measure:

Forest management plan is the basic document in forest management, prepared for a period of 10 (5) years and approved by the authority responsible for forestry.

Production and/or protection unit is the area of the forest fund for which a forest management plan is developed.

Forestry unit (sub compartment) is the basic territorial unit for the study of arboreta and for planning and execution of 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 (CF) includes the works that promote the natural regeneration nuclei, by low intensity

extractions.

Regeneration felling (RF) 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 (T) are works performed on a regular basis in young stands by means of which the number of trees per unit area is reduced in order to improve the structure of the arboreta and to stimulate the growth and quality thereof.

Draught animals consist of animals (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 moved from where it is felled 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.

Removal is an operation required in some situations, 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.

Skidding is the operation during which the loads consisting of the storage piles formed by gathering and/or 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.

8.2.13. M16 - Co-operation (art 35)

8.2.13.1. Legal basis

Article 35 of Regulation (EU) no 1305/2013
Article 11 of Commission Delegated Regulation (EU) No **807/2014**

8.2.13.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

According to the SWOT analysis, needs assessment and Partnership Agreement, financial support under this measure is granted to facilitate co-operation 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 or environmental challenges. Co-operation will help address the disadvantages of the high level of fragmentation in the Romanian agricultural sector, with a very high share of small farms, and promote entities working together to identify new solutions and achieve economies of scale.

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 on the added value and on 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 financial support under the measure 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 development-innovation project to address specific problems and to capitalize

opportunities in the agri-food and forestry sectors. 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.

Also, support provided under this measure in the context of the TSP will facilitate co-operation among actors in the fruit-growing sector, but also among those and other actors contributing to the accomplishment of the objectives and priorities of EU rural development 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 in Romania (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 (e.g.: 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.

In order to address the needs of the agricultural and forestry sectors, including the fruit growing sector (e.g.: lack of high value added products, small size of agricultural holdings, lack of innovation and the technological gaps, etc.), under sub-measures 16.1 and 16.1a priority will be given to Operational Groups (OG) projects that involve high quality products and technologies, priority sectors and themes from National Competitiveness Strategy 2014-2020 and National Research Development and Innovation Strategy 2014-2020 and/or Strategy for Research - Development - Innovation for medium and long term in agri-food sector 2014-2020-2030 and to OG's that comprise among the members an associative form (producers group or cooperative).

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 co-operation, 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 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.

Also, 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.

The support granted under this measure will facilitate the establishment of short supply chains by fostering the co-operation within the agri-food sector, including fruit-growing sector, but also the co-operation between producers, processors, traders and restaurants, accommodation units, education institutions, public authorities and other consumers.

In order to address the needs of the agricultural sector, including the fruit growing sector (e.g.: lack of high value added products, small size of agricultural holdings, etc.), under sub-measures 16.4 and 16.4a priority will be given to high quality products, local markets promoted by appropriate partnerships, based on the project objectives.

Link of the measure with the needs

Support under this measure will contribute to addressing the following needs: Adequate knowledge among farmers (001), Adapting the research activities and the results of research to the needs of farmers and processors (003), Modernizing the agri-food processing sector and its adaptation to EU standards (005), Integrated food chains (009), Maintaining the biological diversity and environmental value of agricultural and forestry lands (012), Maintaining and improving water resources (015), Protecting and improving soil resources (016), Adaptation to the effects of climate changes (017), Low level of greenhouse gas (GHG) emissions from agriculture and the transition towards a low carbon economy (018), Improvement of the co-operation between the actors in the rural area (024) identified in section 4.2 of the programme.

Support under this measure in context of the TSP will contribute to addressing the needs: Competitive fruit-growing farms (02), High added value products and jobs in fruit-growing areas (03), Producer groups and functional co-operation of farmers and stakeholders in fruit-growing sector (04), Research-development-innovation activities adapted to the sector's needs and a fruit-growing sector adapted to climate changes (05), identified in section 4.2 of the TSP.

In order to address the needs identified, the operations will be carried out within four sub-measures:

• support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability, 16.1

• support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability (fruit growing sector), 16.1a

• support for horizontal and vertical co-operation among supply chain actors for the establishment and the development of short supply chains and local markets, and the promotion activities in a local context to the development of short supply chains and local markets, 16.4

• support for horizontal and vertical co-operation among supply chain actors for the establishment and the development of short supply chains and local markets, and the promotion activities in a local context to the development of short supply chains and local markets (fruit growing sector), 16.4 a

Contribution of the measure to the focus areas

FA 1A: *Fostering innovation, co-operation and the development of the knowledge base in rural areas;*

Through the development of pilot projects, new products, practices and technologies the support granted under sub-measures 16.1 and 16.1a will contribute, , to the promotion of innovation and co-operation in the agri-food and forestry sectors, including the fruit growing sector.

The support granted under sub-measures 16.4 and 16.4a for the co-operation among actors in the agri-food sector, including the fruit growing 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 and research and innovation, including for the purpose of improved environmental management and performance;*

The support granted under sub-measures 16.1 and 16.1a for the establishment of Operational Groups will facilitate the co-operation 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.

The support granted under sub-measures 16.4 and 16.4a 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 support granted under sub-measures 16.1 and 16.1a for 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.

The support granted under sub-measures 16.4 and 16.4a for the co-operation among farmers and other actors with the aim to develop short supply chains and local markets may lead to an increased competiveness, 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.

Secondary effects

Sub-measures 16.1, 16.1a, 16.4 and 16.4a are directly programmed under the Focus Areas indicated above. In addition, it is expected that support under the sub-measures will contribute indirectly to the objectives of Focus Area 2A by developing new products and other projects that can lead to a reduction of costs, the increase of yields, etc.

Support under the sub-measures will also indirectly contribute to the objectives of Focus Areas 4B, 4C, 5A, 5B, 5C, 5D and 5E by developing new processes and techniques that can have a beneficial impact on the environment (e.g. by reducing the use of fertilisers, increasing the quantity of water from the soil, preserving the carbon stock in the soil, preventing soil erosion, reduce the water consumption, etc.) or by projects that facilitate the use of renewable energy sources in agriculture and food industry (e.g. – the use of waste created at farm level to obtain biogas or heat energy or any other innovative way of obtaining clean energy).

Contribution to Cross Cutting objectives
Environment and Climate Change
These actions may also become an important support pillar for the adaptation of agricultural sector to climate changes, while providing efficient, innovative solutions such as drought-resilient varieties, 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.

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.

Innovation
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 co-operation, small producers - including those in the fruit growing sector - 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.

The development-innovation actions would allow the farmers 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, to create short supply chains and to deal easier with different market challenges.

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 regard 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

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

8.2.13.3.1.1. Description of the type of operation

The specific objective of the sub-measure is to support the establishment and operation of **Operational Groups (OGs)** for the purpose of jointly undertaking a new 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. To this end, the scope of the OG is to incentivise innovation by providing solutions to practical problems or to tackle an opportunity that can lead to an innovative solution and not to pursue a stand-alone research.

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 the NRDP 2014-2020. The projects supported under this sub-measure are exclusively reserved for the OG.
If the OG projects fall under the scope of state aid rules (outside agriculture), only the activities specified in the relevant state aid scheme will be supported, in accordance with applicable state aid regulations and only from the date of entry into force of the state aid approval.

Project calls will focus on specific topics identified in compliance with:

(a) strategic priorities of NRDP 2014-2020, and

(b) relevant priority themes and directions identified in the *National Strategy for Research, Development and Innovation (SNCI) for the period 2014-2020* and/or *Strategy for Research - Development - Innovation for medium and long term in agri - food sector 2014-2020-2030*.

Innovation support services will be needed to facilitate animation and OG establishment processes. The National Rural Network (NRDN) will play a key role in promoting awareness on EIP-AGRI and on opportunities available to OGs.

The NRDN) will perform information and animation actions at national and regional level in order to capture the interest of as many potential beneficiaries as possible. In addition, the website of the NRDN will host a section dedicated to EIP (EIP hub) in order to facilitate the networking and disseminate and capture innovative ideas.

Innovation support services may be also provided by other private and public entities. The involvement of LAGs in EIP will also be encouraged. LAGs have a potential role to play in promoting awareness of the EIP and in disseminating the results of the projects at the local level, especially where the resulting innovation has clear potential for replicability and well-defined socio-economic benefits for rural communities.

For the sub-measure 16.1 a 2 step approach to implementation will be considered. Thus, in the first step a call for project ideas and expression of interest (EOI) for accessing finance for the projects will be launched and in the second step the submission, evaluation and selection of the detailed project of the OG will be performed.

According to the topic of the call for projects, the MA will use external evaluators with specific expertise who will be able to make the technical and scientific assessment of the projects but also assess the potential for practical implementation of the projects, under the framework of innovation support services provided by the NRDN/technical assistance.

The projects will be approved by a joint committee that will bring together experts from the MA, Paying Agency and the Research Policies Unit within the MARD, following the technical and scientific assessment and the evaluation on the potential for practical implementation carried out by external evaluators.

8.2.13.3.1.2. Type of support

- reimbursement of eligible costs incurred and paid, including for preparatory activities;
- payment of advances for investment costs shall be subject to the establishment of a bank guarantee corresponding to 100 % of the amount of the advance pursuant to Article 45 (4) and Article 63 of Regulation (EU) No 1305/2014;

8.2.13.3.1.3. Links to other legislation

EU Legislation

Regulation (EU) No 1303/2013 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 and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006.

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.

National Legislation

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8.2.13.3.1.4. Beneficiaries

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.

Based on the project theme and the specific problem/opportunity to be addressed by the Operational Group, other relevant partners (e.g. advisors, NGOs, other consultants, private businesses, etc.) may join the partnership.

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 implementation framework. In all cases, OG will be required to have a legal identity or clear rules attributing liability among the members of the OG before any support is paid out.

8.2.13.3.1.5. Eligible costs

The eligible expenditure under this sub-measure are limited to:

Expenditure specifically incurred due to the establishment and operation of the OG which may include, for example, the following types of expenditure:

- elaboration of preparatory studies, feasibility studies and plans, including the project plan;
- running expenditure of the OG.
- direct costs specifically incurred in relation to activities included in the project plan submitted by the OG, including for dissemination of results.

All costs for both co-operation and of project implementation are covered by this sub-measure as a global amount.

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 and amounts applicable under those measures.

Non-eligible expenditure:

- Stand-alone research projects
- OG projects in the fruit growing sector

Aid will be paid in conformity with the relevant State aid rules and schemes, where applicable.

8.2.13.3.1.6. Eligibility conditions

For step 1

- The proposed applicant must be a potential Operational Group with a composition of at least two partners or more as defined in the section above (Eligible Beneficiaries for sM 16.1)
- The proposed project must comply with the joint actions mentioned under Article 35(2) (a) to (b) of Regulation (EU) No 1305/2013 and either involve a "pilot project" in the agri-food and forestry sectors **OR** the "development of new products, practices, processes and technologies in the agri-food and forestry sectors".
- The proposed project must address a clearly identified practical problem in the agri-food or forestry sectors that requires a novel/innovative solution.

For step 2

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant was selected in step 1;

- The applicant shall submit a co-operation 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 on-going or finalised;
- The OG commits that the results of the projects will be disseminated pursuant to Article 57(3) of Regulation (EU) no. 1305/2013 and in full accordance with EC guidance for the dissemination of EIP project results, including through the NRDN and EIP network at EU level;
- 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.

Other conditions for support:

- 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 contents of the project plan will be detailed in the national legislative implementation framework.

8.2.13.3.1.7. 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 them for funding:

For step 1

- Principle of the priority sector according to the National Competitiveness Strategy 2014-2020 and NRDP 2014-2020 strategy;
- Principle of compliance with priority themes and directions according to the National Research Development and Innovation Strategy 2014-2020 *and/or Strategy for Research - Development - Innovation for medium and long term in agri - food sector 2014-2020-2030;*
- Principle of quality products, development of high added-value products or technologies.

For step 2

- Principle of the priority sector according to the National Competitiveness Strategy 2014-2020 and NRDP 2014-2020 strategy;
- Principle of compliance with priority themes and directions according to the National Research Development and Innovation Strategy 2014-2020 and/or Strategy for Research - Development - Innovation for medium and long term in agri - food sector 2014-2020-2030;
- Principle of quality products, development of high added-value products or technologies;
- Principle of appropriate partnership structure based on project objectives;
- 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).

Selection principles will be further detailed in the subsequent national legislation and shall take into account the provisions of article 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.

8.2.13.3.1.8. (Applicable) amounts and support rates

The maximum value of the public support is EUR **500,000**, including the maximum percentage granted under the conditions set bellow for the preparatory activities.

If the OG projects fall under the scope of state aid rules (outside agriculture) the support will be granted under *de minimis* regulation No 1407/2013 and will not exceed 200.000 euro/ beneficiary for three fiscal years.

De minimis aid intensity is 100%.

The share of the non-refundable support will be of **100% of the total eligible expenditure, except** actions which are eligible under other RDP measures, in which case the costs are covered in compliance with the maximum aid intensity and amounts applicable under those measures and unless state aid rules apply, and impose a lower limit. Nevertheless, the maximum amount of the expenditure which are eligible under other measures shall not exceed the maximum amount granted under sub-measure 16.1.

The support aid for preparatory activities must not exceed the following thresholds:

- 4% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 5,000-50,000;
- 3% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 50,001-150,000;
- 2.5% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 150,001-250,000;
- 1.5% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 250,001-500,000.

The running costs of the OG shall not exceed 35% of the maximum value of the support granted per submitted project (meeting room hire, travel to meetings, and the costs arising from the work of an entity ensuring co-ordination, other rental costs (e.g. – various equipment).

8.2.13.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.1.9.1. Risk(s) in the implementation of the measures

The general risks are identified in the applicable section of Measure 16.

- The specific risks associated with the implementation of this sub-measure may be generated by failure of the operational group to implement the objectives of the project and problems generated by the internal organization of the OG, including the financial management of the project.

8.2.13.3.1.9.2. Mitigating actions

The general mitigating actions are presented in the applicable section of Measure 16.

Specific mitigating actions related to this sub-measure are:

- The MA-NRDP will select the OG based on a public and transparent selection process and will assure that the OG has adequate internal operation and organization procedures. The technical and scientific relevance of the proposed projects will be assessed considering the total costs of the projects.
- Also, given the innovative character of the sub-measure, the MA will apply a two-steps approach to help mitigate risks before awarding the larger amount of support for the operations of the OG.

In order to ensure the minimum quality requirements for the project plans (content, structure, theme, etc.) after the partnership (OG) submits a project that is declared to be compliant with these requirements, then the expenditure for preparatory activities, incurred and paid after the selection of the OG in step 1 and until the submission of the final project in step 2 will be reimbursed as described in the section *Applicable amounts and support rates*. This provision is applicable even if the project is not be financed due to the large number of applications.

8.2.13.3.1.9.3. Overall assessment of the measure

The overall assessment of the measure is presented in Measure 16 applicable section.

8.2.13.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable for grants based on eligible expenditure incurred and paid.

8.2.13.3.1.11. 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

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

8.2.13.3.2.1. Description of the type of operation

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 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. To this end, the scope of the OG is to incentivise innovation by providing a solution to a practical problem or to tackle an opportunity that can lead to an innovative solution and not to pursue stand-alone research.

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" (Article 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 these technologies 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 the NRDP 2014-2020. The projects supported under this sub-measure are exclusively reserved for the OG and not for other types of beneficiaries.

The NRDN will perform information and animation actions at national and regional level in order to capture the interest of as many potential beneficiaries as possible. In addition, the website of the NRDN will host a section dedicated to EIP (EIP hub) in order to facilitate the networking and disseminate and capture innovative ideas.

For the sub-measure 16.1a a 2 step approach to implementation will be considered. Thus, in the first step, a call for project ideas and expression of interest (EOI) for accessing finance for the projects will be launched and in the second step the submission, evaluation and selection of the detailed project of the OG will be performed.

Pending on the theme of the call of projects, the MA will use external evaluators with specific expertise who will be able to make the technical and scientific assessment of the projects but also assess the potential for practical implementation of the projects, under the framework of innovation support services provided by the NRDN/technical assistance.

The projects will be approved by a joint committee that will bring together experts from the MA, the Paying Agency and the Research Policies Unit within the MARD, following the technical and scientific assessment and of the potential for practical implementation of the projects performed by the external evaluators.

If the OG projects fall under the scope of state aid rules (outside agriculture), only the activities specified in the relevant state aid scheme will be supported, in accordance with applicable state aid regulations and only from the date of entry into force of the state aid approval.

8.2.13.3.2.2. Type of support

- reimbursement of eligible costs incurred and paid, including for preparatory activities;
- payment of advances for investment costs shall be subject to the establishment of a bank guarantee corresponding to 100 % of the amount of the advance pursuant to Article 45 (4) and Article 63 of Regulation (EU) No 1305/2014.

8.2.13.3.2.3. Links to other legislation

EU Legislation

Regulation (EU) No 1303/2013 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 and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006.

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.

National Legislation

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8.2.13.3.2.4. Beneficiaries

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.

Based on the project theme and the specific problem/opportunity to be addressed by the Operational Group, other relevant partners (e.g. advisors, NGOs, other consultants, private businesses, etc.) may join the partnership.

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 implementation framework. In all cases, the OG will be required to have a legal identity or clear rules on attributing liability among the members of the OG before any support is paid out.

8.2.13.3.2.5. Eligible costs

The eligible expenditure under this sub-measure are limited to expenditure specifically incurred due to the establishment and operation of the OG which may include, for example, the following types of expenditure:

- elaboration of preparatory studies, feasibility studies, plans, including the project plan;
- running expenditure of the OG;
- 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 to these.
All costs both for co-operation and for project implementation are covered by this sub-measure as a global amount.

If the project plan also includes actions which are eligible under other measures, then the costs are covered by sub-measure 16.1a, in compliance with the maximum aid intensity and amounts applicable under those measures.

Non-eligible expenditure:

- Stand-alone research projects

Aid will be paid in conformity with the relevant State aid rules and schemes, where applicable.

8.2.13.3.2.6. Eligibility conditions

For step 1

- The proposed applicant must be a potential Operational Group with a composition of at least two partners or more as defined in the section above (Eligible Beneficiaries for sM 16.1a)
- The proposed project must comply with the joint actions mentioned under Article 35(2) (a) to (b) of Regulation (EU) No 1305/2013 and either involve a "pilot project" in the fruit growing sector **OR** the "development of new products, practices, processes and technologies in the fruit growing sector";
- The proposed project must address a clearly identified practical problem in the fruit growing sector that requires a novel/innovative solution.

For step 2

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant was selected in step 1;
- The applicant shall submit a co-operation 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 OG commits that the results of the projects will be disseminated pursuant to Article 57(3) of Regulation (EU) No 1305/2013 and in full accordance with EC guidance for the dissemination of EIP project results, including through the NRDN and EIP network at EU level;
- 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.

Other conditions for support:

- 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 these results can be also used by other stakeholders. The final payment within the project will be made only after the completion of this activity.

The contents of the project plan will be detailed in the national implementation framework.

8.2.13.3.2.7. Principles with regards to the setting of selection criteria

The following principles will be considered in the assessment and selection of the OG and of the joint projects submitted by them for funding:

For step 1

- Principle of compliance with priority themes and directions according to the National Research Development and Innovation Strategy 2014-2020 *and/or Strategy for Research - Development - Innovation for medium and long term in agri - food sector 2014-2020-2030*.
- Principle of quality products, development of high added-value products or technologies;

For step 2

- Principle of appropriate partnership structure based on project objectives;
- Principle of quality products and technologies (organic products, products from HNV farming systems);
- Principle of association (Operational Groups including fruit-growing producer groups or cooperatives in their composition);
- Principle of compliance with priority themes and directions according to the National Research Development and Innovation Strategy 2014-2020 and/or Strategy for Research - Development -

Innovation for medium and long term in agri - food sector 2014-2020-2030.

Selection principles will be further detailed in the subsequent national legislation and shall take into account the provisions of article 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.

8.2.13.3.2.8. (Applicable) amounts and support rates

The maximum value of the support is **EUR 500,000,** including the maximum percentage granted under the conditions set below for the preparatory activities.

If the OG projects fall under the scope of state aid rules (outside agriculture) the support will be granted under *de minimis* regulation No 1407/2013 and will not exceed EUR 200,000/ beneficiary for three fiscal years.

De minimis aid intensity is 100%.

The share of the non-refundable support will be of **100% of the total eligible expenditure, except** actions which are eligible under other NRDP measures, in which case the costs are covered in compliance with the maximum aid intensity and amounts applicable under those measures and unless state aid rules apply, and impose a lower limit. Nevertheless, the maximum amount of the expenditure which are eligible under other measures shall not exceed the maximum amount granted under sub-measure 16.1a.

The support aid for preparatory activities must not exceed the following thresholds:

- 4% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 5,000-50,000;
- 3% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 50,001-150,000;
- 2.5% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 150,001-250,000;
- 1.5% of the total eligible cost of the OG project, for projects with a total eligible cost between EUR 250,001-500,000.

The running costs of the OG shall not exceed 35% of the maximum value of the support granted per submitted project (meeting room hire, travel to meetings, and the costs arising from the work of an entity ensuring the co-ordination, other rental costs (e.g. – various equipment).

8.2.13.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.2.9.1. Risk(s) in the implementation of the measures

The general risks are identified in the applicable section of Measure 16.

- The specific risks associated with implementation of this sub-measure may be generated by failure of the operational group to implement the objectives of the project and problems generated by the internal organization of OG, including the financial management of the project.

8.2.13.3.2.9.2. Mitigating actions

The general mitigating actions are presented in the applicable section of Measure 16.

The specific mitigating actions related to this sub-measure are:

- The MA-NRDP will select the OG based on a public and transparent selection process and will assure that OG has adequate internal operation and organization procedures. The technical and scientific relevance of the projects proposed will be assessed considering the total costs of the projects, compared to their contribution to the priorities of rural development.
- Also, given the innovative character of the sub-measure, the MA will apply a two steps approach to help mitigate risks before awarding the larger amount of support for the operations of the OG.

In order to ensure the minimum quality requirements for the project plans (content, structure, theme, etc.) after the partnership (OG) submits a project that is declared to be compliant with these requirements, the expenditure for preparatory activities, incurred and paid after the selection of the OG in step 1 and until the submission of the final project in step 2 will be reimbursed as described in the section *Applicable amounts and support rates*. This provision is applicable even if the project is be financed due to the large number of applications.

8.2.13.3.2.9.3. Overall assessment of the measure

The overall assessment of the measure is presented in Measure 16 applicable section.

8.2.13.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable for grants based on eligible expenditure incurred and paid.

8.2.13.3.2.11. 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 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 co-operation among actors in the supply chain

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

8.2.13.3.3.1. Description of the type of operation

The objective of this sub-measure is to promote the co-operation between the local actors for the purpose of marketing agri-food products through short-supply chains. The sub-measure does not involve only the co-operation 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.

- support is granted for co-operation costs and 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 this chain/these chains.

8.2.13.3.3.2. Type of support

- reimbursement of eligible expenditure incurred and actually paid;
- payment of advances for investment costs shall be subject to the establishment of a bank guarantee corresponding to 100 % of the amount of the advance pursuant to Article 45 (4) and Article 63 of the R 1305/2014.

8.2.13.3.3.3. Links to other legislation

EU Legislation

Regulation (EU) No 1303/2013 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 and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006.

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.

National Legislation

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8.2.13.3.3.4. Beneficiaries

Partnerships set-up of minimum one partner falling under the categories below and minimum one farmer or a producer group/cooperative active in the agricultural sector.

- Farmers;
- Microenterprises and small enterprises;
- Non-governmental organizations;
- Local councils;
- School, sanitary, leisure and public alimentation units.

Conditions relating to the organisational form of the partnership will be detailed in the national implementation framework.

8.2.13.3.3.5. Eligible costs

- Studies/plans;
- 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.

8.2.13.3.3.6. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a co-operation agreement that refers to an operation period at least equal with the period for which the financing is granted;
- For projects concerning short supply chains, the applicant shall submit a study/plan, on the short supply chain project concept;
- For projects concerning local markets, the applicant shall present a marketing concept adapted to the local market comprising also, where applicable, a description of the proposed promotion activities;
- The co-operation project proposed shall be new and not ongoing or finalised;
- When applicable, the applicant shall comply with the definitions regarding short supply chains and local markets set out in accordance with the provisions of article 11 of Regulation (EU) No 807/2014 and described in the section *Information specific to the operation* of the measure fiche;

8.2.13.3.3.7. 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 co-operation representativeness, namely the number of partners involved;
- Principle of appropriate partnership structure based on the project objective;
- Principle of added value (partnerships producing and marketing high added value products - organic, participating in quality schemes, products from HNV farming systems, etc.);
- Principle of “local markets” (i.e. smaller geographical distance between the point of production and the point of sale).

Selection principles will be further detailed in the subsequent national legislation and shall take into account the provisions of the article 49 of the 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.

8.2.13.3.3.8. (Applicable) amounts and support rates

The share of the non-refundable support is of **100% of the total eligible expenditure**, unless state aid rules apply and impose a lower limit.

If the project plan also includes actions which are eligible under other measures, then the costs are covered by sub-measure 16.4, in compliance with the maximum aid intensity and amounts applicable under those measures. Nevertheless, the maximum amount of the expenditure which are eligible under other measures shall not exceed the maximum amount granted under sub-measure 16.4.

The maximum value of the support is **EUR 100,000.**

The operation costs of the co-operation shall not exceed 20% of the maximum value of the support granted per submitted project.

All costs are covered by this sub-measure as a global amount.

If the partnership projects fall under the scope of state aid rules (outside agricultural sector), the support will be granted under *de minimis* regulation no 1407/2013 and shall not exceed EUR 200,000/beneficiary for three fiscal years.

Aid intensity is 100%.

8.2.13.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.3.9.1. Risk(s) in the implementation of the measures

The general risks are identified in the applicable section of Measure 16.

8.2.13.3.3.9.2. Mitigating actions

The general mitigating actions are identified in the applicable section of Measure 16.

8.2.13.3.3.9.3. Overall assessment of the measure

The overall assessment of the measure is presented in the applicable section of Measure 16.

8.2.13.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable for grants based on the eligible expenditure incurred and paid.

8.2.13.3.3.11. 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.

Intermediary means an entity purchasing the product from the farmer for the purpose of selling it on. The processor is not considered to be an intermediary, if he/she processes his/her own raw material or if he/she

provides processing services to the farmer, the latter holding the control over the product and over its marketing conditions (for example: price setting).
Some calls for projects may focus specifically upon strengthening the local market for locally-produced/processed products. This is a specific form of short-supply chain based both upon the number of intermediaries and the geographical distance between the point of production/processing and the point of sale.

Taking into account the national geographical specificities, the “local market” is defined as a marketing radius which does not exceed 75 km from the product origin holding.

It takes into account the average distance between the main settlements and possible costs for transportation, fuel and road transportation network which might enable a reasonable profit, reduce pollution and preserve product properties.

8.2.13.3.4. 16.4a Support for horizontal and vertical co-operation among actors in the supply chain

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

8.2.13.3.4.1. Description of the type of operation

The objective of this sub-measure is to promote the co-operation between the local actors for the purpose of marketing fruits and fruit products through a short supply chain.

The sub-measure will support the establishment of short supply chains by fostering the co-operation 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 co-operation costs and 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 markets (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;

8.2.13.3.4.2. Type of support

- reimbursement of eligible expenditure incurred and actually paid;
- payment of advances for investment costs shall be subject to the establishment of a bank guarantee corresponding to 100 % of the amount of the advance pursuant to article 45 (4) and Article 63 of the Regulation 1305/2014.

8.2.13.3.4.3. Links to other legislation

EU Legislation

Regulation (EU) No 1303/2013 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 and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006.

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.

National Legislation

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8.2.13.3.4.4. Beneficiaries

Partnerships set-up of minimum one partner falling under the categories below and minimum one farmer or a producer group/cooperative activating in the fruit-growing sector:

- Farmers;
- Microenterprises and small enterprises;
- Non-governmental organizations incorporated in accordance with the national legislation;
- Local councils;
- School, sanitary, leisure and public alimentation units.

The conditions relating to the organisational form of the partnership will be detailed in the national implementation framework.

8.2.13.3.4.5. Eligible costs

- Studies/plans;
- 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.

8.2.13.3.4.6. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The applicant shall submit a co-operation agreement that refers to an operation period at least equal with the period for which the financing is granted;
- For projects concerning short supply chains, the applicant shall submit a study/plan, on the short supply chain project concept;
- For projects concerning local markets, the applicant shall present a marketing concept adapted to the local market also comprising, where applicable, a description of the proposed promotion activities;
- Partners who are farmers shall carry out their agricultural activities in one of the administrative-territorial units in the annex to the National Implementation Framework for the TSP and shall operate in the fruit-growing sector (except for the strawberry crop in greenhouses and solariums);
- Partners who are producer groups/cooperatives shall carry out their agricultural activities in one of the administrative-territorial units in the annex to the National Implementation Framework for the TSP and shall operate in the fruit-growing sector (except for the strawberry crop in greenhouses and solariums);
- The co-operation project proposed shall be new and not ongoing or finalised;
- When applicable, the applicant shall comply with the definitions regarding short supply chains and local markets set out in accordance with the provisions of article 11 of the Regulation (EU) No 807/2014 and described in the section *Information specific to the operation* of the measure fiche.

8.2.13.3.4.7. Principles with regards to the setting of selection criteria

- Principle of co-operation representativeness, namely the number of partners involved;
- Principle of appropriate partnership structure based on the project objective;
- Principle of added value (partnerships producing and marketing high added value products - organic, participating in quality schemes, products from HNV farming systems, etc.);
- Principle of "local markets" (i.e. smaller geographical distance between the point of production and the point of sale).

Selection principles will be further detailed in the subsequent national legislation and shall take into account the provisions of the article 49 of the 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.

8.2.13.3.4.8. (Applicable) amounts and support rates

The share of the non-refundable support is **100% of the total eligible expenditure,** unless state aid rules apply and impose a lower limit.

If the project plan also includes actions which are eligible under other measures, then the costs are covered by the sub-measure 16.4a, in compliance with the maximum aid intensity and amounts applicable under those measures. Nevertheless, the maximum amount of the expenditure which are eligible und

The maximum value of the support is **EUR 100,000.**

The operation costs of the co-operation shall not exceed 20% of the maximum value of the support granted per project submitted.

All costs are covered by this sub-measure as a global amount.

If the partnership projects fall under the scope of state aid rules (outside agriculture), the support shall be granted under *de minimis* regulation no 1407/2013 and shall not exceed EUR 200,000 /beneficiary for three fiscal years.

Aid intensity is 100%.

8.2.13.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.13.3.4.9.1. Risk(s) in the implementation of the measures

The general risks are identified in the applicable section of Measure 16.

8.2.13.3.4.9.2. Mitigating actions

The general mitigating actions are identified in the applicable section of Measure 16.

8.2.13.3.4.9.3. Overall assessment of the measure

The overall assessment of the measure is presented in the applicable section of Measure 16.

8.2.13.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable for grants based on eligible expenditure incurred and paid.

8.2.13.3.4.11. 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.

Intermediary means an entity purchasing the product from the farmer for the purpose of selling it on. The processor is not considered as an intermediary if he/she processes its own raw material or if he/she provides processing services to the farmer, the latter holding the control over the product and over its marketing conditions (for example: price setting).

Some calls for projects may focus specifically upon strengthening the local market for locally-produced/processed products. It is a specific form of short-supply chain based both upon the number of intermediaries and the geographical distance between the point of production/processing and the point of sale.

Taking into account the national geographical specificities the "local market" is defined as a marketing radius which does not exceed 75 Km from the product - origin holding.

It takes into account the average distance between main settlements and possible costs for transportation, fuel and road transportation network which might enable a reasonable profit, reduction of pollution and preservation of the product properties.

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

The general risks identified for the implementation of Measure 16 are:

- Given the innovative nature of this measure and the lack of a culture on co-operation between farmers and other entities, there is a risk that the funding opportunities are not correctly perceived by the potential beneficiaries. It can lead to the submission of projects failing to correctly approach the key-elements of the measure (objectives, expenditure 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 due to lack of experience or capacity of the MA/PA.
- The difficulty of defining reasonable costs for various elements of intangible investments, including the total costs of the operation.
- Partial or total non-compliance of a co-operation project because of abandonments of partners
- Considering some non-objective elements in the selection criteria generated by possible conflicts of

interest.

8.2.13.4.2. Mitigating actions

The general mitigating actions for Measure 16 are:

- In order to present the procedures, the programme implementation documents will include elements to access the measure (application, specific documents to be attached, type of beneficiaries, eligibility terms, obligations, restrictions and interdictions, selection criteria and related scorings, eligible expenses and reporting methods, support rate and amount , description of controls to be conducted and consequences in case of non-compliance with commitments). In order to inform potential beneficiaries related to opportunities offered by the measure, the application rules will be published on the MA-NRDP website. In addition, the Managing Authority will organize the information to explain the content of the measure by using the National Network for Rural Development.
- Strengthening the administrative capacity of the implementing authorities (e.g. by training actions) to enable the initial assessment of project plans and their correct implementation.

8.2.13.4.3. Overall assessment of the measure

- Aware of the **potential risks** in the implementation of the measure, identified by the MA and PA (such as the risk that the funding opportunities are not correctly perceived by the potential beneficiaries leading to the submission of projects failing to correctly approach the key-elements of the sub-measure) and the **mitigating actions** (such as information campaigns and a two steps approach in the selection of the projects), the MA and PA are confident that the measure can be implemented without major obstacles.
- Also, 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 are ensured in terms of improved working procedures, so that the financial interests of European Union shall not be prejudiced.

8.2.13.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable for grants based on eligible expenditure incurred and paid.

8.2.13.6. Information specific to the measure

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

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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.

The circumstances described above apply only to sub-measures 16.1 and 16.1.a.

8.2.14. M17 - Risk management (art 36-39)

8.2.14.1. Legal basis

Article 36 and Article 38 of Regulation (EU) No 1305/2013

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 for the losses caused by natural disasters and other adverse events, allowing restoration of damaged production and helping farmers to offset the associated high fluctuations in income. Such risk management schemes may 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.

Among the new risk management tools provided under Measure 17, Romania chose to promote the involvement of the farmers in risk prevention and management schemes through mutual funds for agriculture.

Current situation

Risks

The agricultural sector is generally exposed to the following 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 risks]**;
2. diseases and sanitary issues that affect plants and livestock **- [sanitary risk]**;
3. environmental/pollution incidents that can affect both 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 or more affecting almost all the regions of the country in recent years. If a yearly average of one to three crops affected by climate shocks for all the regions in the period 1990-2012, the highest number of events was recorded in particular in South-East, South Muntenia, Bucharest-Ilfov and South-West Oltenia regions (for example an average of 8 events affected 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 losses. Even if the **sanitary risk** still might pose a threat to 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 incidents occur rarely and have an impact on a limited area, therefore the **environmental incidents risk** has a generically reduced level at country level. Nevertheless, a higher risk might be assessed for specific regions or areas, given their proximity to industrial exploitations.

Impacted areas. The Romanian agricultural area sums up in total 13.3 million hectares (ha)[2], divided in:

- 8.3 million ha of arable land;
- 4.5 million ha of grasslands and hayfields;
- 0.3 million ha of permanent crops;
- 0.2 Million ha of family gardens.

In terms of farm structure, the Romanian agricultural holdings are divided in two large categories:

- a limited number of medium and large agricultural holdings (between 5-100 ha and more than 100 ha) representing more than 70% of the total agricultural area;
- a very large number of very small farms (less than 5 ha) covering the rest of the agricultural surface.

Current risk mitigation options. In the above mentioned context, current private insurance schemes cover primarily the cereals sector and are mainly used by large farmers. The total privately insured area (values for 2011-2012– 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 under 10 ha [3].

The insurance portfolio of the local private insurers does not cover all the risks, especially the **catastrophic climate risks** such as drought, floods from overflow of rivers or other watercourses, persistent and excessive rains, excessively low temperatures below the limit of biological plant resistance and similar systemic risks. The types of risks which are usually covered by the insurance companies for the agricultural field (pouring rain, storm, hail, slip/fall/landslides, early autumn frost, late spring frost, surgical, obstetrics, infectious and internal diseases) are optional insurance and vary according to the insurance company and the risks subscribed. Organisms harmful to plants and environmental incidents are not covered by insurance companies.

In addition to private insurance, Romania notified a support scheme under Article 68 of the Regulation No 73/2009. Until the end of 2014, no mutual fund was accredited according to GEO No 64/2013 in order to be financed by Pillar I, therefore no payment from the 1st Pillar was made under Article 68.

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, winter frost), **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 that each mutual fund covers 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 (minimum 20% of the total agricultural area and total number of animals) was established taking into consideration 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. Thus, according to the national legislation, the GEO 64/2013 with subsequent amendments and completions, a maximum number of 4 mutual funds covering all or only certain types of risks eligible under the measure fiche can be accredited.

Link of the measure with the needs

Support under this measure will contribute to addressing the needs no 10 *Risk management in agriculture*, as well as no 1 *Adequate knowledge for farmers* and no 24 *Improving the collaboration between rural actors* in section 4.2 of the programme.

In order to answer to the needs identified, the support under the measure 17 *Risk management* will be granted through sub-measure 17.2 *Mutual Funds*.

Contribution of each sub-measure to focus areas

FA 3B – *Supporting farm risk prevention and management*

By introducing the support for mutual funds to help farmers cope with the increased loss of production because of adverse climatic, sanitary and environmental events, this sub-measure will directly contribute to the objective of *Supporting farm risk prevention and management*.

Contribution to cross-cutting objectives

The current measure contributes to the **climate change** and **environment** cross-cutting objectives by:

- facilitating the development of risk analysis models and related procedures for climate changes risk assessment and management;
- establishing or modifying the current insurance and risk compensation schemes by providing tools (mutual funds) to help farmers play an active and collective role in mitigating the economic uncertainty the sector faces due to climate change;
- implementing compensation schemes according to the risks of specific regions of the country;
- promoting the use of climate change resilient cultures together with appropriate farming practices.

[1] Assessment of the current agricultural risk management policy in Romania, World Bank Report – November 27, 2013

[2] Data of the National Institute of Statistics for the year 2010 RGA

[3] Assessment of the current agricultural risk management policy in Romania, World Bank 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 regard to the setting of selection criteria

8.2.14.3.1. 17.2 Mutual Funds

Sub-measure:

- 17.2 - Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents

8.2.14.3.1.1. Description of the type of operation

The current sub-measure has the role to support the farmers in stabilising their activity and production by receiving financial compensations for economic losses caused by adverse climatic events, animal and plant diseases, pest infestations and environmental incidents. The compensation of farmers' losses caused by the adverse events will be granted by mutual funds for agriculture to which the farmers will adhere. Each mutual fund shall set up the types of risks covered provided they are listed in the types of events that are eligible for reimbursement from NRDP funds.

The following actions will be supported by the measure:

- 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 administrative costs of setting-up the mutual funds for agriculture;
- interest rates for the loans contracted for the purpose of paying compensations to farmers.

8.2.14.3.1.2. Type of support

Reimbursement of eligible costs incurred and paid.

8.2.14.3.1.3. Links to other legislation

EU Legislation

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;

Regulation No 1306/2013 of the European Parliament and of the Council 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 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;

National Legislation

Government Emergency Ordinance No 64/2013 on the establishment, approval and accreditation of mutual funds for risk management in agriculture, in order to provide financial compensation for economic losses caused by adverse climatic phenomena, animal diseases, plant pests or environmental incidents, with subsequent amendments and completions;

Government Ordinance No 42/2004 on the organization of sanitary-veterinary and food safety activity, approved with amendments and completions by Law No 215/2004, with subsequent amendments and completions;

Government Ordinance No 47/2005 on the regulations for the neutralization of animal waste;

Government Ordinance No 136/2000 on protective measures against the introduction and spread of organisms harmful to plants or plant products in Romania, with subsequent amendments and completions;

Government Decision No 1214/2009 regarding the methodology for the determination and payment of damages owed to pet owners cut, killed or otherwise affected in view of the rapid liquidation of animal disease outbreaks;

Government Decision No 1189/2009 on the organization, functioning and tasks of the National Center for Disease Control and its structures;

Government Decision No 563/2007 for approving the methodological rules for the implementation of Government Ordinance No 136/2000 on protection arrangements against the introduction and spread of organisms harmful to plants or plant products in Romania, with subsequent amendments and completions;

Order of the National Sanitary-Veterinary and Food Safety Authority no 79/2008 approving the sanitary-veterinary rule on internal notification and official declaration of animal transmissible diseases;

Order of the National Sanitary-Veterinary and Food Safety Authority no 6/2010 approving the general framework on extinction of animal disease outbreaks;

Order of the minister of agriculture and rural development no 139/2010 on the control of potato cyst nematodes;

Order of the minister of agriculture and rural development no 912/2004 on the control of potato ring rot, produced by clavibacter michiganensis ssp sepedonicus, with subsequent amendments and completions;

Order of the minister of agriculture and rural development no 586/2007 on the control of the bacteria Ralstonia solanacearum (Smith) Yabuuchi;

Order of the minister of agriculture and rural development no 653/2006 on combating potato wart disease.

8.2.14.3.1.4. Beneficiaries

Direct beneficiaries:

- **Mutual funds** for agriculture constituted and accredited by the Ministry of Agriculture and Rural Development in accordance with the national law in force (Government Emergency Ordinance no 64/2013, with subsequent amendments and completions)

Indirect beneficiaries:

- **Active farmers** pursuant to the definition of article 9 of Regulation No 1307/2013 subscribing to mutual funds for agriculture, as defined in this measure and in accordance with national legislation.

8.2.14.3.1.5. Eligible costs

Eligible expenditure

- Financial compensations paid out 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;
- Administrative costs of setting up the mutual funds spread over a maximum period of three years in a digressive manner;
- Interests on commercial loans taken out by the mutual funds for paying financial compensations to farmers in case of crisis.

Non-eligible expenditure

- Expenses related to the reinsurance of the mutual funds,
- Contributions to the initial capital stock of the mutual funds,
- Payment of the interest of loans taken to reinforce the capital stock.

In the Partnership Agreement and Chapter 6 of the RDP, Romania has assessed as non-fulfilled the ex-ante conditionality No P3.1 regarding risk prevention and risk management. According to article 19 (5) of Regulation No 1303/2013 this is a potential risk of significant prejudices, and in this respect, Romania confirms that the reimbursement of the compensations paid by the mutual funds to the farmers and its subsequent inclusion in payment declarations to the European Commission will start only after this ex-ante conditionality is fulfilled. In the interim payment declaration, Romania will declare only the administrative expenditure related to the setting-up of mutual funds. Once the National Risk Assessment is completed in compliance with the ex-ante conditionality, Romania commits to re-analyse the risks eligible to be supported by mutual funds in order to ensure their consistency with the conclusions of the assessment.

8.2.14.3.1.6. Eligibility conditions

igibility conditions for the Mutual Funds

- The mutual funds have to be accredited by the Ministry of Agriculture and Rural Development in accordance with the national legislation specifications, namely the Government Emergency Ordinance no 64/2013, with subsequent amendments and completions;
- The mutual funds shall have a transparent policy towards all payments into and withdrawals from the fund;
- The mutual funds shall have clear rules attributing responsibilities for any debts incurred;
- The mutual funds shall have their initial capital stock formed exclusively of the contributions of the

farmers subscribed to the fund; no financial contribution from public funds shall be made to the initial capital stock;

- The compensation system set out in the procedures of the mutual funds shall also include penalties in case of negligence on the part of farmers.

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 legislation;
- The beneficiary of the compensation must be a member of the mutual fund and must have paid all contributions due;
- The compensation beneficiary must be an active farmer in compliance with the national definition pursuant to Article 9 of Regulation No 1307/2013;
- The production loss - for which the compensation is granted- shall be caused by one of the events specified in the current measure;
- The production loss for which compensation may be granted shall be minimum 30% of the annual average 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 respected the crop production/animal breeding technology and bio-security rules and should have adopted the preventive and/or mitigation measures in respect of reducing the effects of the event, as specified by applicable legislation.

8.2.14.3.1.7. Principles with regards to the setting of selection criteria

Not applicable – Measures related to risk management are exempted from this requirement.

8.2.14.3.1.8. (Applicable) amounts and support rates

The public support under this measure shall be **65% of the eligible costs**.

8.2.14.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.14.3.1.9.1. Risk(s) in the implementation of the measures

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8.2.14.3.1.9.2. Mitigating actions

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8.2.14.3.1.9.3. Overall assessment of the measure

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8.2.14.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.14.3.1.11. Information specific to the operation

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, to include at least: (a) particular risks insured against (b)particular economic losses covered

-

[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

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[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 to include in particular (see list in Annex 1 of Implementing Regulation (EU) No 808/2014)

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[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

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[Income stabilisation tool] Principles for funding arrangements, constitution and management of the mutual funds (for granting of compensation payments to farmers), to include in particular (see list in Annex 1 of Implementing Regulation (EU) No 808/2014)

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

The main risks in the implementation of the current measure are related to the following topics:

- Incorrect payment claims;
- Lack of detailed available statistic information at farm level (especially for small farms);
- Inaccurate delimitation of the areas affected by adverse climatic events;
- Lack of expertise in mutual funds of MA/PA in the management of this type of support scheme as a novelty.

8.2.14.4.2. Mitigating actions

- **Payment claims processing**

As incorrect payment claims by beneficiaries (mutual funds) may influence the results obtained by the implementation of this measure, detailed procedures for processing the payment claims from mutual funds shall be set up by Paying Agency in order to allow the prevention and detection of possible irregularities, mistakes or fraud attempts.

Moreover, the Paying Agency will carry out specific validations in terms of effective eligibility of the farmers to benefit from support in accordance with Article 36(2) and the specific conditions set out in this measure and if the expenditure was actually and fully compensated to affiliated farmers pursuant to Article 36(3) of Regulation (EU) No 1305/2013. These validations shall be carried out by administrative checks and/or by on-the-spot checks.

- **Collection of detailed statistic information available at farm level and alternative sources of data**

Having in view that the lack of detailed statistical information at small farms level regarding the historical production values may lead to difficulties in verifying the condition of minimum 30% loss of production especially in the case of small farmers and thus may limit the access of those farmers to contributions from public funds, the mutual funds need to put in place clear procedures regarding the collection of financial and production data at farm level.

In this respect, the methodology for the evaluation of the losses and the data used for the assessment are part of the application file that will be checked by the MARD. Moreover, the mutual funds have to define regular reporting requirements, in respect to the data regarding the activity of their members (e.g. specific agricultural sector and region, type and volumes of production, size of the impact caused by adverse events, amount of losses, amount of compensations granted to farmers, etc.). Thus, prior to requesting accreditation, mutual funds will present their procedures also for collecting data on annual production values of 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.

- **Legislation will be elaborated to describe the evaluation procedure of the area affected by adverse climatic events and the measurements will be done using the GIS system**

- **Information actions for the members and potential members of the mutual funds, using assistance of external bodies with expertise in risk management as well as strengthening the administrative capacity of the public authorities responsible for the implementation of the measure.**

8.2.14.4.3. Overall assessment of the measure

As a result of the analysis carried out by the Managing Authority and the Paying Agency, it can be concluded that the verifiability and controllability of the measure are ensured, so as not to prejudice the financial interests of the European Union.

8.2.14.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.14.6. Information specific to the measure

Description of mechanisms to ensure that no overcompensation takes place

The measure ensures the contribution to the compensations payment for risks that presently are not covered by private insurance companies. Having in view the mobility of the insurance market, and thus the possibility, in the future, of extension of the types of agricultural risks currently covered by optional insurance, the Ministry of Agriculture and Rural Development and the Paying Agency will collaborate with the private insurance companies through the Financial Supervisory Authority in order to ensure the information exchange in case of occurrence of the events covered by the mutual funds.

Furthermore, in case of existing several insurances for the same good, the Romanian Civil Code which stipulates the principle of proportional compensations by each insurer that is capped to the value of the effective damage applies.

At the same time, in order to ensure complementarity with the programmes for compensations granted from national and European funds for animal diseases, the national legislation will be elaborated in order to ensure the demarcation of the support schemes and consequently to exclude paying compensations by the mutual funds in case of granting support under other national or European schemes.

Before the accreditation, the MARD will verify if the mutual funds have procedures for avoiding the over-compensation of farmers in case of compensation from other sources.

[Crop, animal, and plant insurance] Description of conditions for insurance contracts to be eligible for support, to include at least: (a) particular risks insured against (b)particular economic losses covered

-

[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 to include in particular (see list in Annex 1 of Implementing Regulation (EU) No 808/2014)

List of adverse events entitling the compensations payment. The eligible costs of the mutual funds are exclusively related to compensations granted to farmers pursuant to article 38 (3) paragraph 2 and 38 (4) to cover losses generated by:

- outbreaks of adverse climatic events, such as *drought, winter frost and floods* as regulated by the national legislation which are assimilated as natural disasters;
- animal diseases specified by the World Organisation for Animal Health or within the Regulation no 652/2014, established according to the national legislation with the observance of the necessity of demarcation to other compensation programmes financed from EU or national budget, as *bovine spongiform encephalopathy, salmonella infection, bluetongue* [1];
- organisms harmful to plants set out in the Government Decision no 563/2007 for approving the methodological rules for the application of Government Ordonance no 136/2000 on protective measures against the introduction and spread of organisms harmful to plants or plant products in Romania, with subsequent amendments and completions, and protection measures adopted under the phytosanitary rules for the eradication and prevention of the spread of organisms harmful to plants, such as cyst nematodes of potato, smut of wheat, *bronze spot disease on tomatoes, globodera spp, tilletia indica, tomato spotted wilt virus* [1]. The harmful organisms - other than quarantine

organisms - are listed in the methodological norms of the GEO no 64/2013, with subsequent amendments and completions , could be covered only in case they are assimilated to natural disaster;
- environmental incidents, as defined in the methodological norms of the GEO no 64/2013, with subsequent amendments and completions, such as *discharges of pollutants from industrial activities or accidents targeting the transport of dangerous substances* [1].

Regarding the geographical area, the area affected will be established within the recognition procedure set up for each event according to the methodological norms for GEO no 64/2013, with subsequent amendments.

b) **Criteria for assessing whether an event can generate compensation payments to farmers.** The payment of compensations shall be granted only for events covered by the measure fiche.

In this respect, the occurrence of the events and the delimitation of the areas affected shall be formally recognised by the competent authority in accordance with the national law, as follows:

- For the adverse climatic events and other harmful organisms than the quarantine organisms, the natural disaster will be recognised by ministerial order, based on the information provided by the competent authorities for each and every event.
- For all the other events that are not subject to the official recognition as natural disaster, the competent authorities for animal health, pest control and environment will apply the recognition procedures set out in the national legislation.

c) **The methods for calculating the additional costs which constitute economic losses**. The categories of additional costs that could be supported by the mutual funds will be listed in the national legislation. For each type of additional cost, the calculation method for the economic losses will be established in compliance with the legal provisions related to preventive and mitigation measures, as well as the animal breeding and production technologies and bio-security rules and based on the costs incurred by the farmer as justified by invoices or other probative documents.

For example, in case of sanitary risks, additional costs of the disinfection will be calculated based on the price of acquisition of the disinfecting substances and their administration costs, additional costs related to the interdiction to sell the animals will be calculated based on the costs of purchase of fodder and costs for care and maintenance of animals subject to restrictions, and in case of crops, the additional costs for the restriction to use the soils will be calculated based on the costs of destruction of the crop targeted by the measure of restriction and the costs of setting up an alternative crop.

d) **Administrative set-up costs calculation.** The administrative costs for setting up the mutual fund are defined as all expenses incurred in order to allow the mutual fund to be established, become operational and to perform according to its statutory documents.

The category of eligible administrative costs related to the set-up of the mutual fund includes the following expenses: offices renting, payment of utilities (gas, water, electric energy, phone services) ITC services, salaries (including related taxes and social security payments), purchase of equipment and IT software (including maintenance of site development), marketing and promotion activities, payment of legal, technical and financial consulting services, office supplies, all made during the first operating years of the fund.

The following costs are non-eligible:

- 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 financial support from public funds, each mutual fund shall provide **independently audited financial statements** on an annual basis, which shall break down separately the administrative set-up costs. These costs will be spread in a digressive manner over a period of maximum three years. The reimbursement is done periodically, based on the supporting documents requested by the paying agency, according to the procedures for measure implementation.

The method of calculation will be established in the paying agency implementing procedures with the observance of the principle of reducing the eligible set-up cost from one year to another.
The administrative costs will be capped at a level set up by order of the minister of agriculture and rural development. Regarding the salary costs, the mutual funds need to ensure a reasonable level within the normal market rates for similar activities.

e) **Method for determining the proportion of the average annual production of the farmer which has been destroyed.** The provisions of the current measure (in correlation with the WTO provisions) establish the minimum loss threshold to benefit from subsidised compensations from public funds 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 will be carried out on a per-type of production (crop/species). This will also be established at the level of the mutual funds to which the farmer acceded. The calculation will be based on the justifying documents provided by the farmers, as no index system is available at the level of Romania.

The reporting period of the three or five years is established by the mutual fund based on a statistically acceptable maximum variation of the average relevant production of the farmer.

f) **Limitations regarding the eligible costs.** The eligible expenditure could not overlap 100% of loss. The level of compensations could be capped by the mutual funds at farm or unit level taking into consideration the funds management reasons.

Two years after launching the measure, MARD will perform an analysis of the situation registered regarding the risks occurred, as well as the level of the compensations paid, based on which it could decide to cap the eligible expenditure at farm or production unit level.
The administrative set up costs will be capped at a level set up by order of the minister of agriculture and rural development.

[1] the list of events that are covered is not intended to be exhaustive, the events are just examples.

[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 to farmers. The interests on these commercial loans are eligible for support under this measure, provided the term of such loans is at least 1 year and maximum 5 years.

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), to include in particular (see list in Annex 1 of Implementing Regulation (EU) No 808/2014)

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.

8.2.14.7. Other important remarks relevant to understand and implement the measure

Definitions:
- *Mutual fund* – association set up according to GO No 26/2000 on associations and foundations and accredited according to Government Emergency Ordinance No 64/2013 with subsequent amendments and completions, which enables the affiliated farmers to insure themselves, with the purpose of receiving compensation payments in case of economic losses caused by the outbreak of adverse climatic events or an animal or plant disease or pest infestations or an environmental incident. The members of the mutual fund shall be exclusively active farmers pursuant to 9 of the Regulation No 1307/2013, affiliated to the mutual fund who pay the contribution set-up by the fund and benefit from financial compensations from the mutual fund, under the conditions set out in its statutory documents with the observance of the implementation procedures of the measure fiche;

Economic losses – any substantial loss of production or any additional costs incurred by a farmer as a result of exceptional measures taken by the farmer with the objective of reducing the effects caused by the outbreak of the events set out in the sub-measure;

Adverse climatic event – weather conditions, such as winter frost, floods or severe drought, which can be assimilated to natural disasters;

Animal diseases – diseases eligible for compensations by mutual funds are those mentioned in the list of animal diseases established by the World Organisation for Animal Health or in the Regulation No 652/2014, established according to the national legislation with the observance of the necessity of demarcation to other compensation programmes financed from EU or national budget;

***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, causing eventually important economic damage to the farming sector.

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

Articles 42-44 of Regulation (EU) No 1305/2013
Articles 32-35 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, aiming at increasing the socio-economic development of rural areas, reducing the urban-rural disparities and promoting social inclusion. 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 by placing it under the community-led responsibility.

The implementation of the LEADER approach and of the Local Action Groups (LAG) started in Romania in the period 2007-2013, through the NRDP. From 2011 to 2012, 163 LAGs were selected covering an area of around 142,000 km^2, which accounted for approximately 63% of the eligible territory and approximately 58% of the LEADER-eligible population.

In the new programming period, it aims to cover the entire eligible territory LEADER by a lower number of LAGs compared to the earlier period, for a balanced territorial development, which will ensure the critical mass to implement corectly and efficiently the strategy and to streamline the running costs.

Community-led local development (CLLD) is an implementation method that allows local partners to draw up a rural development strategy, based on the analysis of the needs and specific priorities of the territory.

Within the LDS it is expected to be selected a coherent set of measures tailored to specific territorial priorities and to capitalize the local authentic potential of the territory. LEADER will contribute to the development of rural areas, including small towns with a population of maximum 20,000 inhabitants (a list of areas to which Leader is expected to contribute is indicated later on) and facilitate the implementation of projects with a multi-sectorial and cross-cutting innovative approach, in order to support the needs of the population in the LEADER - eligible territory and to fulfil the objectives of Europe 2020 strategy.

As a general complementarity criterion, ERDF and ESF, through the financing instrument CLLD-ROP will support the community-led local development actions in the urban area for localities with more than 20,000 inhabitants, while EAFRD will support the LAGs in rural areas and in small towns with less than 20,000 inhabitants. LEADER funding through the National Rural Development Programme (NRDP) will be provided by the EAFRD.

During the 2007-2013 programming period, taking into consideration the brief submission period of the calls for broadband infrastructure investments in the rural area and due to the time constraints regarding the

signing of legal commitments until 30th June 2014, and given the limited time for potential beneficiaries to implement their projects before the end of the programming period, several technical projects/applications were rejected for not meeting the technical or admissibility criteria. In the current programming period there are no similar time constraints that will prevent the LAGs to include broadband projects as part of their local development strategies. In order to ensure an improved quality of broadband projects, the LAGs are going to organise animation/information sessions prior to launching the calls for the broadband measure, where they can also invite ITC networks specialists. The Romanian Managing Authority and the National Rural Development Network will encourage and assist the implementation of broadband projects if they are included in the local development strategies. Thus, the 25 MEUR indicative allocation within the Partnership Agreement for financing broadband activities could therefore be increased to 35 MEUR to the extent it covers the needs identified in the local development strategies. During the mid-term evaluation of the NRDP, it should be included a re-assessment of the remaining gaps with respect to the achievement of the EU 2020 targets for rural areas. If the needs identified are not fully addressed, the allocation for these type of investments may be further increased.
Given the experience accumulated in the implementation period of NRDP 2007-2013, the financing of measures 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 that address the problems identified at the level of the local communities, reflected in actions specific to those needs.

Link of the measure with the needs:
The support under this measure will contribute to the fulfilment of the needs**:** (019) “Reduction of the poverty level and of the risk of social exclusion”, (020) “Development of the basic infrastructure and of services in LEADER areas”, (021) “Creation of employment opportunities in the LEADER areas”, (022) “Preservation of the rural heritage and of local traditions”, (023) “Fostering and strengthening local development”, (024) “Improvement of the co-operation between the actors in the rural area”, (025) “Access to ITC networks”, as were identified in Chapter 4.2 of the programme.

In order to address the identified needs, the operations shall be carried-out within four sub-measures:
- preparatory support sM 19.1
- support for the implementation of actions within the local development strategy sM 19.2
- preparation and implementation of co-operation activities of the local action group sM 19.3
- support for running and animation costs sM19.4.

Contribution of the measure to focus areas
Although fully programmed under DI 6B, the projects within the local development strategies can contribute to the focus areas as set out in the specific rural development regulations.

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.

LEADER, due to its cross-cutting feature, contributes to 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 objectives of EU Regulation 1305/2013 and with the community local development objectives.

The support provided for the preservation of local heritage and traditions contributes not only to an increased quality of life in the LEADER areas, but it also fosters rural tourism activities, the development of local products and creation of jobs. The projects supported through local development strategies have a positive impact onto the EAFRD objectives.

The most significant opportunities for LEADER are found in the following fields of action:

- contribution to the diversification of non-agricultural economic activities and fostering small entrepreneurs in the LEADER area;
- creation, improvement and diversification of economic development facilities, of local small-scale physical infrastructure, including broadband, and of basic services;
- increasing the LEADER areas' attractiveness and decreasing population migration, in particular of young people;
- improving social inclusion including of minority/ethnic groups, protection and preservation of the natural and cultural rural heritage;
- diversification of the tourism offer, fostering local development initiatives with a high level of territorial socio-economic integration.

The 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 the young in the LEADER territory and its economic, social and cultural development. In order to support this approach, the focus is placed 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.

Contribution to cross-cutting themes:
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 this regard 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 energies from renewable resources, promoting the use of bio-mass based heating sources, creation and development of community-level bio-gas production and distribution systems, therefore contributing to the development of the local competitiveness, of the basic services and of a low-carbon emissions local economy.

Innovation
The 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. Therefore, at the level of the local community, the innovative measures imply funding investment/services that are supported by EADRD and assure the accomplishment of the LDS objectives. In the framework of the LDS, innovative measures can be developed for any sector where specific needs have been identified at the level of the local community. Innovative measures may target sectors such as: energy efficiency and promotion of energy from renewable sources, ITC, tangible and intangible heritage, including local-interest natural heritage, agricultural, agri-food markets for the local products, vulnerable groups and disadvantaged communities, etc.

Implementation of the LEADER approach
In order to be eligible, the local development strategies (LDS) must be elaborated based on a bottom-up approach. LEADER activities can correspond to the different types of activities set out in the Regulation (EU) No 1305/2013, including those linked to promotion of social inclusion and alleviation of poverty and shall consequently contribute to TO9 – Promoting social inclusion and combating poverty and discrimination of the Romanian Partnership Agreement. In addition, other activities that address the economic or environmental objectives of the aforementioned Regulation may be supported through the LDS.

The Local Action Groups will structure their local development strategy based on the objectives of NRDP 2014-2020 and based on the needs identified in the LDS analysis. The added value of LEADER resides in the fact that strategies shall promote innovation and shall reflect the manner in which it is approached under specific processes and activities. In the selection process, priority will be given to LDS proposing measures achieving the cross-cutting objectives of NRDP (innovation, climate changes and environment actions).

LEADER, as an innovative approach, based on co-operation 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. The added value of the LDS can be generated both through the innovative nature of the intervention by LEADER, as well as by the impact it produces at the level of the respective territory. The added value will be quantified by the specific indicators proposed in each LDS.

LEADER generates added value in the territory through:

- the institutional capacity created and strengthened by partnerships;
- the development of human resources and use of know-how;
- the identification of creative local solutions for the problems existing at local level;
- the development of projects of public utility and/or with economic, social, cultural and natural impact;

- the enhancement of the local identity;
- experience exchanges and inter-territorial and transnational best practices.

Local Action Group (LAG)

A LAG is an active private-public partnership. The local partnership which draws up the LDS 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 Article 34 of Regulation (EU) No 1303/2013 are mandatory and essential for the successful implementation of the LDS, aiming at:

- building the capacity of relevant local actors to develop and implement operations including promoting their project management capabilities;
- drawing-up a non-discriminatory and transparent selection procedure and of objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 51% of the votes in the selection decisions are cast by partners which are not public authorities, and allow selection by written procedure;
- ensuring coherence with the community-led local development strategy when selecting the operations, by prioritising the operations according to their contribution to meeting the objectives and targets of the strategy;
- preparing and publishing calls for proposals or an ongoing project submission procedure, including defining selection criteria;
- receiving and assessing the financing applications submitted;
- selecting operations, fixing the amount of support, and presenting the proposals to the body responsible for final verification of eligibility before approval;
- monitoring the implementation of the community-led local development strategy and of the operations supported and carrying out specific evaluation activities linked to that strategy.

Within the structure of the partnership, as well as within the LDS elaboration and implementation structure, equal opportunities between men and women and gender integration, as well as the prevention of any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation criteria must be provided.

The private economic partners, as well as other representatives of the civil society shall represent at least 51% at the decision-making level. The representatives of towns shall be maximum 25% at the decision-making level (LAG management bodies and selection committee), and related to the population covered by a LAG territory.

Scope of local development strategies (LDS)

LEADER will be applied on coherent territories with a population between 10,000 – 100,000 inhabitants, represented by Administrative Territorial Units – communes and Administrative Territorial Units - small towns, with a population of maximum 20,000 inhabitants. Given the low population density in the Danube Delta region, of 11,94 inhabitants/km², 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 total LEADER-eligible area consists of

228,754 km^2, with a population of 11,359,703 inhabitants. The coverage foreseen for the eligible LEADER territory and population is 100%, while the estimated number of LAGs is 120.

Selection of the LDS

The selection of the local development strategies will be carried out based on a single public selection procedure that will be developed by MARD and will comprise the eligibility check 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. Within the selection process, the Community-led local development strategies are selected by a committee established for this purpose, comprising representatives of the Paying Agency, Managing Authority and if necessary, will be part of the selection committee also other external experts. A single session for LAG selection will be organized within LEADER 2014-2020, and will be completed no later than 2 years after the approval of the PA (according to Regulation (EU) No 1305/2013).

Financial allocation of the LDS

After selection, the initial financial allocation for the LDS (comprising the allocation for sub-measures 19.2 and 19.4) will be determined as follows:

- 80% of the total LDS allocation will be divided according to the population and the total area of the LEADER-eligible territory, generating a value per inhabitant and km^2;
- 20% of the total LDS allocation will be granted to LDSs obtaining the highest quality level, as resulted during the selection process.

In case there are differences between the LEADER-eligible territory and the territory covered by the selected LDSs occur, the amounts left available (corresponding to the population and area that were not covered following the selection process) will contribute to the increase of the minimum percentage of 20% reserved for the LDS quality.

Therefore, after the selection, LAGs that will obtain the quality score, will revise the financial plan, which will be proposed to the MA for approval.

The indicative LAG selection calendar includes two phases:

- Phase 1: Preparatory support for the elaboration of Local Development Strategies;
- Phase 2: LDS selection.

Eligibility criteria for the LDS evaluation:

- The partnership shall be made of minimum 51% representatives of the private sector and of the civil society;
- The urban organisations shall represent maximum 25% at the decision-making level;
- The population from small towns shall not represent more than 25% at the level of the total population covered by the territory;
- The territory covered by the LAG shall be homogeneous;
- The presence of a single LAG on the LEADER-eligible territory;

- Territory with a population between 10,000 – 100,000 inhabitants represented by Administrative Territorial Units – communes and Territorial Administrative Units – small towns with a population of maximum 20,000 inhabitants. In Danube Delta area, a minimum threshold 5,000 inhabitants will be accepted;
- The local development strategy comprises all the elements mentioned in the section *”Content of the LDSs”*
- The strategy is coherent (it contributes to RDP strategic objectives, reflect the development needs of the territory identified in the SWOT analysis and the strategy is relevant in terms of its priorities and objectives)

Principles on the setting of selection criteria for the LDSs:

- Principle of selection of territories with low population density, less-advantaged areas, according to the maps identified in RDP or/and with natural potential areas (NATURA 2000 , HNV);
- Principle of selection of partnerships which comprise mainly the private sector and civil society, organisations of local minorities – including the Roma people, young, environment and women organisations, associative forms relevant for the territory;
- Principle of selection of strategies comprising interventions in social infrastructure, actions addressing local minorities (especially the Roma minority), interventions in broadband infrastructure, quality schemes, measures which promote the association;
- Principle of selection of LDS quality, which must be reflected including through the innovative character of the strategy.

The selection criteria will be further detailed in the national implementation framework for the selection of LDS. An active involvement of the private and public partners is necessary for the elaboration of the LSD, consisting of consultations of these sectors, based on the bottom-up approach.

Content of the LDS

The LDS shall comprise at least the following content and structure elements:

- definition of the territory and of the population covered;
- analysis of the development needs and of the potential of the area, including an analysis of strengths, weaknesses, opportunities and risks;
- description of objectives, description of the integrated and innovative features of the strategy and a ranking of objectives, the description of measures, including measurable targets and, if applicable, a description of the objectives targeting the co-operation;
- description of the process of involvement of the local communities in the development of the strategy;
- description of the action plan used to transpose the objectives into measures.
- description of the mechanism for management, monitoring, evaluation and control of the strategy;
- the financial plan of the strategy, allocated per major objectives;
- description of the local partnership established in compliance with the previously mentioned requirements;

- description of the organisational structure and necessary competences of the LAG employees, whereby to ensure the accomplishment of all the specific activities, including those for monitoring, evaluation and control;
- description of mechanisms to avoid potential conflicts of interests, according to the national legislation;
- description of complementarity and/or of contribution to the objectives of other relevant strategies (national, sectorial, regional, county, etc.);
- demonstration of the added value of measures set out in the LDS, by establishing eligibility criteria, selection criteria, aid intensity, in accordance with the particularity of the covered territory and specific indicators that are relevant for the respective operations.

Details on the strategy implementation phase

During the implementation process, depending on the performance shown by the LAG in the evaluation of projects, the Paying Agency may delegate to LAGs certain verifications tasks, based on a delegation agreement.

During implementation, the MA will establish at least one interim evaluation phase of the selected approved LDS implementation capacity. One of the interim evaluations will be carried out in order to complete the mid-term evaluation of the RDP. The MA will establish a system for the redistribution of the financial allocation depending on the performances recorded by the LAG in the implementation of objectives proposed through the strategy, but also correct implementation of EU funds by the LAG.

For LAGs not reaching the performance level pre-established by the MA, through the national implementation framework, following the mid-term review, corrective measures will be applied proportionally with the non-fulfilment of the established performance level, while the amounts becoming available will be redistributed to performing LAGs based on the needs identified by the latter.

Details on the redistribution system and the evaluation criteria to be applied to assess performance (e.g.; the contracting and payment level, the error rate of the project evaluation; the animation of the territory) will be detailed in the national implementation framework.

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 regard to the setting of selection criteria

8.2.15.3.1. 19.1 Preparatory support

Sub-measure:

- 19.1 - Preparatory support

8.2.15.3.1.1. 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 partnership to actively involve new stakeholders and organisations. In this manner, the partnership 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 capacity building 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 local stakeholders and to representatives of different fields of activity to work together and interact for the benefit of communities in the LEADER territories.

Avoidance of double funding:
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.

The preparatory activities specific to the 2014-2020 period shall not be financed from funds corresponding to the 2007-2013 period.

In order to avoid the double funding of LAGs benefitting from financial support for running cots during the 2007-2013programming period, their activities and related expenditure shall be recorded, monitored and verified distinctly, according to the specific legislation in force (e.g.: distinct responsibilities in the job descriptions, a work schedule exclusively dedicated to specific tasks, separate book-keeping, etc.).

8.2.15.3.1.2. Type of support

Reimbursement of eligible costs incurred and paid.

8.2.15.3.1.3. Links to other legislation

Government Ordinance No 26/2000 on associations and foundations, with subsequent amendments

8.2.15.3.1.4. Beneficiaries

- an existing partnership authorized under Ordinance 26/2000;
- a new partnership. – without legal entity.

The existing/new partnerships will be founded under a Partnership Agreement specific for LEADER.

Provisions under the specific LEADER Partnership Agreement will comply with the LEADER principles and 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/branch on the territory covered by the potential LAG, nominated by that partnership.

8.2.15.3.1.5. Eligible costs

Expenditure for:

a. consultation, animation activities and organisation of working groups for the development of the LDS, including costs for personnel for these activities;
b. technical and financial advisory for the elaboration of the LDS, including costs for personnel, acquisition of information and data required to develop the LDS and studies of the area.

8.2.15.3.1.6. Eligibility conditions

- The applicant shall fall under the category of eligible beneficiaries;
- The partnerships corresponding to overlapping territories are not eligible for preparatory support;
- The groups made of partners representing the public and private, economic and social sector in the eligible territory, where the representatives of the private sector and civil society account for minimum 51% (based on a formal agreement signed by each member);
- The groups shall represent a homogenous 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.

8.2.15.3.1.7. Principles with regards to the setting of selection criteria

- Principle of selecting partnerships with proven expertise in consultation, animation and working groups activities for LDS elaboration;
- Principle of partnership structure (priority will be given to significant representation of the private sector and of the civil society, representative minority organizations – including the Roma people and associations, the presence of areas which have not benefited from support under LEADER 2007-2013;
- Principle of population density in the territory targeted by the partnership (priority will be given to the low density territory).

Selection principles will be further detailed in the national subsequent legislation and shall take into account the provisions of Article 49 in 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.

8.2.15.3.1.8. (Applicable) amounts and support rates

Preparatory support will be granted up to the maximum amount of EUR 20,000 non-refundable public support for the LDS submitted by the partnership, as follows:

- animation costs (described at letter a in the eligible expenditure section) up to maximum EUR 10,000, granted proportionally with the number of inhabitants existing at the level of the territory targeted (maximum 100,000 inhabitants). Therefore, the financial allocation will be EUR 0.1/inhabitant.
- costs related to the elaboration of the strategy (described at letter b) shall be up to EUR 10,000, regardless of the territory size and on the population covered by the LDS.

No advance payments will be granted.

The intensity of non-refundable support for this sub-measure is 100%.

The reimbursement of eligible costs will comprise two phases:

- the costs for animation may be reimbursed after finalising all the activities related to the animation. **In case the partnership does not submit a LDS in view of selection , the amounts paid shall be recovered;**
- the costs for the elaboration of the LDS will be reimbursed only for the LDSs declared eligible by the Managing Authority, following the LDS evaluation process. **The reimbursement of the support for this type of cost is not conditional on the selection of the LDS, but exclusively on its eligibility.**

8.2.15.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.1.9.1. Risk(s) in the implementation of the measures

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8.2.15.3.1.9.2. Mitigating actions

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8.2.15.3.1.9.3. Overall assessment of the measure

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8.2.15.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.1.11. 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

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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 relevant

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Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

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The procedure and timetable to select the local development strategies

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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

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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

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Possibility or not of paying advances

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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

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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 under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

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8.2.15.3.2. 19.2 Support for the implementation of operations under the local development strategy

Sub-measure:

- 19.2 - Support for implementation of operations under the community-led local development strategy

8.2.15.3.2.1. Description of the type of operation

Support under this sub-measure is provided for the implementation of operations under the local development strategies of the selected LAGs.

The elaborated strategies shall comprise measures that fulfil the LDS objectives, contribute to the EAFRD objectives (as defined in Article 4 of EU Regulation No 1305/2013) and are consistent with the strategic priorities identified in the Romanian Partnership Agreement and NRDP, and generate added value in the territory. The LAG will carry-out the selection of projects under LDS, based on a documented assessment that shall prove the thoroughness and impartiality of the decision regarding the selection of projects, by applying selection criteria that address the local specificities, through the Selection Committee formed by members of the local partnership. To ensure the selection process transparency principles, the LAG shall comply with the minimum mandatory publicity conditions which will be defined in the national implementation framework.

LEADER can play a core role in terms of fostering an innovative approach 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 that may be also in another territory.

Innovative measures implemented through LEADER shall be in accordance with the objectives pre-established in the strategy, while generating value added and/or economic, social, cultural and/or natural impact on the territory.

Partnerships (future LAGs) shall include in the LDS justifications regarding the need to refinance measures that can be found at national level, thus reflecting the added value these measures determine at the level of the targeted territory. LAGs will ensure the added value of the measures financed through LEADER by establishing eligibility/selection criteria, aid intensity and specific indicators relevant for those measures, in accordance with the territorial analysis and financial needs.

Types of non-eligible operations:

While LAGS will have the flexibility to finance projects based on the needs identified in the LDS, the operations related to the following measures are not eligible to be supported under LDS:

- Support for short-term farm and forest management exchanges, as well as farm and forest visits; (Art 14/ Regulation 1305/2013)
- Advisory services, farm management relief and farm relief services; (Article 15/ Regulation 1305/2013)
- Investments in forest area development and improvement of the viability of forests (Article/Regulation. 1305/2013);
- Agri-environment-climate payments (Article 28/Regulation 1305/2013);
- Natura 2000 and Water Framework Directive payments (Article 30/Regulation 1305/2013);
- Payments to areas facing natural or other specific constraints (Article 31/Regulation 1305/2013);
- Animal welfare payments (Article 33/Regulation 1305/2013);
- Support for risk management (Article 36/Regulation 1305/2013);

8.2.15.3.2.2. Type of support

- Reimbursement of eligible costs incurred and paid
- Payment of advances, subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100% of the amount of the advance, according to the Article 45(4) and Article 63 in Regulation (EU) No 1305/2013.
- Financial instruments (subject to the conditions detailed in Chapter 8.1).

8.2.15.3.2.3. Links to other legislation

- Law No 31/1990 of 16th of November 1990 regarding commercial firms
- Emergency Ordinance No 44 of 16th of April 2008 on the development of economic activities by authorized natural persons, individual enterprises and family enterprises
- Government Ordinance No 26/2000 of associations and foundations
- Law No 215 on April 23rd 2001 on the local public administration

8.2.15.3.2.4. Beneficiaries

- Private/public entities, established through the LDS measure fiche, in compliance with the provisions in the EU Regulation No 1305/2013
- LAGs for certain public interest operations identified in LDS that are beneficial for the community and the territory, for which no other applicant manifests interest, and provided measures are applied for avoiding conflicts of interest. For these projects, in the eligibility check stage, the PA will undertake additional checks and ensure that the LAG has properly carried out the eligibility and selection criteria laid down in the LDS.

8.2.15.3.2.5. Eligible costs

- Expenditure shall be in line with the ones in the LDS and shall comply with the provisions of Regulation (EU) No 1303/2013 and No 1305/2013.
- Expenditure set out in Article 69 (3) of the Regulation (EU) No 1303/2013 are not eligible.

8.2.15.3.2.6. Eligibility conditions

- Operations implemented through LEADER shall comply at least with the general eligibility conditions foreseen by the Regulation (EU) No 1305/2013 and in Chap. 8.1 of the NRDP and shall contribute to the fulfilment of the objectives established in the Local Development Strategy. General minimum eligibility conditions for sub-measure 19.2 will be established in the national implementation framework. In order to be eligible, all expenditure related to the implementation of the projects selected under the LDS shall be incurred on the LAG territory. For certain services, projects to be defined in the national implementation framework, expenditure may also be eligible for activities carried out outside the LAG territory, if the support benefit addresses the LAG territory.
- In the case of the fruit growing sector, will be taken into account for support only the eligible species and areas included in the Annex of the TSP national implementation framework, except for the culture of strawberries in greenhouses and solariums.

8.2.15.3.2.7. Principles with regards to the setting of selection criteria

- The non-discriminatory and transparent project selection procedure will be established in the local development strategy by the LAG and approved by the MA 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.
- For all the measures, the LAGs will apply local selection criteria, stipulated in the LDS, established in compliance with its objectives.

8.2.15.3.2.8. (Applicable) amounts and support rates

The maximum non-refundable public support rate will be up to **100%** of total eligible expenditure - up to a maximum of EUR 200,000 per project.
D*e minimis* aid rules in force shall be applied in accordance with the provisions of Regulation (EU) No 1407/2013.

For the action that are in the objectives of the rural development measures , the LAG will establish the aid intensity in compliance with the maximum limit set out in the Regulation (EU) No 1305/2013.
The intensity of the support for measures that are not included in the Annex 2 of the Regulation (EU) No 1305/2013 will be established by the LAGs as follows:

- for income generating operations up to 90%,
- for income generating operations with public utility – up to 100%
- for no-income generating operations – up to 100%

The intensity and value of the support will be established by each LAG depending on:

- LDS objectives and priorities;
- Local specificity (e.g.: collective interest, strategic importance, public access to the operation results, innovative features of the project at local level, available budget, etc.);

8.2.15.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.2.9.1. Risk(s) in the implementation of the measures

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8.2.15.3.2.9.2. Mitigating actions

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8.2.15.3.2.9.3. Overall assessment of the measure

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8.2.15.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.2.11. 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

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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 relevant

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Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

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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

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Possibility or not of paying advances

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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

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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 under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

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8.2.15.3.3. 19.3 Preparation and implementation of Local Action Group co-operation activities

Sub-measure:

- 19.3 - Preparation and implementation of cooperation activities of the local action

8.2.15.3.3.1. Description of the type of operation

Support under this sub-measure is provided for the preparation and implementation of co-operation activities by the selected LAGS.

Within LEADER, the (inter-territorial or transnational) co-operation 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 the services delivered.

For the Romanian LAGs, transnational co-operation is an excellent opportunity to gain access to existing experiences in other European States and to connect to and integrate into the LEADER European community.

This sub-measure will finance transnational co-operation projects (between Romania and other European States) and inter-territorial co-operation projects (within the Romanian territory) between LAGs in Romania and other CLLD-type partnerships or other partnerships, such as a group of local public and private partners acting within a rural/urban territory, which implements a local development strategy.

Co-operation actions are eligible for support if they contribute to the achievement of LDS objectives. For this purpose, the development of LDSs will take into account the inclusion of co-operation-related objectives.

Transnational co-operation projects are hampered by different administration rules applicable in different Member States. Therefore, the LAGs intending to undertake co-operation projects can be supported mainly by the European Rural Development Network and the Romanian National Rural Development Network, by having access to the data bases and by asking for support/advice.

By their nature, inter-territorial or transnational co-operation projects are complex and difficult to be implemented by LAGs with no experience in this field. To facilitate the implementation of co-operation projects, preparatory technical assistance may be provided where the LAGs can demonstrate they envisage the implementation of a concrete co-operation project.

The selection of the co-operation projects will be performed by the MA-NRDP, under a system of ongoing applications. The relevant national administrative procedures and a list of eligible costs will be published no later than two years after the date of approval of the NRDP.
Projects will be approved no later than four months after the date of submission of the project application.

According to Article 44 of Regulation (EU) 1305/2013, all the approved transnational co-operation projects shall be communicated to the EC by MA.

The preparatory technical assistance will provide support for the performance of precursory activities for a co-operation project, such as: meetings, studies, procurement of needed data and information etc. The granting of the support is not conditioned by the submission of a co-operation project.

The activities regarding the implementation of co-operation projects are, among others:

- 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;
- actions supporting vulnerable groups;
- joint cultural activities contributing to LDS objectives
- collective approaches to environmental projects;
- pilot projects targeting any of the above actions;
- exchange of experience and good practices on local development.

The responsibilities of each partner within the co-operation action will be detailed within a co-operation agreement and in the Partnership Agreement, including the uniform approach of activities included in the agreement, signed by all partners participating in the project. This document shall include references to the overall planned budget, project objectives, activities required for joint implementation and achievement of activities, role of each partner, a timetable for the project implementation and the final financial contribution of each partner within the project. The co-operation projects will be implemented under the responsibility of a coordinating partner.

8.2.15.3.3.2. Type of support

Reimbursement of eligible costs incurred and paid.

8.2.15.3.3.3. Links to other legislation

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8.2.15.3.3.4. Beneficiaries

Local Action Groups authorised by the MA-NRDP for the 2014-2020 programming period will benefit from support from the NRDP.

8.2.15.3.3.5. Eligible costs

- Costs for preparatory technical assistance: costs for technical missions, meetings, workshops, studies, purchase of necessary data and information etc.
- Costs of co-operation projects on the national territory (inter-territorial co-operation), or costs of cooperation projects between national territories and territories of other European states (transnational cooperation): the costs corresponding to joint training activities, meetings, workshops, organisation of events, networking related to the joint action, common publications, administrative costs, promotion-related costs, procurement/leasing of equipment/ goods corresponding to the co-

operation project, etc.

Non-eligible costs:

- Expenditure relating to simple exchange of experience, which is not materialised in a joint action. Expenditure linked to territories outside Europe are also non-eligible. The expenditure according to Article 69 (3) of Regulation No 1303/2013 are not eligible.

8.2.15.3.3.6. Eligibility conditions

The main eligibility conditions for the preparatory technical assistance for the co-operation projects are:

- The cooperation intention is indicated in the LDS;
- The applicant must be a LAG authorised at national level for the 2014-2020 programming period;
- The submission of an action plan within the preparatory support project;
- If the preparatory support is materialised by signing a Cooperation and Partnership Agreement, only the preparatory expenditure incurred before its signing are eligible.
- The preparatory activities are eligible if they are carried out on either the territory of the LAG or on that of the potential partners.

The main eligibility conditions for the implementation of co-operation projects are:

- integration in the strategy of the territory – co-operation actions shall contribute to the local development strategy objectives;
- the project shall concern concrete joint activities;
- the partner/initiator of a co-operation project in Romania shall be a LAG authorised at national level for the 2014-2020 programming period;
- presentation of a financial plan indicating the contribution of all partners. The level of support granted to the LAG participating in the co-operation project shall be related to the share of the joint action the co-operation project is planned to deliver;
- demonstrating the necessity and the opportunity of the project by a concrete description, also including the established timeframe for the implementation of the project.

8.2.15.3.3.7. Principles with regards to the setting of selection criteria

The principles which will underpin the selection of co-operation projects are:

- principle of selecting projects that integrate sustainable development issues (projects that include economic, social and environment aspects, according to the National Strategy for Sustainable Development.);
- The principle of selection of projects which facilitate the implementation of actions addressing producer groups, associations and partnerships;
- principle of project prioritization where the project coordinator shall be a LAG recognised at national level;
- principle of project selection targeting access of new markets for the local products and the development of short production and marketing chains;
- principle of project selection promoting the transfer of new technologies or innovation;
- principle of project selection that facilitate the implementation of actions targeted to producer

groups, associations and partnerships;

- principle of project selection promoting the capitalisation of the local tourism/ecotourism potential;
- principle of project selection promoting actions supporting vulnerable groups, including minorities;
- principle of project selection falling under the ITI territory (Danube Delta)

8.2.15.3.3.8. (Applicable) amounts and support rates

The maximum amount of the non-refundable support will be EUR 200,000/LAG, for each individual co-operation project.

De minimis aid rules in force shall apply in accordance with the provisions of Regulation (EU) No 1407/2013.

The intensity of the support for income-generating projects is 90% and 100% for the non-income generating projects.

8.2.15.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.3.9.1. Risk(s) in the implementation of the measures

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8.2.15.3.3.9.2. Mitigating actions

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8.2.15.3.3.9.3. Overall assessment of the measure

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8.2.15.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.3.11. 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

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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 relevant

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Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

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The procedure and timetable to select the local development strategies

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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

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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

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Possibility or not of paying advances

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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

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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 under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

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8.2.15.3.4. 19.4 Support for running costs and animation

Sub-measure:

- 19.4 - Support for running costs and animation

8.2.15.3.4.1. Description of the type of operation

Support under this sub-measure is provided for the running and animation costs of the selected LAGs.

The Local Action Group is responsible for the successful implementation of the local development strategy for the covered territory. Therefore, a professional management with appropriate resources is needed. In this context, the efficient running of the LAGs activities is an important element of the support granted within this measure.

The self-evaluation and ongoing monitoring should be focused on the added value of the LEADER approach, on the efficiency and effectiveness required to ensure a sound 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 selection calls, in line with the LDS;
- animation of the territory;
- project analysis, evaluation and selection;
- monitoring and evaluation of the implementation of the strategy;
- checking the compliance of payment applications, for the selected projects (except for the situation when the LAG is the beneficiary);
- monitoring of contracted projects,
- preparation of the payment applications, of procurement files related to running and animation costs;
- specific issues: financial, bookkeeping, legal, human resources-related etc..

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.

8.2.15.3.4.2. Type of support

- Reimbursement of eligible costs incurred and paid
- Payment of advances shall be subject to the establishment of a bank guarantee corresponding to 100% of the amount of the advance pursuant to Article 45(4) and Article 63 in Regulation (EU) No 1305/2013.

8.2.15.3.4.3. Links to other legislation

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8.2.15.3.4.4. Beneficiaries

Local Action Groups authorised by the MA-NRDP for the 2014-2020 programming period.

8.2.15.3.4.5. 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 pursuant to article 34 (3) (g) of Regulation No 1303/2013.

In this context, the following elements are eligible for the LAG operation:

- personnel expenditure;
- expenditure for technical and financial advice and expertise services linked to the implementation of the LAG strategy,
- expenditure for the administrative headquarters of the LAG (renting and endowment) located on the LAG territory;
- expenditure for equipment and consumables needed for the LAG operation;
- expenditure for the organisation of LAG and selection committee meetings,
- expenditure for communication, transportation and utilities;
- audit costs;
- costs linked to the monitoring and evaluation of the strategy implementation ;
- expenditure for participation in the activities of the National and European Rural Development Networks;
- expenditure for purchasing one transportation mean by each LAG (car or boat for the Danube Delta area) with a value of maximum EUR 8,000 without VAT;
- expenditure generated by the use, maintenance, insurance for the procured transportation mean, as well as other related expenditure;
- training and/or development of LAG employees’ competencies, on the LDS implementation ;
- training of local leaders in the LAG territory on the LDS implementation through seminars and workshops;
- animation costs (promotion or information activities).

Pursuant to Article 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.

8.2.15.3.4.6. Eligibility conditions

- Running and animation costs must be directly related to the LDS implementation
- Running and animation costs are only eligible after the approval of the local development strategy. Running and animation costs shall be incurred on the LAG territory, except for the participation at the activities of the National and European Rural Development Network and trainings/development of competencies, where costs shall be eligible also if incurred outside the LAG territory.

The running costs will also target specific activities to consolidate the LAG capacity. The LAG shall foresee procedures and instructions for the evaluation/monitoring of its own LDS; they are a tool contributing to the management of the LAG and to the collection of useful data at the programme level.

Running expenditure shall be granted depending on the LAG performance in the process of the strategy implementation, to be established on the basis of the activity evaluation.

8.2.15.3.4.7. Principles with regards to the setting of selection criteria

Not applicable.

8.2.15.3.4.8. (Applicable) amounts and support rates

The rate of non-refundable public support will be 100%.

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.

Following the signature of the financing contract, the LAG selected can request an advance payment for running and animation costs from the paying agency.

The value of the advance payment cannot exceed 50% of the public support for running and animation costs.

8.2.15.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.15.3.4.9.1. Risk(s) in the implementation of the measures

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8.2.15.3.4.9.2. Mitigating actions

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8.2.15.3.4.9.3. Overall assessment of the measure

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8.2.15.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.3.4.11. 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

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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

The general risks identified for the implementation of measure 19 mainly concern the conflict of interests.

*Potential **specific risks** in regard to MA/PA*

- *Slow rhythm in implementing the measure due to the delayed release of the session for the selection of SDL and/or extended period of evaluation and selection of SDL*

*Potential **specific risks** in regard to the selection of the Local Development Strategy*:

- Low level of know-how and of administrative and financial capacity of the LAG;

- LDS does not reflect all the real needs in the territory
- Lack of measurable indicators

Potential ***specific risks*** *in regard to private beneficiaries, public beneficiaries and LAGs*:

- Conflicts of interest in the selection of projects
- Unjustified management costs
- Tender procedures for public beneficiaries
- Reasonability of costs
- Poor verification and control systems
- Poor selection of applicants
- Poor IT system

8.2.15.4.2. Mitigating actions

In order to improve the implementation of the measure and to reduce risks, the following actions corresponding to the identified risks can be considered.

In regard to general risk

- the LAG will describe in the LDS the mechanisms to avoid potential conflicts of interests and will elaborate non-discriminatory and transparent selection procedures, which will include the general rules in regard to conflicts of interest established in the national legislation. Thus, anyone who is part of the project verification structures who is involved in any type of professional or personal relationship with the project promoter or has a professional or personal interest in the project, may submit projects under the obligation to submit a written statement explaining the nature of that relationship/interest and may not participate in the project selection process. The compliance with these obligations will be checked by the territorial structures of the Managing Authority/Paying Agency.

Potential ***specific risks*** *in regard to MA/PA*

- the PA launches with priority the applications related projects under measure 19.1-Preparatory Support in order to prevent delays in relation to the implementation of local development strategies.
- the PA/MA will organize an appropriate evaluation period
- the PA/MA will establish clear, objective and transparent selection criteria for the selection of strategies.

Potential ***specific risks*** *in regard to the Local Development Strategy:*

- The verification of the administrative capacity will be carried out through the description of tasks set out in the LDS, which provide for the minimum duties foreseen for the evaluation, monitoring and control functions. The control of the administrative capacity will be carried out by regular checks of the organisational structure. The MA will ensure that the administrative capacity is maintained throughout the LDS implementation period.
- The identification of real needs will be achieved by animation of the territory and by involvement of

local stakeholders. Therefore, in the LDS evaluation process, the Selection Committee will analyse the method used for territory animation, which shall be certified by supporting documents.

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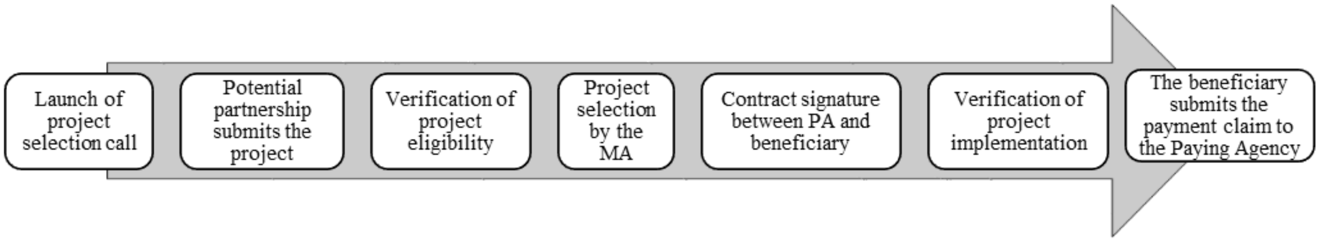
- The MA will elaborate procedures and guidance to ensure the inclusion of measurable and quantifiable indicators in the LDS and NRDN will provide training for the LAGs.

Potential ***specific risks*** *in regard to private beneficiaries, public beneficiaries and LAGs*:

- On-the-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 online publication of participation invitations and of the awarding announcements, for tenders organised under the NRDP-financed projects. The Paying Agency will elaborate standard documentation to be used by public beneficiaries. Awarding documentation templates will be developed, with predetermined qualification requirements, evaluation factors and relevant weights;
- The procedure for the verification of payment applications by the LAGs will enable the prevention and identification of possible irregularities or errors. The payment applications shall include supporting documents for the expenditure incurred for which reimbursement is requested. 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.
- 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.
- Training for the LAGs staff in the evaluation and control of projects and establishment of clear, transparent and verifiable beneficiary selection criteria and information of potential beneficiaries thereof. The setting up of an online system of *Questions and Answers* to clarify possible questions of the LAGs on the implementation.
- The existing IT system of the Paying Agency will be updated and optimised with the new administrative flows and measures under NRDP 2014-2020.

Description of administrative-financial flows applicable for LEADER

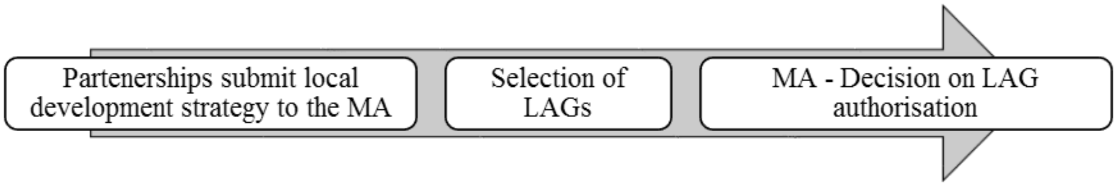
a) Preparatory support for LDS elaboration Phase



1. Paying Agency launches the project selection call
2. The potential partnership submits the project to the Paying Agency's territorial structures
3. The Paying Agency carries out the check of the eligibility criteria

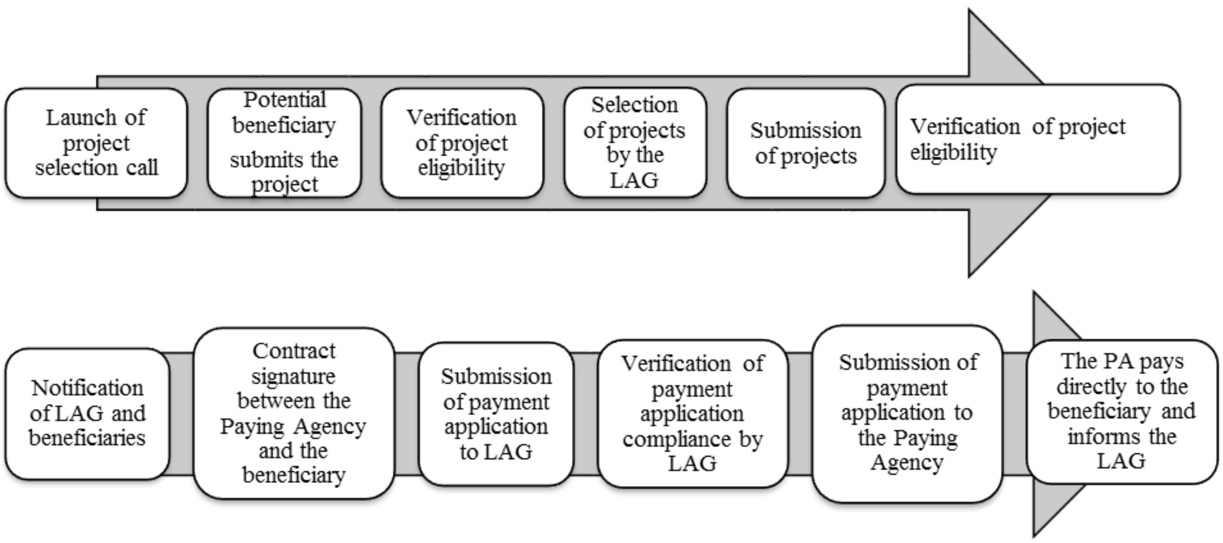
4. The MA carries out the project selection
5. Signature of the contract between the Beneficiary and the Paying Agency
6. Project implementation check by the Paying Agency
7. The beneficiary submits the payment claim to the Paying Agency

b) Local Action Group selection Phase



1. The public-private partnerships will submit the Local Development Strategy to the Managing Authority within the Ministry of Agriculture and Rural Development
2. The Managing Authority, through the 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

c) Project selection within LAGs and their flows Phase

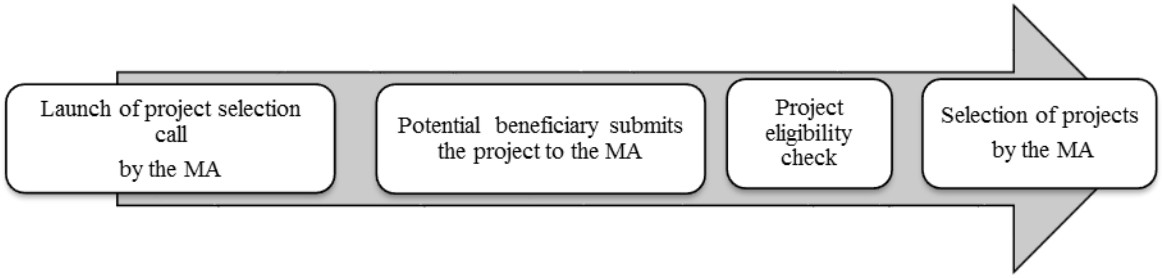


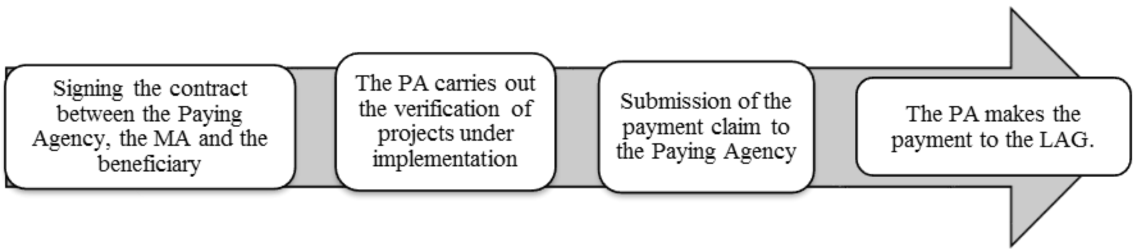
1. The LAG launches the project selection call, using mass-media information means
2. The potential beneficiary submits the project to the LAG secretariat,
3. The LAG performs the check of the eligibility criteria
4. Project selection carried out by the LAG based on the strategy, using the criteria established by each individual LAG
5. Submission of projects selected by the LAG to the Paying Agency
6. The Paying Agency checks project 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 the LAG to the Paying Agency.
12. The PA pays directly to the beneficiary and informs the LAG

d) Preparation and implementation of Local Action Group co-operation activities Phase

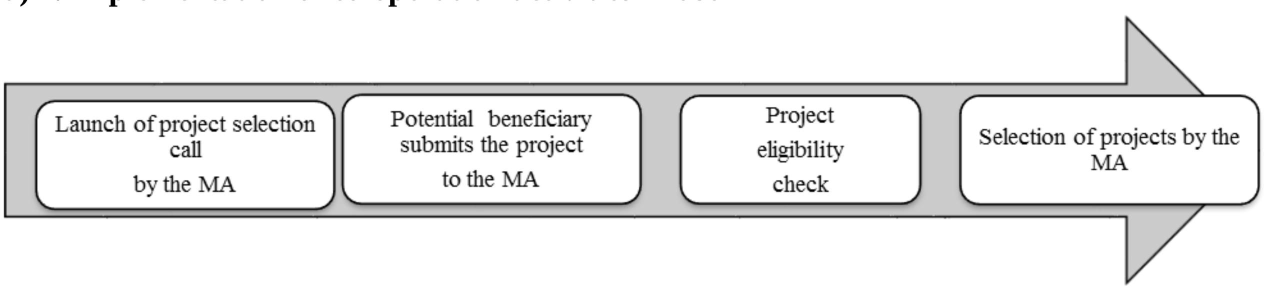
d) 1. Preparation of co-operation activities Phase

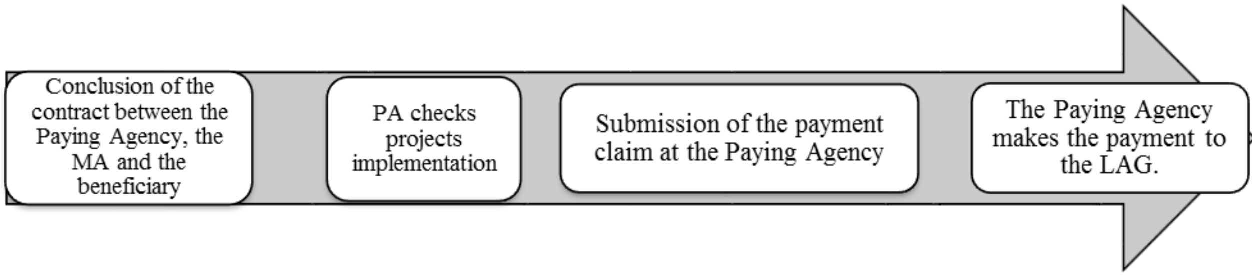




1. The Managing Authority launches the project selection call
2. The potential beneficiary submits the project to the Managing Authority's territorial structures
3. The Managing Authority checks of the eligibility criteria
4. The Managing Authority carries out the project selection
5. Signature of the contract between the Paying Agency, the Managing Authority and the beneficiary
6. The Paying Agency carries out the co-operation projects implementation
7. The beneficiary submits the payment claim to the Paying Agency.
8. The Paying Agency makes the payment to the LAG.

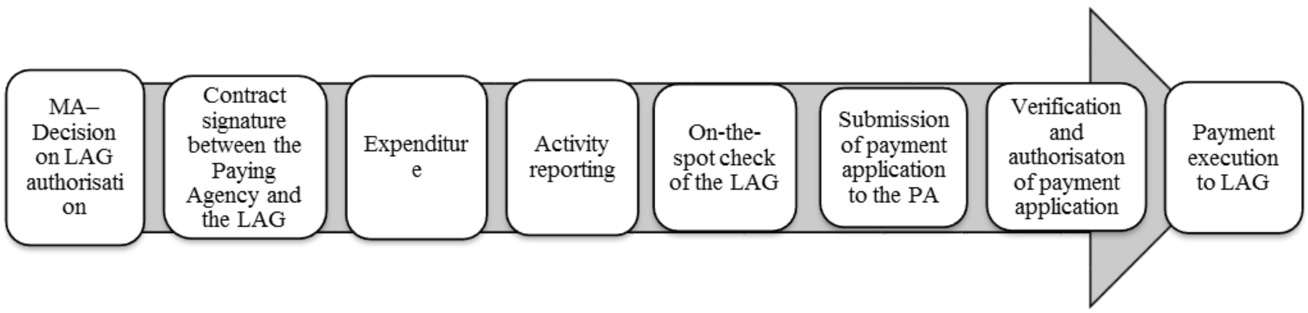
d) 2. Implementation of co-operation activities Phase





1. The Managing Authority launches the project selection call
2. The potential beneficiary submits the project to the Managing Authority's territorial structures
3. The Managing Authority checks h the eligibility criteria
4. The Managing Authority carries out the project selection at national level
5. Conclusion of the contract between the Paying Agency, the Managing Authority and the beneficiary
6. The Paying Agency checks co-operation projects implementation
7. The Beneficiary submits the payment claim to the Paying Agency.
8. The Paying Agency makes the payment to the LAG.

e) Financial flow for running and animation costs.



1. The MA issues the LAG authorisation decision
2. The LAG signs the contract with the Paying Agency
3. The LAG performs activities and incurs related expenditure
4. The LAG prepares activity reports for the approval of the Paying Agency
5. The Paying Agency performs the on-the-spot check of the LAG activity
6. The LAG submits the payment application to the Paying Agency
7. The Paying Agency checks and authorises the payment
8. The Paying Agency makes the payment

8.2.15.4.3. Overall assessment of the measure

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 are 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.

8.2.15.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.15.6. Information specific to the measure

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

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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).

Definition of tasks:
The Managing Authority for NRDP has the following main tasks:

- To select the preparatory support projects;
- To launch the calls for private-public partnerships selection;
- To evaluate the local development strategies;
- To select the LAGs based on a public selection procedure and issue the LAG authorisation decisions;
- To launch the selection calls for preparatory support for co-operation and implementation of co-operation projects;

- To evaluate and select preparatory support projects and implement the co-operation projects;
- To monitor the implementation of LEADER axis and report to EC.

The paying agency has the following main tasks:

- to check the eligibility, to check during implementation and to carry out the financial verification of the projects selected by LAG
- to evaluate the preparatory support projects
- to check the preparatory support projects during implementation and to implement the co-operation projects
- to check, to authorize and to make the payments with the measure

The LAG has the following main tasks:

- to prepare, develop, implement, evaluate and monitor the LDS
- to prepare and select projects within the LDS
- to check the compliance of payment applications for the projects selected by the LAG, except for the projects where it was the beneficiary

During the implementation process, depending on the performance shown by the LAG in the evaluation of projects, the Paying Agency can delegate certain verification tasks to the LAG, based on a delegation agreement.

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 under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

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8.2.15.7. Other important remarks relevant to understand and implement the measure

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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. The Evaluation Plan takes into account the lessons learnt in the programming period 2007-2013 and has the role 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;
- ensure the evaluation of the thematic sub-programme;
- ensure the preparation of the ex-post evaluation according to the provisions in the art.78 in the Regulation no 1305/2013.

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 Implementing Regulation no 808/2014 for laying down rules for the application of Regulation (EU) no 1305/2013 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

According to the provisions of the art. 74, paragraph 1, letter (b) and (e) of the Regulation no 1305/2013, the Monitoring Committee examines the activities and the outputs related to the progress in the implementation of the evaluation plan and considers and approves the annual implementation reports before they are sent to the European Commission.

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 NRDN 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.

MA will initiate in time, all necessary steps to contract a 'permanent evaluator' at the beginning of the program, which will provide technical assistance to MA for the implementation of the Evaluation Plan throughout the implementation of the programme.

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. Moreover, one of the main problems faced during the evaluation activities was the difficult implementation of the public procurement procedures. 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 National 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 (for example, the less favoured mountain areas), including those referring to the cross-cutting objectives. 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 analyse 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 ad-hoc evaluations and studies, according to the needs appearing during programme implementation, whose role is to enhance the flexibility level in the provision of feedback to new evaluation needs. 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, Steering Committee and technical working groups;
- Identification of types of data to be collected and examination of the information sources, including additional data, for example regarding the cross-cutting objectives;
- Agreement with the data providers on data availability;
- Filling the gaps and addressing the weaknesses identified during data collection;
- Planning the ad-hoc evaluations and studies in order to answer the needs that may come up during the implementation of NRDP 2014-2020;
- 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, including good practices collected, strengthened and disseminated at the EU level;
- Collection, processing, synthetisation, and analysis of the relevant data and 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,
    - to carry out ad-hoc evaluations and necessary studies in order to answer the evaluation needs that can come up during the implementation of NRDP 2014-2020.
- 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 in order to monitor and to assess the progress towards the programme objectives and targets.

In order to create the monitoring and evaluation system, the Managing Authority and the paying agencies will identify the need of data and the collection method, the sources of these data and the terms when these data have to be available, including for new measures and the thematic sub-programme. At the same time, taking into account that the data will be provided by the beneficiaries and the institutions involved in the physical and financial implementation of the programme, based on the experience in the period 2007-2013, the data providers will be informed in due time both on the content of the Evaluation Plan and on the need of data in order to make them aware on the importance of reporting correct, concrete and timely data.

The main sources of information for these databases are the (financing and payment) application forms and the contracts/commitments of the beneficiaries.

Data quality is ensured by the checks that are performed in the evaluation/selection/on-the-spot checks stages of the projects that can entail the correction of data. Also, at the central level, verifications will be carried out regarding the organisation of the projects by priorities and focus areas as described in the measure fiches. Moreover, the financial indicators (commitments, payments carried out) are checked by monthly and annual reconciliations carried out in the specialized directorates.

Thus, RDAPS shall structure the monitoring reports in accordance with the implementing regulation and accompanying instructions. Data on non-project aid (e.g. for agri-environment payments) shall be provided by IACS.

A better planning for this period, including a more thorough evaluation of the IT system, addressing the requirements of the new implementation framework (on reporting and flow of information), along with the completion in due time of the institutional framework and detailed procedures will facilitate the avoidance of the problems in the previous period when the IT system was not fully operational from the beginning because of the multiple modifications in the legislation and procedure that led to the modification of the information system. At the same time, this planning will help to overcome the bottlenecks and difficulties related inclusively to data inconsistency, especially for the area aid measures and will result in improved functionality of the system.

For carrying-out the monitoring and evaluation activities, the fourth quarter of 2015 represents the estimated data for updating the informatics system from the 2007-2013 period, in order to meet the new requirements from the 2014 – 2020 period.

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;

- Moreover, in the preparation activity of the evaluations the needs for complementary data shall be identified, as well as the collection methods that will be based on sampling, in most cases, taking into account the large number of beneficiaries of the NRDP.
- 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 -> 2015
  - 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,
  - MA plans to launch the tendering procedure for selecting the evaluator, in the second part of 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 -> 2015
- *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-programme 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**
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. 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. 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. 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.	30 June 2016 and 30 June of each year until 2024 (consolidated versions of AIRs presented in 2017 and 2019)
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.*** Thus, the conclusions and recommendations of the evaluations shall be disseminated to all interested entities.

To ensure the capitalisation of the evaluation results and findings, the Managing Authority, through the Evaluation Unit shall periodically ask the responsible structures for their implementation status; to this regard the responsible structures and implementation schedules are set up. In order to analyse the status of the recommendations and their results, periodical meetings will be organized and reports will be requested, and based on the conclusions it can be set up if the evaluation had or did not have results and if it led to an improvement of the programme implementation process, as this activity is going to be the monitoring object within the Evaluation Steering Committee.

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 evaluations will be mainly externalized. 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. In the year 2014, the responsibles of evaluation and monitoring participated at the training sessions where monitoring topics of the NRDP 2014-2020 were discussed, these activities continued also during the year 2015, including on evaluation topics.

At the same time, for strengthening the administrative capacity, currently, it was created an Evaluation Compartment within the MA NRDP, responsible for the implementation of the evaluation plan, one of the components of the Annual Plan consists in strengthening activities of the administrative capacity.

Financial resources

The activities related to the programme monitoring and evaluation are financed by the TA measure within the NRDP, the indicative value of funds being of 5.000.000 **€**. 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.

A feasible estimation will be carried out only at the same time with the detailed planning of the evaluations. Moreover, for the implementation of the Evaluation Plan by the technical assistance measure, the estimated allocations foreseen for carrying out the evaluation projects will be set up annually in the public procurement plan.

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.

The data management system will be updated starting with the moment when the guides and the procedures for the measures to be launched will be completed, so that it is operational in due time for monitoring and evaluation data collection. We mention that the information system used for the implementation of NRDP 2007-2013 is modular, designed to allow subsequent extension and integration with other information systems.

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
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	0.00	1,704,551,556.89	1,703,025,061.67	1,132,784,738.79	1,131,198,382.59	1,129,527,940.31	1,127,551,226.65	**7,928,638,906.90**
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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	0.00	18,709,105.11	18,692,350.33	12,433,410.21	12,415,998.41	12,397,663.69	12,375,967.35	**87,024,495.10**
Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	0.00	0.00	29,896,000.00	41,326,000.00	41,111,000.00	0.00	0.00	**112,333,000.00**

Total	**0.00**	**1,723,260,662.00**	**1,751,613,412.00**	**1,186,544,149.00**	**1,184,725,381.00**	**1,141,925,604.00**	**1,139,927,194.00**	**8,127,996,402.00**
(Out of which) Performance reserve article 20 of Regulation (EU) No 1303/2013	**0.00**	**103,395,639.72**	**103,303,044.72**	**68,713,088.94**	**68,616,862.86**	**68,515,536.24**	**68,395,631.64**	**480,939,804.12**

Total indicative amount of support envisaged for climate change objectives	**4,005,296,735.00**

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 (%)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	85%	20%	85%
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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 or type of operation with a specific 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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5D) 0.00 (P4)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%				11,198,304.00 (2A) 5,697,855.00 (2B) 2,691,900.00 (3A) 2,691,900.00 (3B) 125,999.86 (5A) 2,991,000.00 (5D) 34,807,982.84 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of	100%	100%				0.00 (2A) 0.00 (2B) 0.00 (3A)

	Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013						0.00 (3B) 0.00 (5A) 0.00 (5D) 0.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5D) 0.00 (P4)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%				33,696.00 (2A) 17,145.00 (2B) 8,100.00 (3A) 8,100.00 (3B) 379.14 (5A) 9,000.00 (5D) 104,738.16 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5D) 0.00 (P4)
Total						0.00	60,386,100.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				18,686,094.00 (2A) 25,896,981.00 (2B) 163,200.00 (3A) 70,200.00 (5A) 4,225,373.00 (6A) 11,296,600.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (5A) 0.00 (6A) 0.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				0.00 (2A) 25,923.00 (2B) 0.00 (3A) 0.00 (5A) 21,729.00 (6A) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations	100%	100%				0.00 (2A)

	receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013						0.00 (2B) 0.00 (3A) 0.00 (5A) 0.00 (6A) 0.00 (P4)
Total						0.00	60,386,100.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%	85%	95%	86,081,136.00	750,413,312.40 (2A) 85,000,000.00 (2C+) 180,109,670.00 (3A) 370,000,000.00 (5A) 377,089,291.00 (5D) 270,164,506.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (2A) 0.00 (2C+) 0.00 (3A) 0.00 (5A) 0.00 (5D) 0.00 (6A)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%	75%	85%	718,126.00	3,594,969.00 (2A) 0.00 (2C+) 7,504,570.00 (3A) 0.00 (5A) 1,894,921.00 (5D) 11,256,854.00

							(6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (2A) 0.00 (2C+) 0.00 (3A) 0.00 (5A) 0.00 (5D) 0.00 (6A)
Total						86,799,262.00	2,057,028,093.40

Total Union contribution reserved for operations falling within the scope of (EU) No 1305/2013 Article 59(6)	**748,984,212.00**

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%	85%	95%	962,385.00	215,569,938.00 (2A) 0.00 (2B) 1,500,000.00 (5C) 246,512,003.00 (6A)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%	90%	95%	0.00	0.00 (2A) 399,154,533.00 (2B) 0.00 (5C) 0.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	112,333,000.00 (2A) 0.00 (2B) 0.00 (5C) 0.00 (6A)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was	Main	75%	85%	75%	85%	7,791.00	432,004.00 (2A) 0.00 (2B) 0.00 (5C) 1,988,000.00

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							(6A)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%	90%	95%	0.00	0.00 (2A) 1,201,067.00 (2B) 0.00 (5C) 0.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (2A) 0.00 (2B) 0.00 (5C) 0.00 (6A)
Total						970,176.00	978,690,545.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%	85%	95%	0.00	1,080,784,535.00 (6B)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (6B)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%	75%	85%	0.00	19,810,714.00 (6B)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%	85%	95%	0.00	104,638,208.00 (5E)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (5E)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%	75%	85%	0.00	1,056,951.60 (5E)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (5E)
Total						0.00	105,695,159.60

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				0.00 (3A)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%				17,362,074.00 (3A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (3A)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				0.00 (3A)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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	90%	95%				637,926.00 (3A)

	Article 19(1)(a)(i)						
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (3A)
Total						0.00	18,000,000.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				15,469,403.57 (5A) 893,235,211.02 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (5A) 0.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				0.00 (5A) 1,260,301.41 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (5A) 0.00 (P4)
Total						0.00	909,964,916.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				198,679,299.39 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				2,006,861.61 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				1,144,328,942.13 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				6,467,475.87 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (P4)
Total						0.00	1,150,796,418.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				421,718,480.00 (3A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (3A)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				15,295,489.00 (3A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				99,000,000.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				1,000,000.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%	85%	95%	0.00	0.00 (3A)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%	90%	95%	0.00	25,218,990.00 (3A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (3A)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%	75%	85%	0.00	0.00 (3A)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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	90%	95%	90%	95%	0.00	2,802,110.00 (3A)

	Article 19(1)(a)(i)						
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				170,000,000.00 (3B)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (3B)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				0.00 (3B)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00 (3B)
Total						0.00	170,000,000.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%	85%	95%	0.00	0.00 (6B)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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%	95%	90%	95%	0.00	563,779,202.00 (6B)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (6B)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%	75%	85%	0.00	0.00 (6B)
	Article 59(4)(a) of Regulation (EU) No 1305/2013 - 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	90%	95%	90%	95%	0.00	8,585,470.00 (6B)

	Article 19(1)(a)(i)						
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%	100%	100%	0.00	0.00 (6B)
Total						0.00	572,364,672.00

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 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%	95%				178,367,919.00
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00
Article 59(3)(b) of Regulation (EU) No 1305/2013 - 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%	85%				0.00
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%	100%				0.00
Total						0.00	178,367,919.00

10.4. Indicative breakdown by measure for each sub-programme

Thematic sub-programme name	Measure	Total Union Contribution planned 2014-2020 (EUR)
THEMATIC SUB-PROGRAMME FOR THE FRUIT-GROWING SECTOR	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)	300,000,000.00
	M06 - Farm and business development (art 19)	0.00
	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)	0.00
	M09 - Setting-up of producer groups and organisations (art 27)	4,735,808.00
	M10 - Agri-environment-climate (art 28)	0.00
	M11 - Organic farming (art 29)	0.00
	M13 - Payments to areas facing natural or other specific constraints (art 31)	0.00
	M14 - Animal Welfare (art 33)	0.00
	M15 - Forest environmental and climate services and forest conservation (art 34)	0.00
	M16 - Co-operation (art 35)	15,021,100.00
	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)	0.00
	M20 - Technical assistance Member States (art 51-54)	0.00

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)	**1.79**
Total RDP planned public expenditures	9,472,648,512.00

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)	67,095,667.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	71,049,945.00
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)	**211.00**

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)	187.00

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)	**184,430.00**

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	184,430.00

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)	**0.09**
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	3,393.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	3,859,040.00

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)	3,393.00
M04 - Investments in physical assets (art 17)	Total public expenditure for investments in infrastructure (4.3)	135,385,187.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	1,178,871,244.31
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	746,101,132.31
M04 - Investments in physical assets (art 17)	Total public expenditure €	881,486,319.31
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid development small farms (6.3)	31,093.00
M06 - Farm and business development (art 19)	Total investment € (public + private)	366,520,697.00
M06 - Farm and business development (art 19)	Total public expenditure €	366,520,697.00

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)	**0.24**
Number of agriculture holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	9,367.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	3,859,040.00

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)	9,367.00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving support for investments in non-agric activities in rural areas (6.4)	0.00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving transfer payment (6.5)	0.00
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

11.1.2.3. 2C+) Improving the economic performance of forests

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
Km of forests roads realized through financed projects	909.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	100,000,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	100,000,000.00

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)	**0.04**
Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	1,368.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	3,859,040.00

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)	128.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	192,000.00
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)	279.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	449,395,745.31
M04 - Investments in physical assets (art 17)	Total public expenditure €	221,507,274.72
M09 - Setting-up of producer groups and organisations (art 27)	Nr of operations supported (producer groups set up)	62.00
M09 - Setting-up of producer groups and organisations (art 27)	Nr of holdings participating in producer groups supported	620.00
M09 - Setting-up of producer groups and organisations (art 27)	Total public expenditure (€)	20,000,000.00
M14 - Animal Welfare (art 33)	Nr of beneficiaries	497.00
M14 - Animal Welfare (art 33)	Total public expenditure (€)	516,533,373.00
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	748.00
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)	**0.39**
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	3,859,040.00

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)	200,000,000.00
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

Agriculture

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	153,168.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	38,291,913.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	38,791,913.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	132,901.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	13,290,118.00
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	1,351,100.00
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	0.00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	1,052,545,356.00
M11 - Organic farming (art 29)	Area (ha) - convertion to organic farming (11.1)	136,550.00
M11 - Organic farming (art 29)	Area (ha) - maintainance of organic farming (11.2)	89,400.00
M11 - Organic farming (art 29)	Total public expenditure (€)	236,416,168.00
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)	3,150,000.00
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 (€)	1,354,892,645.00

Forest

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)	820,000.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	117,803,922.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	0

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)	**10.12**
Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)	1,346,180.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13,306,130.00

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)	**12.15**
Forest/other wooded area under management contracts supporting biodiversity (ha) (focus area 4A)	820,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	6,747.91

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)	**11.92**
Agricultural land under management contracts to improve water management (ha) (focus area 4B)	1,586,180.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13,306,130.00

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	6,747.91

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)	**3.80**
Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	505,080.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13,306,130.00

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)	**1.22**
Forestry land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	82,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	6,747.91

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)	**294.28**
Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	392,745.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
20 Irrigated Land - total	133,460.00

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	562.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	140,421.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	140,421.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	826.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	82,588.00
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (4.1, 4.3)	363.00
M04 - Investments in physical assets (art 17)	Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems…)	362,745.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	435,294,118.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	435,294,118.00
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 (€)	18,199,298.00

11.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

No measures have been selected in the strategy for this focus area.

11.1.5.3. 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

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T16: Total investment in renewable energy production (€) (focus area 5C)	**1,958,334.49**

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)	9.00
M06 - Farm and business development (art 19)	Total investment € (public + private)	1,958,334.49
M06 - Farm and business development (art 19)	Nr of operations	9.00
M06 - Farm and business development (art 19)	Total public expenditure €	1,763,514.08

11.1.5.4. 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)	**21,749.00**
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0.40
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	**9.93**
Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)	1,321,100.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	13,306,130.00
21 Livestock units - total	5,444,180.00

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)	3,333,333.00
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)	870.00
M04 - Investments in physical assets (art 17)	LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions	21,749.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	618,895,951.01
M04 - Investments in physical assets (art 17)	Total public expenditure €	442,515,706.61

11.1.5.5. 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)	**1.24**
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)	249,130.00

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	6,747.91

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)	9,130.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	124,513,043.00
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)	**24,474.00**

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)	4,999,999.00
M04 - Investments in physical assets (art 17)	Nr of beneficiaries of support for investment (in processing and marketing of ag. products) (4.2)	413.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	667,115,646.46
M04 - Investments in physical assets (art 17)	Total public expenditure €	332,260,912.08
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)	2,928.00
M06 - Farm and business development (art 19)	Total investment € (public + private)	311,852,348.88
M06 - Farm and business development (art 19)	Total public expenditure €	292,545,576.45

11.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
Net population benefiting from improved services	2,559,558.00
T21: percentage of rural population covered by local development strategies (focus area 6B)	**100.00**
Rural population covered by local development strategies (focus area 6B)	9,610,132.00
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	**26.63**
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 - total	21,355,849.00
1 Population - rural	45.00
1 Population - intermediate	0.00

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)	2,559,558.00
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	9,610,132.00
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)	493,599,606.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU)	Total public expenditure (€) - preparation and implementation	16,561,238.00

No 1303/2013)	of cooperation activities of the local action group (19.3)	
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)	123,399,902.00

11.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

No measures have been selected in the strategy for this focus area.

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	2C+	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				153,168			562								184,430
	Training/skills acquisition (1.1) - Total public for training/skills	9,000,000	6,350,000				38,291,913			140,421								53,782,334
	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	12,480,000	6,350,000		3,000,000	3,000,000	38,791,913			140,421			3,333,333					67,095,667
M02	Nr of beneficiaries advised (2.1)	36,639	25,418		128		132,901			826					4,167			200,079
	Total public expenditure € (2.1 to 2.3)	21,983,640	30,501,600		192,000		13,290,118			82,588					4,999,999			71,049,945
M04	Total investment € (public + private)	1,178,871,244.31		100,000,000	449,395,745.31					435,294,118			618,895,951.01		667,115,646.46			3,449,572,705.09
	Total public expenditure €	881,486,319.31		100,000,000	221,507,274.72					435,294,118			442,515,706.61		332,260,912.08			2,413,064,330.72
M06	Total investment € (public + private)	366,520,697	444,839,556									1,958,334.49			311,852,348.88			1,125,170,936.37
	Total public expenditure €	366,520,697	444,839,556									1,763,514.08			292,545,576.45			1,105,669,343.53
M07	Total public expenditure (€)															1,297,925,504		1,297,925,504
M08	Total public expenditure (€) (8.1)													124,513,043				124,513,043
M09	Total public expenditure (€)				20,000,000													20,000,000
M10	Area (ha) under agri-environment-climate (10.1)						1,351,100											1,351,100
	Area (ha) (e.g. reduction									30,000								30,000

	of irrigated land)															
	Total public expenditure (€)						1,052,545,356	18,199,298								1,070,744,654
M11	Area (ha) - convertion to organic farming (11.1)						136,550									136,550
	Area (ha) - maintainance of organic farming (11.2)						89,400									89,400
	Total public expenditure (€)						236,416,168									236,416,168
M13	Area (ha) - mountain areas (13.1)						1,370,000									1,370,000
	Area (ha) - other areas with significant NC (13.2)						3,150,000									3,150,000
	Area (ha) - areas with specific constraints (13.3)						180,000									180,000
	Total public expenditure (€)						1,354,892,645									1,354,892,645
M14	Nr of beneficiaries				497											497
	Total public expenditure (€)				516,533,373											516,533,373
M15	Areas under forest environment contracts (15.1)						820,000									820,000
	Total public expenditure (€)						117,803,922									117,803,922
M16	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)				748											748
	Total public expenditure € (16.1 to 16.9)				31,134,556											31,134,556
M17	Total public expenditure (€) (17.2)					200,000,000										200,000,000
M19	Number of LAGs selected													120		120

	Population covered by LAG													9,610,132		9,610,132
	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)													493,599,606		493,599,606
	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)													16,561,238		16,561,238
	Total public expenditure (€) - support for running costs and animation (19.4)													123,399,902		123,399,902

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	2C+	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		X	**P**															
	M04 - Investments in physical assets (art 17)				**P**			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		X		**P**														
	M06 - Farm and business development (art 19)				X	**P**		X										X		
2C+	M04 - Investments in physical assets (art 17)						**P**													
3A	M01 - Knowledge transfer and information actions (art 14)	X		X				**P**												
	M02 - Advisory services, farm management and farm relief services (art 15)	X		X				**P**												
	M04 - Investments in physical assets (art 17)							**P**						X	X					
	M09 - Setting-up of producer groups and organisations (art 27)		X		X			**P**												
	M14 - Animal Welfare (art 33)							**P**												
	M16 - Co-operation (art 35)		X		X			**P**			X	X	X	X	X	X	X			
3B	M01 - Knowledge transfer and information actions (art 14)	X		X					**P**											
	M17 - Risk management (art 36-39)								**P**											
5A	M01 - Knowledge transfer and information actions (art 14)	X		X									**P**							
	M02 - Advisory services, farm management and farm relief services (art 15)	X		X									**P**							
	M04 - Investments in physical assets (art 17)												**P**	X						

	M10 - Agri-environment-climate (art 28)											X	**P**			X				
5C	M06 - Farm and business development (art 19)				X										**P**					
5D	M01 - Knowledge transfer and information actions (art 14)	X		X												**P**				
	M04 - Investments in physical assets (art 17)							X								**P**				
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		X														**P**		
	M04 - Investments in physical assets (art 17)													X	X			**P**		
	M06 - Farm and business development (art 19)				X										X			**P**		
6B	M07 - Basic services and village renewal in rural areas (art 20)																		**P**	
	M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	X			X			X		X					X	X		X	**P**	X
P4 (FOREST)	M15 - Forest environmental and climate services and forest conservation (art 34)									**P**	**P**	**P**				X	X			
P4 (AGRI)	M01 - Knowledge transfer and information actions (art 14)	X		X						**P**	**P**	**P**								
	M02 - Advisory services, farm management and farm relief services (art 15)	X		X						**P**	**P**	**P**								
	M10 - Agri-environment-climate (art 28)									**P**	**P**	**P**				X	X			
	M11 - Organic farming (art 29)									**P**	**P**	**P**					X			
	M13 - Payments to areas facing natural or other specific constraints (art 31)									**P**	**P**	**P**								

11.4. Support table to show how environmental measure/schemes are programmed to achieve one (or more) environment/climate targets

11.4.1. Agricultural Land

11.4.1.1. M10 - Agri-environment-climate (art 28)

Type of operation or group of type of operation	AECM typology	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
Package 4: green crops	Soil cover, ploughing techniques, low tillage, Conservation agriculture	145,788,512.00	240,000.00		X	X	X	X
Package 5: adaptation to climate change	Reduction of irrigated areas and/or irrigation rate, irrigation techniques	18,199,298.00	30,000.00			X	X	
Package 3: Pastures significant for Birds	Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.	69,585,552.00	77,500.00	X	X		X	
Package 7: Arable land significant as feeding area for the red breasted goose (Branta ruficollis)	Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to	82,967,389.00	60,000.00	X	X			

	grassland.							
Package 2: Traditional Agricultural Practices	Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.	98,490,320.00	400,000.00	X			X	
Package 6: Pastures significant for butterflies (Maculinea sp.)	Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.	4,282,188.00	3,600.00	X	X		X	
Package 1: High natural value pastures (HNV)	Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.	648,751,458.00	970,000.00	X	X		X	
Package 8 - breeding farm animals of local breeds in danger of abandonment	Others	2,679,936.00		X				

11.4.1.2. M11 - Organic farming (art 29)

Submeasure	Total	Total area	Biodiversity	Water	Soil	Reducing	Carbon

	expenditure (EUR)	(ha) by measure or type of operations	FA 4A	management FA 4B	management FA 4C	GHG and ammonia emissions FA 5D	sequestration/conservation FA 5E
11.1 - payment to convert to organic farming practices and methods	167,146,231.00	136,550.00	X	X	X		
11.2 - payment to maintain organic farming practices and methods	69,269,937.00	89,400.00	X	X	X		

11.4.1.3. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
12.1 - compensation payment for Natura 2000 agricultural areas							
12.3 - compensation payment for agricultural areas included in river basin management plans							

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

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
8.1 - support for afforestation/creation of woodland	124,513,043.00	9,130.00	X	X	X		X
8.2 - support for establishment and maintenance of agro-forestry systems							

11.4.2. Forest areas

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

Type of operation or group of type of operation	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
Package 1: providing quiet areas	82,462,745.00	820,000.00	X		
Package 2: Using draught animals to collect timber resulting from thinning works	35,341,176.00	82,000.00			X

11.4.2.2. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
12.2 - compensation payment for Natura 2000 forest areas					

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

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
8.5 - support for investments improving the resilience and environmental value of forest ecosystems					

11.5. Programme-Specific Target and Output

Specific Target indicator(s)

Code	Target Indicator Name	Focus Area	Target value 2023	Unit
RO-TA1	Percentage of small size holdings with RDP support for investments in restructuring or modernization	2A	4.10	%
Comment: *Number of small farms between 8000/11999 SO in the basic year 2010 is 60997.* *The indicator has been added in order to follow the achievement degree of the objectives of the strategy during the implementation. The targeted focus area of this indicator is 2A and 5D, sub-measure 4.1.*				
RO-TA2	Percentage of medium size holdings with RDP support for investments in restructuring or modernization	2A	2.66	%
Comment: *Number of medium farms between 12000/249999 SO in the basic year 2010 is 63645. The indicator has been added in order to follow the achievement degree of the objectives of the strategy during the implementation. The targeted focus area of this indicator is 2A and 5D, sub-measure 4.1.*				
RO-TA3	Percentage of viable lands for irrigations switching to more efficient irrigation system	5A	63.35	%
Comment: *The context indicator used as the denominator for the objective is the specific context indicator A45 – Area covered by the viable infrastructure for irrigations used in the recent past - 619.916,00 ha* *The used target indicator is the common indicator Irrigated land switching to more efficient irrigation system. (AI 5A) 392.745,00 ha*				
RO-TA4	Percentage of medium size farms between 12 000 – 50 000 SO with RDP support for investments for young farmers	2B	17.65	%
Comment: *Number of farms between 12.000 – 50.000 SO in the basic year 2010 is 53.073. The indicator has been added in order to follow the achievement degree of the objectives of the strategy during the implementation. The targeted focus area of this indicator is 2B, sub-measure 6.1.*				

Specific Output indicator(s)

Code	Output Indicator Name	Measure	Focus Area	Planned output	Unit
RO-OA3	Beneficiaries from	M04	2A, 5D	118.00	number

	the category of cooperatives/producer groups supported under sub-measure 4.1				
RO-OA15	Public expenditure for NRDN	M20	1A	0.00	number
RO-OA14	Public expenditure for direct expenditure (that does not involve project implementation)	M20	1A	0.00	number
RO-OA16	Public expenditure for information and communication projects	M20	1A	0.00	number
RO-OA17	Public expenditure for monitoring and evaluation projects	M20	1A	0.00	number
RO-OA18	Public expenditure for projects related to administrative capacity building, management and programme implementation	M20	1A	0.00	number
RO-OA12	Public information events financed under the technical assistance measure	M20	1A	0.00	number
RO-OA4	Holdings participating in cooperatives/producer groups supported under sub-measure 4.1	M04	2A, 5D	1,180.00	number
RO-OA2	Medium farms supported under sub-measure 4.1 (12.000/249.999 SO)	M04	2A, 5D	1,690.00	number
RO-OA1	Small farms supported under sub-measure 4.1 (8000/11999 SO)	M04	2A, 5D	2,502.00	number
RO-OA5	Farmers that transfer their holding and payment rights (beneficiaries of sub-measure 6.5)	M06	2A	14,978.00	number
RO-OA7	Water/waste water infrastructure financed under sub-measure 7.2	M07	6B	2,600.00	km
RO-OA8	Education and social infrastructure financed under sub-measure 7.2	M07	6B	45.00	number of kindergartens and nursery schools/higher secondary education institutions for agriculture/after schools
RO-OA6	Local interest road infrastructure financed under sub-measure 7.2	M07	6B	2,022.00	km
RO-OA9	Operations supported for investments in forest infrastructure	M04	2C+	83.00	number
RO-OA11	People trained through actions	M20	1A	0.00	number

	financed under the technical assistance measure				
RO-OA13	Staff paid from technical assistance (salaries are co-financed from measure budget)	M20	1A	0.00	number
RO-OA10	Projects financed under the technical assistance measure	M20	1A	0.00	number

Comment: *The indicator refers to TA. FA 1A was selected from the predefined system menu although the measure contributes to administrative capacity at the level of responsible authorities for implementing the NRDP in correlation with PA which foresees the support on effective implementation of human resources policy through correlation of interventions at ESIF level. Although, TA was allocated to FA 1A, actually it is contributing to all FAs. This comment applies also for OA11, 12, 13, 14, 15, 16, 17, 18.*

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 81(1) of Regulation (EU) No 1305/2013 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 funding. Compatibility with Union State aid rules must be ensured over the entire duration of the programme.

The table shall be accompanied by a commitment from the Member State that, where required under State aid rules or under specific conditions in a State aid approval decision, such measures will be notified individually pursuant to Article 108(3) of the Treaty.

Measure	Title of the aid scheme	EAFRD (€)	National Cofinancing (€)	Additional National Funding (€)	Total (€)
M02 - Advisory services, farm management and farm relief services (art 15)	Advisory services for non-agricultural micro and small enterprises from rural areas	4,249,999.00	750,000.00		4,999,999.00
M04 - Investments in physical assets (art 17)	Scheme 4.2 – Investments, including in the fruit growing sector; Scheme 4.2 – Investments in advisory; Scheme 4.3 – Investments in forestry infrastructure	201,039,000.00	35,961,000.00		237,000,000.00
M06 - Farm and business development (art 19)	Scheme 6.2 – Support for non-agricultural activities; Scheme 6.4 - Support for development and modernization of non-agricultural activities	250,000,003.00	44,309,087.00		294,309,090.00
M07 - Basic services and village renewal in rural areas (art 20)	Scheme 7.2 – Investments in basic infrastructure; Scheme 7.6 – Investments for preserving of heritage, traditions and spiritual heritage	150,000,000.00	26,950,588.00		176,950,588.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Support for afforestation and creation of woodland	105,695,160.00	18,817,883.00		124,513,043.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Support for forest environmental commitments	100,000,000.00	17,803,922.00		117,803,922.00
M16 - Co-operation (art 35)	Scheme 16.1 – Support for setting-up and functioning of OG; Scheme 16.4 – Horizontal and vertical cooperation between actors from supply chain	28,021,100.00	3,113,456.00		31,134,556.00
M17 - Risk management (art 36-39)	Support for establishment of mutual funds to pay	170,000,000.00	30,000,000.00		200,000,000.00

	financial compensations to farmers				
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Support for the projects implemented under sub-measure 19.2 which fall outside the scope of Article 42 of TFEU; Support for the projects implemented under the sub-measure 19.3 which fall outside the scope of Article 42 of TFEU	321,401,332.00	35,711,259.00		357,112,591.00
Total (€)		**1,330,406,594.00**	**213,417,195.00**	**0.00**	**1,543,823,789.00**

13.1. M02 - Advisory services, farm management and farm relief services (art 15)

Title of the aid scheme: Advisory services for non-agricultural micro and small enterprises from rural areas

EAFRD (€): 4,249,999.00

National Cofinancing (€): 750,000.00

Additional National Funding (€):

Total (€): 4,999,999.00

13.1.1.1. Indication:*

Block exemption in accordance with the provisions of art. 46 of R (EU) no. 702/2014 - ABER

13.2. M04 - Investments in physical assets (art 17)

Title of the aid scheme: Scheme 4.2 – Investments, including in the fruit growing sector; Scheme 4.2 – Investments in advisory; Scheme 4.3 – Investments in forestry infrastructure

EAFRD (€): 201,039,000.00

National Cofinancing (€): 35,961,000.00

Additional National Funding (€):

Total (€): 237,000,000.00

13.2.1.1. Indication:*

Scheme 4.2 - Stimulation of regional development through investments, including in the fruit growing sector, for processing and marketing of agricultural products in order to obtain non-agricultural products - Block exemption in accordance with the provisions of Art. 13 -14 din R (UE) no. 651/2014 – GBER Scheme 4.2 – Support for advisory services in order to implement investments projects, including in the fruit-growing sector, for processing and marketing of agricultural products in order to obtain non-agricultural products as part of general costs of projects – R (EU) no. 1407/2013 – de minimis Scheme 4.3 – Support granted to enterprises for investments that are necessary for developing, modernizing or adapting forestry infrastructure – Block exemption in accordance with the provisions of art. 40 R (EU) no. 702/2014 – ABER

13.3. M06 - Farm and business development (art 19)

Title of the aid scheme: Scheme 6.2 – Support for non-agricultural activities; Scheme 6.4 - Support for development and modernization of non-agricultural activities

EAFRD (€): 250,000,003.00

National Cofinancing (€): 44,309,087.00

Additional National Funding (€):

Total (€): 294,309,090.00

13.3.1.1. Indication:*

Scheme 6.2 – Support for setting-up non-agricultural activities in rural areas – R (EU) no. 1407/2013 – de minimis Scheme 6.4 – Support for developing and modernization of non-agricultural activities carried-out under SME, micro and small enterprises from rural areas – R (EU) no. 1407/2013 – de minimis

13.4. M07 - Basic services and village renewal in rural areas (art 20)

Title of the aid scheme: Scheme 7.2 – Investments in basic infrastructure; Scheme 7.6 – Investments for preserving of heritage, traditions and spiritual heritage

EAFRD (€): 150,000,000.00

National Cofinancing (€): 26,950,588.00

Additional National Funding (€):

Total (€): 176,950,588.00

13.4.1.1. Indication:*

Scheme 7.2 – Support for investments in creation and modernization of small scale infrastructure in the education and social sector* - R (EU) no. 1407/2013 – de minimis *it will be applied only for profit generating projects Scheme 7.6 – Support granted for stimulating investments associated to preservation of heritage and maintaining of traditions and spiritual heritage* - R (EU) no. 1407/2013 – de minimis *it will be applied only for profit generating projects, including those targeting investments in cultural centres.

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

Title of the aid scheme: Support for afforestation and creation of woodland

EAFRD (€): 105,695,160.00

National Cofinancing (€): 18,817,883.00

Additional National Funding (€):

Total (€): 124,513,043.00

13.5.1.1. Indication:*

Block exemption in accordance with the provisions of Art. 32 of R(EU) no. 702/2014 (ABER)

13.6. 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 (€): 17,803,922.00

Additional National Funding (€):

Total (€): 117,803,922.00

13.6.1.1. Indication:*

Block Exemption in accordance with the provisions of Art. 37 of R(EU) no. 702/2014 (ABER)

13.7. M16 - Co-operation (art 35)

Title of the aid scheme: Scheme 16.1 – Support for setting-up and functioning of OG; Scheme 16.4 – Horizontal and vertical cooperation between actors from supply chain

EAFRD (€): 28,021,100.00

National Cofinancing (€): 3,113,456.00

Additional National Funding (€):

Total (€): 31,134,556.00

13.7.1.1. Indication:*

Scheme 16.1 – Support for cooperation through setting-up and functioning of OG and OG projects implemented under measures 16.1 and 16.1a that fall outside the scope of art. 42 TFUE – R (EU) no. 1407/2013 – de minimis Scheme 16.4 – Support for horizontal and vertical cooperation between actors from supply chain in order to establish and develop short supply chains, including in the fruit-growing sector – R (EU) no. 1407/2013 – de minimis

13.8. M17 - Risk management (art 36-39)

Title of the aid scheme: Support for establishment of mutual funds to pay financial compensations to farmers

EAFRD (€): 170,000,000.00

National Cofinancing (€): 30,000,000.00

Additional National Funding (€):

Total (€): 200,000,000.00

13.8.1.1. Indication:*

COM Decision – Notification in accordance with the provisions of chapter 3, para. 631-639 and points 3.11, para. 713-718 of European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas for the 2014 – 2020 period

13.9. 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 the projects implemented under sub-measure 19.2 which fall outside the scope of Article 42 of TFEU; Support for the projects implemented under the sub-measure 19.3 which fall outside the scope of Article 42 of TFEU

EAFRD (€): 321,401,332.00

National Cofinancing (€): 35,711,259.00

Additional National Funding (€):

Total (€): 357,112,591.00

13.9.1.1. Indication:*

R (EU) no. 1407/2013 - 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

According to the Partnership Agreement (PA) with the European Union for the 2014-2020 programming period, RO proposes an integrated approach of EU investments, in order to ensure the coherence and complementarity of the use of ESIF and to achieve the common thematic objectives. The practical ways in which, at institutional level, the synergy and consistency between ESIF interventions will be ensured, is the setting-up of an **institutional coordination mechanism** organized on three levels i) **monitoring committee of the PA,** ii) **5 thematic sub-committees** and iii) **4 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 the PA and programs financed from ESIF, taking into account at the same time the coherence, synergies and demarcation with other national and European programmes/instruments. The coordination of investments through the mechanism mentioned above, will address both the programmes financed through ESI funds, and other EU programmes such as HORIZON 2020, EaSI, EUSF, LIFE +, etc.

a) Ensuring the complementarity between EAFRD and other ESIF

Considering the PA and the ESIF attention, all possibilities were analyzed for achieving complementarities and synergies betwen ESIF instruments when addressing the needs of rural areas, and to facilitate implementation on the ground by having clarity on the respective remit of the different instruments..

In terms of avoiding double funding with ESI funds, in accordance with art. 65 (11) of Reg. 1303/2013, the demarcation will be ensured: ex-ante in terms of beneficiaries, operations and residence areas and also trough protocols and exchanges of information between the responsible authorities. With the approval of each selection report, the responsible authorities will provide to each other the list of projects selected for funding which might be at risk of double funding, and whenever one of the parties will require.

Further details related to demarcation and complementarity mechanisms may be found in the National Implementation Framework.

Research, Development and Innovation

Regional Operational Programme (ROP) - investments in creation, modernisation, expansion of entities for innovation and technological transfer and financing of related activities – Priority Axis 1, Investment Priority (IP) – 1.1;

Competiveness Operational Programme (COP) – modernisation of existing R&D infrastructure and capacity and development of new infrastructure (including pan-european) in the sectors identified in the National R&D&I Strategy 2014-2020 as smart specialisation sectors, fostering private investments in R&D and partnerships between the R&D entities and the business environment (PA 1, IP 1a and b);

Human Capital Operational Programme (HCOP) – investments for partnerships between education institutions and R&D&I actors for developing new doctoral and post-doctoral programs with direct impact on the economy; research and networking activities for young researchers in order to foster synergies between research and innovation (PA 6, IP 10ii);

National Rural Development Programme (NRDP) – innovative actions in the agri-food and forestry sector via support for creation of operational groups within the framework of EIP-AGRI (pilot projects, development of new products, practices, processes/technologies, transfer of best practices, including dissemination of the results to the interested parties) (P1).

IT&C Infrastructure

COP – investments for developing access to and NGN/NGA network infrastructure in accordance with the National Plan for Development of the NGN infrastructure and the National Strategy *Digital Agenda for Romania* (PA 2, IP 2a, 2b, 2c));

NRDP – small-scale IT&C infrastructure via the LEADER approach (P6). Synergies will be ensured between the ERDF investments and EAFRD (LEADER) investments by a territorial delimitation of the investments. LEADER covers the areas of the administrative-territorial units communes and administrative territorial units – small towns with a population of maximum 20000 inhabitants. Funding of the broadband infrastructure – distribution network and access network, will be based on the map of the eligible areas for this type of investments (*white areas*) where there is no broadband internet infrastructure according to NGA, map to be drafted by the responsible authorities and provided to LAGs. A cooperation protocol between MARD and the Ministry for Information Society will facilitate the exchange of information related to the territories covered by LAGs that have provided in their LDS measures such as broadband infrastructure, thus, ensuring the avoidance of overlapping (P6).

Road Infrastructure

NRDP – investments in access roads to farms and forest holdings, construction/expansion/improvement /modernization of local interest roads in rural areas, especially for those who ensure the link to the main roads and other transportation ways (P2, P6);

ROP – rehabilitation and modernisation of county roads (secondary transport infrastructure) that ensure direct/indirect connectivity to TEN-T in conjunction with the regional development plans (PA 6, IP 6.1);

Large Infrastructure Operational Programme (LIOP) – construction, modernisation, rehabilitation of major TEN-T transport corridors (PA1, IP 7i, 7a, 7b).

Business Development

ROP – investments in medium-sized non-agricultural enterprises in rural areas and non-agricultural SMEs and micro-enterprises in urban areas – PA2, IP 2.1, 2.2;

HCOP – support the creation of non-agricultural enterprises in urban area. Provision of personalized advisory services (i.e. elaboration of business plans, legal advice, accountancy, marketing, business development, etc.), vocational and entrepreneurial training and other types of support (i.e. mentorship) both in the setting-up and post-setting-up phase; Support for existing SMEs (maximum 1 year of functioning) by awarding subsidies for creation of jobs as well as provision of advisory services and entrepreneurial training and other types of support (i.e. mentorship) for developing business in urban area – PA3, IP 8iii;

NRDP – investments in **agricultural enterprises**, regardless of the residence area; processing and marketing of agricultural products (Annex I to TFEU), the processing result of the agricultural product may be Annex I product and product tha is not included under Annex I to TFEU (non-Annex I); Fish products are excluded. Setting-up of non-agricultural activities micro-enterprises and small enterprises in rural areas; creation and development of non-agricultural activities by existing micro-enterprises and small enterprises in rural areas, based on a business plan;

NRDP will provide advisory services for elaboration and implementation of the business plan for existing and newly-established micro and small enterprises in the agricultural sector (young and small farmers) and in the non-agricultural sector (in rural areas) (P2, P3, P6);

OPFMA – investments in micro-enterprises in the fishery sector, small and medium enterprises in the aquaculture sector as well as small and medium enterprises in the processing of fish products, including support for business start-up; provision of advisory services in the fishery and aquaculture sector; creation of management, relief and advisory services for aquaculture farms; purchase of technical, scientific, legal, ecological and economic advisory services for fish farms (UP 1, 2, 4, 5).

Tourism infrastructure

NRDP – private investments, in non-agricultural activities, by small and micro-enterprises in the agri-tourism accommodation infrastructure, leisure and public food in rural areas (P6);

OPFMA – investments in diversification of fishery and aquaculture activities towards other activities (including tourism) (UP1, 2);

ROP – investments in tourism infrastructure, including in resorts, climate resorts and spas by public local authorities and partnerships between public authorities in accordance with local development strategies **(**PA 7, IP 7.1).

Social infrastructure and related services

ROP – investments in non-residential social infrastructure (day centres, “respiro” centres, psycho-social counselling centres, etc.) in urban and rural areas and family housing investments, family-type apartments and protected housing (PA8, IP 8.1);

NRDP – investments in small-scale social infrastructure (after-school, ante-preschool infrastructure) in rural areas (P6). Under LEADER may be financed investments in social infrastructure on the eligible LEADER territory which would be complementary with the social inclusion measures financed by HCOP.

HCOP – soft measures for social inclusion – complementary to the social infrastructure investments financed under LEADER, with a specific focus on marginalised communities (increase of social services quality in communities, innovative approaches in ensuring the social services, integrated social services with a specific focus on vulnerable groups, skills development for professionals, integrated soft projects for marginalised communities, etc) (PA 4, IP 9ii, PA 5). Demarcation under social infrastructure investments between LEADER and HCOP will be made on types of operations;

HCOP – expansion of PPAI as resource centres for developing new projects, community knowledge centers, in vulnerable communities selected for support via HCOP, ROP and NRDP (CLLD and non-CLLD) and vulnerable communities from more developed communities (PA 2, IP 2c).

Water/wastewater infrastructure

NRDP will finance the construction, expansion and/or modernisation of water and wastewater public network for agglomerations between 2000 and 10 000 e.p. which are not proposed for funding under **LIOP** (PA 3, IP 6ii), but are part of the regional Master Plans (P6). The complementarity between NRDP and LIOP will be ensured through a transparent methodology drafted by each regional operator and mutually agreed by the involved management authorities. Considering that the prioritary investments for RO regarding the compliance with country's commitments in accordance with the EC Directive 91/271 are fulfilled until 2018, investments in rural agglomerations under 2000 e.p. will be carried-out. The demarcation will be based on a collaboration **protocol** between the MAs of the two programmes and by participation of the regional operators at the stage of drafting and authorisation of the technical documentation of projects;

OPFMA – Investments in:

- improving the infrastructure related to aquaculture and fisheries, including in installations for waste and marine waste collection - if the investment involves interventions for wastewater treatment);
- in installations for wastewater treatment in aquaculture farms;
- in installations for wastewater treatment in fish processing units (UP1, 2, 5).

Cultural Heritage

ROP – investments in the universal heritage sites in urban and rural areas (UNESCO), the cultural heritage, sites of national interest (class A) in urban and rural areas and the local cultural heritage sites (class B) in urban areas – PA 5, IP 5.1;

NRDP – investments associated with the restoration, conservation and endowment of buildings/monuments of the cultural heritage in rural areas of local interest (class B), construction, expansion and/or modernisation of access roads to monastic settlements of class B; and restoration, conservation and accessibility of monastic settlements (for monasteries included in class B); modernisation, renovation and endowment of cultural settlements (P6).

Local development

ROP (PA 9, IP 9.1) through the CLLD financing instrument will support the community-led local development in urban areas over 20000 inhabitants, while **HCOP** (PA 5, IP 9vi) will finance soft measures such as support for elaboration of local development strategies, soft integrated projects for poverty reduction and social exclusion in disadvantaged communities in the same areas, etc.;

NRDP – will support LAGs from administrative-territorial units – communes and administrative-territorial units – and small towns with a population of maximum 20 000 inhabitants. The infrastructure projects for social services will be financed under LEADER, while HCOP – CLLD will finance in rural areas complementary soft measures (support for access and participation to education and training, financial incentives granted to marginalised communities, development of social services) to those supported under

NRDP (P6);

OPFMA – support for fisheries local action groups (FLAGs) for the development and capitalization of the economic potential of fisheries and acquaculture areas. The support offered to FLAGs for stimulating the competitiveness of the fishery sector and the sustainable development of fishery areas complements the support to LAGs for the economic development of rural areas and towns with less than 20,000 inhabitants. In case of a geographical overlap between a LAG and a FLAG, demarcation will be ensured as follows: (i) local development strategies will be different – OPFMA will fund fishery areas and actors involved in the fishery sector, while NRDP will not target any investment in this sector; (ii) the composition of partnerships will be different – OPFMA will fund those partnerships that include actors from the fishery sector, while NRDP will support partnerships composed of actors involved in rural development, different from the fishery sector. OPFMA supports investments carried-out by FLAGs in the coastal and inland communities dependent on fishery and aquaculture, including diversification of fishery and maritime sector activities.

The coordination and complementarity of the interventions financed under EAFRD, ERDF, EMFF and ESF will be ensured by the Monitoring Committte for the Partnership Agreement through the Working Group for the harmonisation of CLLD interventions (Working Group IV).

Educational infrastructure

ROP – rehabilitation and modernisation of urban ante-preschool and university educational infrastructure, construction and rehabilitation of urban and rural preschool and school infrastructure and rehabilitation and modernisation/of infrastructure belonging to vocational and technical schools/technological high-schools in urban and rural areas (except agricultural schools of rural areas) (PA 10, IP 10.1);

NRDP – expansion and modernisation (including endowment) of upper secondary education institutions, for technological studies on natural resources and environmental protection and vocational education in the agricultural sector; creation and modernisation (including endowment) of kindergartens in rural areas, only those that are outside schools (P6);

The investments in infrastructure will be complemented with support for IT&C infrastructure in schools (**HCOP - IP 2c)** and support for improving quality of ante-preschool, primary, secondary and tertiary education via programs such as “school after school”, training for teaching staff, reform of the mandatory school curriculum, etc. **(HCOP - IP 10.1, 10.2**).

Training

HCOP – activities for increasing access to and participation in lifelong and initial training programs, career guidance and tutoring, collaboration activities involving universities, tertiary non-university education institutions and other actors for developing new doctoral and post-doctoral programs with a direct impact on the economy, as well as financing of short-term training in non-agricultural fields and long-term trainings. Long-term training in the agricultural and agri-food sector will be financed exclusively from HCOP (IP 10.3, 10.4);

NRDP – support for short-term training courses in the agricultural and agri-food sector (i.e. initiation, specialization) with different training periods, according to the level of education of farmers, young farmers, processors in the agri-food sector, farmers who undertake agri-environment and climate commitments, as well as according to the training program. (P1).

Risk management

NRDP – risk management by providing support for establishing mutual funds in the agricultural sector (P3);

LIOP - Public information and awareness on risk management (PA 5, IP 5ii).

Renewable energy

ROP – capitalization of renewable resources for production and use of electric and thermal energy in public infrastructure, including public buildings and dwellings (PA 4, IP 4.1);

LIOP – investments in creation/modernisation of production capacities for electric and thermal energy in biomass and biogas, geo-thermal and expansion/modernisation of electricity distribution networks (PA 6, IP 4a);

NRDP – investments in:

- agricultural holdings and agro-processing units for the production of renewable energy for own consumption and only as part of an investment project
- in processing biomass into intemerdiary products (e.g. pellets) –- for sale or for own consumption in the context of non-agricultural investments (micro- and small enterprises from rural areas) (P5);

OPFMA – investments:

- enhancing energy efficiency and promote conversion of aquaculture enterprises to renewable energy sources (hydraulic, solar, wind);
- in units for fish processing in renewable energy sources (solar, wind) (UP 2, 5).

Resource efficiency

NRDP – investments in:

- energy consumption reduction in farms and processing units as a component of an investment project
- water saving (P5);

ROP – investments in enhancing energy efficiency in public buildings (local and central public authorities and institutions) and residential buildings and in public lightning systems of urban areas (PA 3, IP 3.1, PA 4, IP 4.1);

OPFMA – investments in:

- energy consumption reduction in the fishery and maritime sector (fish farms and units for fish processing);
- enhancing energy efficiency and promote conversion of aquaculture enterprises to renewable energy sources

- processing and marketing of fish and aquaculture products that contribute to energy saving or reduce the environmental impact (UP 1, 2, 5);

LIOP – investments for enhancing energy efficiency by modernising centralised systems for thermal energy distribution in Bucharest and seven selected cities (PA 7, IP 4c, 4iii).

Natura 2000

LIOP: support for elaboration and implementation of management plans for Natura 2000 areas with a focus on the measures dedicated to improve the conservation status of species and habitats (PA 4, IP 6d);

ACOP: support for developing the administrative capacity of public institutions and authorities involved in managing Natura 2000 network (PA 2);

NRDP: the support for farmers to follow appropriate land management practices that contribute to protection of habitats and species in Natura 2000 areas will be granted through voluntary commitments via M10, and indirectly via M13 and M11.

Cadastre

ROP support for cadastral registration of public and private properties in selected rural areas (PA 11 IP 11.1) will complement the support granted by **NRDP** for investments in farms and rural areas and will facilitate the access of beneficiaries to financing from NRDP (P2, P3, P6).

b) Complementarity between EAFRD and EAGF

Complementarity and demarcation between Pillar I and Pillar II will be ensured through a coordination mechanism at the level of MARD, composed of authorities and departments responsible for the relevant instruments. This mechanism will operate inclusively via a permanent exchange of information between the responsible units and, ex-ante, by a delimitation of eligible actions/investments under EAGF and EAFRD in order to avoid double funding.

Romanian National Support Program (NSP) in the wine sector 2014-2018 – eligible investments/actions detailed under NSP will not be eligible under NRDP 2014 – 2020.

National Beekeeping Programme (NBP) 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 **NRDP**.

Complementarily, the **NRDP** supports investments in agricultural holdings for new construction and modernization of buildings within the farm, others than vinoteques, presentation rooms, purchase of agricultural equipment and machinery, irrigation systems and equipment and purchase of software only under certain new investment projects (as an integrated part of a project). The NRDP will take into account during the development of the programme the list of eligible actions/operations under the above mentioned programmes in order to avoid double funding.

From support for **setting-up and functioning of producer groups granted under NRDP 2014 – 2020**, shall benefit only the producer groups set-up after 1st of January 2014 and recognized according to the specific legislation. A former member of a preliminarily recognized producer group or of a producer organization from the fruits and vegetables sector will be allowed to be part of a producer group eligible for support under the measure designed for producer groups only if it has given up his membership before 1st of January 2014. Producer organizations and preliminarily recognized producer groups in the vegetable-fruit sector will not be elligible for support under the NRDP (investment measures in the agricultural sector and the measure dedicated to the establishment and functioning of producer groups). Producer organizations that implement an operational programme will include, depending on their objectives and in view of accessing EU support, measures from the National Strategy for the operational programmes in the fruit and vegetable sector 2014-2018.

Avoidance of double funding will be ensured as follows: producer organizations and preliminarily recognized producer groups in the fruit and vegetable sector will not be eligible for PNDR support. In exchange, their members can apply for NRDP measures. Furthermore, a protocole between the two paying agencies (APIA and AFIR) contributes to avoiding double funding by ensuring a flow of information regarding the projects funded under EAGF by potential NRDP beneficiaries.

Basic Payment (SAPS) and redistributive payment - direct income support for farmers, by means of a payment per hectare, subject to fulfilling the status of active farmer and meeting cross-compliance. **The redistributive payment as implemented in RO** envisages an additional payment per hectare for the first 30 hectares.

NRDP – granting of a lump sum (based on a business plan) for **development of small farms** (SM 6.3).

Complementarity between **EAGF - NRDP** regarding **small farms** is provided if farmers that are registered for at least 1 year in the **simplified scheme for small farmers (EAGF)** will choose to permanently transfer their holding to another farmer. Under **NRDP (SM 6.5)** these will be able to receive 120% of the annual support they would have been entitled for under the simplified scheme from Pillar I.

Payment for young farmers – additional payment per hectare for farmers under 40 years, for a 5 year period and for a maximum area of 90 ha. RO has chosen to not define additional criteria related to adequate competences and/or requirements related to training for farmers requiring this type of payment, in order to provide this top up payment toa higher number of farmers. SM 6.1 from the **NRDP** supports the setting-up for the first time of young farmers that have adequate competences, as sole heads/managers of an agricultural holding, based on a business plan for developing the holding.

National Transitional Aids (TNA) – phasing-out type of aid, for supporting from national funds some important sectors for the specificity of the Romanian agriculture. Their granting also aims to ensure the continuity and development of farms receiving this type of support.

Payment for agricultural practices beneficial for climate and environment (*greening – art. 43 of Reg. (EU) 1307/2013*)

Adoption of specific practices for organic farming or their maintenance under M11 – payments for organic farming, as well as the adoption of extensive agricultural methods as they are foreseen under the M10 packages, complements as impact the application of some basic standards that ensure environmental protection (cross-compliance, greening). If farmers have to ensure **maintenance of permanent pastures** for complying with the greening standard foreseen under art. 45 of the Regulation (EU) no. 1307/2013, Measure 10 aims to ensure application of superior management standards of these areas based on the reduction of inputs, density of animals that use those pastures as well as the establishment of some periods when works on permanent pastures have to be carried out. At the same time, **diversification of crops on arable lands** (foreseen as greening standard under art. 44 of R. 1307/2013) is complemented by the application of some agricultural methods with a superior impact from the environmental objectives 'perspective, promoted under M10 (e.g. P 4 and 7) or under M11 (P 1, 2 and 5 of both sub-measures). Also, from the greening standard perspective on **crop diversification on arable lands**, the complementarity is ensured through the application of the new P5 of M10 by extending the area of application of the standard to farms with a smaller arable area (less than 10ha) which do not have the obligation to comply to this greening standard. Moreover, the application of the greening standard related to **maintenance of ecological focus areas** (foreseen under art. 46 of R. 1307/2013) is complementary to the actions promoted under Measures 10 and 11 on arable land, maximizing the potential of achieving the targeted environmental objectives under CAP. As regards the EFA for areas with catch crops/green cover implemented by Romania, double funding with P4 – green crops of M10 is excluded by the condition that this package may be applied on maximum 80% of the arable area of a farm. It is important to be mention that the application of rural development measures (especially M10 and 11) by farmers that have the obligation to comply to the greening standards foreseen by Regulation (EU) no. 1307/2013 does not increase the risk of double funding of some actions or of overcompensation of some farmers, and exclusion of this risk been checked during the preparation of the related aid calculations under Pillar II. All actions foreseen by area based payments under Pillar II are complementary to the applicable rules under payment schemes financed under Pillar I of the CAP.

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 provides financial support to partnerships between research and practice for innovative projects including in regard to climate change mitigation and adaptation in agriculture, efficient use of resources and raw materials and sustainable agriculture. **NRDP** will provide support for setting-up of operational groups (under the European Innovation Partnership) for developing pilot projects, new products, practices and 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. In complementarity with projects related to climate change mitigation and adaptation and sustainable management of natural resources supported from HORIZON 2020, the NRDP 2014 – 2020 will synergistically provide support via measures for biodiversity conservation on forest and agricultural lands (M10; M15) and support-measures for advisory services and training (M01, M02) as well as by enabling farmers' access to risk management instruments (M17).

EU Programme for Employment and Social Innovation (EASI) provides financial support to put reform ideas into practice, to assess them and furthermore widely develop the best ideas at larger scale in the MS, thus contributing to achieving the objectives of the Europe 2020 strategy for jobs (including "green economy") and social inclusion. Complementarily, **NRDP** 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, including as a result of climate change. NRDP supports the creation of mutual funds in agriculture for managing risks related to environmental incidents, animal and plant diseases and price volatility, and provides support for other land management practices and infrastructure (irrigation) intended to help mitigation/adaptation to climate change.

Synergies between **LIFE +** and **NRDP** will be ensured through promotion of the activities funded by the NRDP which complement the integrated **LIFE+** projects in the biodiversity, water, climate change mitigation and adaptation field. Also, solutions, methods and approaches validated through the **LIFE+** programme (e.g. innovative technologies) will be promoted through the **NRDP** according to the European strategies on environmental protection and climate change.

According to the **European Framework for National Roma Inclusion Strategies up to 2020**, MS must ensure that the available funds, including through **NRDP**, will be accessible to the Roma minority. This is why, under the **NRDP**, while all measures are open on a non-discriminatory basis, a strong emphasis will be placed on the support of the 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 the specific challenges of the Roma minority by giving additional points in the selection process. LEADER animation and promoting actions will be stimulated and they will be addressed to all local communities, potential LAG territories (including those significantly populated by Romanian citizens belonging to national minorities, including Roma minority).

Interventions under the NRDP, in a complementary manner with the investments from the **ERDF**, **ESF** and **CF** will contribute to the objectives set by the **Danube Delta Integrated Sustainable Development Strategy 2030**.

The **ITI instrument** will be used through the contribution of all 2014 – 2020 ESIF programmes on a territory composed of 38 administrative territorial units belonging to the Danube Delta Biosphere Reservation, Tulcea County and the Northern part of Constanta county. According to the protocol signed by the Ministry of European Funds, the Ministry of Regional Development and Public Administration, Ministry of Agriculture and Rural Development and the Association for Inter-community Development ITI DD, the four entities share joint responsibility on the implementation of the Danube Delta Integrated Sustainable Development Strategy (DDISDS). Coordination of operations supported by EU funds provided by the Operational Programmes managed by the three ministries will be carried out by the **Functional Working Group** (FWG) ITI Danube Delta with members from each Managing Authority. The FWG will focus on analysing the implementation of the ITI mechanism and on approving the quarterly reports presented to MEF regarding the status of contracting, implementation and finalisation of projects submitted under the relevant axes of programs under the ITI Danube Delta in relation to the assumed timetables. FWG will propose necessary measures for overcoming issues that could affect the good use of the ITI mechanism, and will review financial allocations.

Projects under the ITI territory will be analysed by ADI ITI DD in order to check conformity with the DDISDS objectives. After this conformation, the projects will follow the usual application procedures required by each Managing Authority or Intermediary Body for selection, evaluation, contracting from DDISDS indicative allocation. Information on projects contracted and related payments under other RDP measures which may contribute to the DDISDS will be provided by MA NRDP to the ADI ITI DD for purposes of monitoring the overall EAFRD contribution. Given that in the ITI territory, LEADER local development strategies funded from indicative allocations for ITI under NRDP 2014 – 2020 will be carried out, in order to ensure consistency and correlation of interventions between DDISDS and local strategies, ADI ITI DD will undertake an assessment of conformity of LAGs local development strategies with the DDISDS objectives, before the LDS follow the usual EAFRD procedures for LAG selection. Members of ADI ITI will participate in the joint LAG selection committee with members from MARD – MA NRDP, and AFRI, when applications from LAGs in the Danube Delta are being assessed... After finalisation of the Danube Delta Integrated Sustainable Development Strategy and the related action plan, the managing authorities and ADI ITI DD through the Functional Working Group will establish the funding necessities for ITI Danube Delta. Also, an annual revision of allocations from 2014 – 2020 NRDP measures will be carried out according to an assessment of the absorption of these amounts.

In complementarity with the investments from the **ERDF, CF, EMFF, ESF**, the **NRDP** interventions will contribute to the four pillars of the **EU Strategy for the Danube Region (EUSDR**), 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. NRDP interventions on the Danube riparian counties will be separately monitored by the NRDP Managing Authority.

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	Name of the authority	Head of the authority	Address	Email
Managing authority	Ministry of Agriculture and Rural Development (MARD) – General Directorate for Rural Development (MA NRDP)	General Director	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 Broşteanu Street, 1st district, postal code 101528	aron.popa@rcc.ro
Accredited paying agency	Agency for the Funding of Rural Investment (AFRI)	General Director	Bucharest, 43, Ştirbei Vodă Str., 1st district	cabinet@afir.info

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.

Considering 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

The Managing Authority for NRDP in Romania - MA NRDP, according to art. 66 of Regulation (EU) no. 1305/2013, is MARD, through the General Directorate of Rural Development. The Managing Authority is responsible for the effective, efficient, and correct management and implementation of the programme.

In order to fulfil its monitoring and evaluation responsibilities, the MA NRDP will 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 will also have responsibilities related to the implementation of certain measures from NRPD, 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.

Under Art. 66 (2) of Regulation no. 1305/2013, MA-NRDP may 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, and that the bodies concerned provide the MA with all necessary information to undertake effectively its role regarding the overall management and reporting on the complete NRDP.

The MA will implement the measures 1 and 2, the Technical Assistance (for its own needs) and the National Rural Development Network (partially) and will make the selection of the Operational Groups under measure 16 and 16.1a in a joint selection committee with AFRI, the Leader LAGs and co-operation projects under measure 19. 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.

b) Paying Agency

The accredited 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 was previously accredited for NRDP 2007-2013.

The structure of AFRI consists of:

- A central coordination unit;
- 8 Regional Centres;
- 41 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). AFRI is responsible for the evaluation of eligibility criteria and selection of projects under Measures/Sub-measure 4 (including 4.1a, 4.2a), 6,7, 8, 9 (including 9a), 10, 11, 13, 15, 16.1 (partially), 16.1a (partially) 16.4, 16.4a, 17, 19 (partially), Technical Assistance (for its own needs), NRDN (partially). For certain other measures, these functions are sub-delegated to Romania's 2nd Paying Agency APIA (10, 11, 13 and 6.5). As far as measures 8 and 15, due to their particularities, some implementation tasks will be sub-delegated to certain institutions with relevant expertise.

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 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, 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)

APIA is the paying agency responsible for the implementation of schemes within Pillar 1 of The Common Agricultural Policy .

AFRI will delegate to APIA the implementation of the area-based measures on agri-environment and climate (M10), organic farming (M11), the payments for areas facing natural or other specific constraints (M13) and animal welfare (M14) and sub-measure 6.5 Payments for farmers eligible for the small farmers scheme who permanently transfer their holding to another farmer. However, AFRI remains responsible for the correct and efficient implementation of the delegated tasks.

15.1.2.2. Arrangements for the examination of complaints

Romania, the Anti-Fraud Department (DLAF) is the contact institution for the European Anti-Fraud Office (OLAF).

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 any irregularities to DLAF.

Reception and resolution of complaints

The reception, resolution, and the complaint resolution deadlines are established under national law , respectively Government Ordinance no. 27/2002 regarding petition solving activity.

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 and the applicable procedures:

- Through the website of MA NRDP and AFRI;
- By email;
- 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.

The selection process of the partners to set up the MC was performed based on a transparent methodology of selection of the private sector members by the representatives of each sector envisaged by NRDP. The process was enrolled in two stages during september 2014-february 2015 and was approved by Minister Order no 334/2015. The functions and work of the MC will be based on Organisation and Functioning Regulation prepared by its secretariat, to be approved at its first meeting. The MC shall function throughout the implementation period of the NRDP 2014-2020.

The list of the Monitoring Committee for NRDP 2014-2020 members is posted on the ministry`s website.

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. Its work will be guided by the European code of conduct on partnership (Commission Delegated Regulation (EU) No 240/2014).

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 were 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 or climate change field;
- representatives of LAGs;
- 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 and ensuring the coordination with other management authorities.

The selection of the private partners was made taking into account the following criteria:

a) The importance of the sector where the organization carries out its activity in terms of rural development policy 2014-2020. To this regard, the following relevant sectors were identified: agriculture (animal husbandry sector and vegetal sector; bodies representing both large and smaller farms), food industry, irrigations, forestry, fruit-growing sector, rural infrastructure, cultural heritage, vocational training and consultancy, environmental protection and climate change, financial instruments, non-agricultural activities (SMEs, tourism, handicrafts), bodies responsible for the promotion of the social integration, gender equality and non-discrimination and LEADER.
b) The representativeness of the organization within the sector where it carries out the activity (number of members, scope);
c) The activity of the organization carried out, including the implementation of the NRDP 2007-2013 and

the pro-active involvement in the consultation process for the elaboration of NRDP 2014-2020.

In terms of public partners represented in the MC, they will represent the following sectors:

1. Agriculture
2. Sanitary-veterinary and food safety
3. Environmental protection
4. Forestry
5. Regional development
6. Social integration, gender equality and non-discrimination (National Roma Contact Point)
7. Management of European funds
8. Research
9. Small and medium enterprises focused on tourism and handicrafts sector.

Starting from these criteria, the selection process of the organizations meeting the criteria mentioned takes into account the appointment of the representatives of these sectors based on the proposals coming from the associates themselves who are active in the fields targeted.

MA NRDP identified 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 also 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.

Functions of the Monitoring Committee

1. The Monitoring Committee shall meet at least once a year and shall review implementation of the programme and progress made towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in the value of result indicators and progress towards quantified target values, and the milestones and, where relevant, the results of qualitative analyses.

2. The Monitoring Committee shall examine all issues that affect the performance of the programme, including the conclusions of the performance reviews.

3. The Monitoring Committee shall be consulted and shall, if it considers it to be appropriate, give an opinion on any amendment of the programme proposed by the Managing Authority.

4. The Monitoring Committee may make observations to the managing authority regarding implementation and evaluation of the programme including actions related to the reduction of the administrative burden on beneficiaries. The monitoring committee shall monitor actions taken as a result of its observations.

5. The Monitoring Committee 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.

6. The Monitoring Committee shall examine the activities and outputs related to the progress in the implementation of the evaluation plan of the programme.

7. The Monitoring Committee shall examine, in particular, actions in the programme relating to the fulfilment of ex ante conditionalities, which fall within the responsibilities of the Managing Authority, and be informed of actions relating to the fulfilment of other ex ante conditionalities;

8. The Monitoring Committee shall participate in the national rural network to exchange information on programme implementation; and

9. The Monitoring Committee shall consider and approve the annual implementation reports before they are sent to the Commission.

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.

15.3. Provisions to ensure that the programme is publicised, including through the national rural network, making reference to the information and publicity strategy referred to in Article 13 of Implementing Regulation (EU) No 808/2014

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 Regulation no 808/2014, the information and publicity strategy shall be sent to the Monitoring Committee for information within 6 months after approval of the NRDP. 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.

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.

When implementing responsibilities for publicising the NRDP the MA-NRDP will follow the detailed provisions as set out in annex III of Commission Implementing regulation (EU) No 808/2014, and will take the necessary measures to ensure that beneficiaries of EAFRD support are also informed and undertake their responsibilities for publicity regarding the EAFRD support received.

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.

At MA NRDP level, a working group was created where the representatives of the paying agencies are also co-opted in order to prepare the information and publicity strategy for NRDP 2014-2020. Currently, a first draft was prepared, the priority actions were identified, as well as the delimitation of the information responsibilities of the NRDN and of the other entities responsible for the implementation of the Programme was established. In parallel, the action plan of the Network is drafted in order to ensure the correlation with the actions programmed in the information and publicity strategy. After the consultation of the Monitoring Committee, on the information and publicity strategy , the first annual communication plan is going to be prepared.

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 including the launching of individual calls, content of the measures and on the conditions for receiving support and project implementation rules;
- of the national and local administrations, of professional organisations, of economic and social partners, of NGOs.

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. 54 (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-programme. Actions customized according to the specific nature 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 of the Commission approval of the programme and 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). These information should in particular highlight the contribution and main achievements of the NRDP with regard to the Europe 2020 priorities (jobs & growth; sustainable development), Union priorities for rural development and to the Romanian Partnership Agreement.
- The 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 MA NRDP, Paying Agencies, and on the NNRD.

The role of the National Network for Rural Development in the information and publicity 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 overall 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, etc.

Also, according to the pt. 1.4 of Annex III of Reg. 808/2014, the information and communication activities will envisage also the following institutes and stakeholders:

a. competent urban and rural and other public authorities, economic and social partners and relevant bodies representing civil society(including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination),

b. Information centers on Europe and Commission representatives, as well as the information offices of the European Parliament,

c. Education and research institutes.

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 (e-mailing, phone calls, sms, etc), 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 includes 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 and in line with the full specifications set out in Annex III of Commission Implementing Regulation (EU) No 808/2-014 Art. 2.2: 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), and at the offices of all 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 as it is mentioned in Annex III of Commission Implementing Regulation (EU) No 808/2014 Part 2, Art. 2(b);

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. M16 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 forestry 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 LDS, 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.

M07 targets mainly small-scale basic infrastructure investments and investments for the preservation of the cultural heritage. Although the type of investment envisaged under M19 and M07 might potentially overlap the same type of investments, M19 shall ensure the financing of the basic services and the small scale investments for village renewal in the eligible areas of LEADER, with a maximum value of the projects of 200,000 Eur. By selecting local projects, the LAGs intend to consolidate territorial coherence. The principles establishing the selection criteria under M07 prioritize projects which also have relevance or are complementary to other investments supported at national or regional 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). The LAGs will propose relevant operations that answer the needs identified at local level; they will be implemented according to the development plans of the municipalities and the villages in the rural areas and the basic services provided by them, thus covering the complementarity with the projects developed at national/regional level, by M7. 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 M07 and M19, 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 European states) and inter-territorial cooperation (in the Romanian territory) shall be implemented by the LAGs. The new programme shall focus on financing operations aimed at capitalising local resources and at promoting local specificity, including through the cooperation measure

The support under M06 is granted for the creation and development of new economic activities in rural areas, both for certain categories of business in agriculture and for diversification activities in general, beyond diversification of agricultural activities

In order to avoid overlapping of the investments financed through M6, 7 and 19 RO will take steps in the programming process to avoid double financing of the same investment, by checking the database of the Paying Agency. Thus, it will be ensured that the investments financed by M19, implemented by the groups of partners in the public and private fields on the LEADER territory (approaching one or more of the EU priorities in terms of rural development pursuant to Article 2 (19) of the Regulation (EU) no 1303/2013) will not overlap with other investments financed including under M7 and also will demonstrate the coherence with other relevant instruments on the territory. 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. The ROP, by the financing instrument CLLD, will support the local development actions under the community responsibility in the urban area for localities with more than 20,000 inhabitants.

In the case of the delimitation of the operations within LDS with those specific to CLLD – OPHC, the complementarity of the operations will be ensured by a delimitation of FA, therefore, the infrastructure projects for social services will be financed from the NRDP, and the complementary soft measures will be implemented from the OPHC (support for access and participation at education and training, financial incentives granted to marginalized communities, development of social services, etc.) those supported by the NRDP.

In order to ensure the complementarity of interventions targeting the broadband infrastructure – distribution network and access network, it is applied the territorial delimitation of interventions with those financed by OPC; therefore, through M19 it is covered the areas for communes and villages with a population less than 20,000 inhabitants. The financing is based on the map of the eligible areas for this type of investments („white areas”) in terms of the existence of broadband infrastructure, a map that will be prepared by the authorized authorities.

EMFF shall support the investment made by the stakeholders in the fishing sector (FLAGs*).* in order to promote economic growth, social inclusion, creating jobs and providing support for employability and labor mobility in coastal and inland communities dependent on fishing and aquaculture, including diversification of fisheries and other maritime sectors.

Specifications on ITI/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. The coordination mechanism is structured on three levels (strategic, thematic interinstitutional, operational), set-up at the level of the Partnership Agreeement (chap.2.1), will ensure the coherence of the interventions, following up the complementarities and the synergies highlighted in the programming stages in order to achieve the common thematic objectives (OT)
- At operational level, within the Functional Working Group for new approaches, it will be created bodies formed by the representatives of the managing authorities, the intermediary bodies and, where relevant, of the national contact point for Roma people, the Single Body for ESF, the ministries responsible for relevant public policies, the Agencies for Regional Developments (ARD). For the areas that need an integrated approach of the interventions, the most appropriate implementation principles will be set-up (coordination of the calls, supplementary scorings, selection criteria guaranteeing the integrated approach of the financing, common selection). These principles will be formalised within coordination protocols assumed by the managing authorities involved.

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 experience from the 2007-2013programming period revealed that the administrative burden for the beneficiaries and the 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 execution period of the project. 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.

In order to analyse the administrative burdens of private beneficiaries of ESIF, between January-November 2014, Ministry of European Funds developed the project “Assessment of administrative burden on beneficiaries of the Structural Funds and Investment”. The aim of this project is to identify the most appropriate measures for reduce the administrative burdens of private beneficiaries of ESIF. The recommendations of the evaluator relate, generally, to reduction of the requested documents, the simplification of public procurement and elaboration of a reference price database, the reduction of evaluation period, which have been already taken into consideration.

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 are considered:

- Avoiding ad hoc policy making and systematic examination of legislative proposals to ensure consistency of RDP with legislative requirements,
- Improving communication on implementing the RDP and the requirements of all institutions involved to correlate with frequent legislative changes,
- Gradual introduction of on-line application in order to reduce the time and costs required to submit the documents,
- Reduction of the requested documents at the moment of application for streamlining the process for submitting projects. They will be needed only for selected projects at the contracting time,
- Availability of model project templates shall be available to finance certain types of investments made through NRDP in order to support potential beneficiaries of the program in drafting projects,
- Continuous evaluation for the received projects in order to reduce the period of time from the submission of the projects until contracting,
- Elaboration of price database for cars, machines and specialized equipment to be procured under the investments measures related to NRDP, will lead to the reduction of the administrative burden at level of beneficiaries,
- Elaboration of standard models by AFRI in order to support the beneficiaries for correct procurement procedures,
- Use of standards costs for costs related to set-up and reconversion of fruit-growing plantations under sM 4.1a , for table grapes in 4.1 and under sM 8.1 for works to set-up forests. Standard costs will lead to the elimination of private procurement procedures and will ensure the reasonability of costs,
- Use of standards costs for infrastructure foreseen by Government Decision no 363/2010 in order to ensure the reasonability of costs.

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, created and approved by a national piece of law;
- 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) funds under EAFRD shall support the preparation, management, monitoring, evaluation, informing and communication, collaboration within the network, settlement of complaints, control and audit actions for NRDP. Furthermore, one of the main objectives of using technical assistance is to strenghten the administrative capacity at the level of authorities responsible for the NRDP implementation according to the provisions of the Partnership Agreement.

The technical assistance (TA) measure contributes to the effective, efficient, fair and transparent development of the NRDP through the following activities:

a. Drafting studies, documentation and researches, etc.
b. Increase of the administrative and management skills of the staff from the level of the beneficiaries of the measure;
c. Supporting the implementation and control activities;
d. development and updating the necessary software for carrying-out the programme, providing the necessary technical and logistic support;
e. monitoring and evaluation of the Programme (collection, updating and interpretation of information related to NRDP measures, implementation of the evaluation plan of the Programme as well as carrying-out the ex-ante evaluation of the next Programme (post 2020) and of ex-post evaluation for NRDP 2007-2013).
f. supporting the activities of the Monitoring Committee (MC)
g. implementation of the information and promotion strategy for NRDP
h. collaboration, within the national rural development network (NRDN)
i. improving control and audit at the level of the authorities in charge of programme implementation;
j. implementation of actions to eliminate the corruption that has impact on the financial management of the programme, on the expenditures' transparency and on the controls' efficiency;
k. implementation of actions for consolidating the administrative capacities of the authorities in charge of management, implementation and control of NRDP;
l. implementation of actions to reduce the administrative burden.

The scope of the TA is:

- Actions related to the implementation of EAFRD. *For EAFRD these functions are performed by the MA, AFRI, APIA, the Coordinating Body (CO), the Competent Authority (CA), institutions with delegated functions and MC.*
- Setting-up and functioning of the NRDN.

TA will not support:

- the actions undertaken to consolidate 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.

TA will finance:

- TA projects, contracted according to the national law on public procurement;
- direct expenditure that do not require the implementation as a project.

At the beginning of each year, at the level of the Technical Assistance beneficiaries, the Anual Technical Assistance Action Plan comprising the needs for goods and services following to be acquired for the good implementing of the NRDP measures will be drafted. Actions with multiannual impact such as those of monitoring – evaluation, communication and publicity included in the Anual Technical Assistance Plans are correlated with the Evaluation Plan, and respectively with the Information and publicity strategy drafted for the entire implementing period of the programme. Under Chp. 11.5 specific output indicators for monitoring were inserted. There were not established target values of these indicators for 2023, since they are not related to performance and targets.

Type of support

- preparation of studies, researches, analyses, expertise, etc. of a general or specific nature including for the closure of the 2007-2013 programming period;
- 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, including the development and the update of the NRDP website;
- purchase of computer equipment, educational materials, documentation materials, office supplies, software licenses and specific equipment for carrying-out control activities etc., necessary for the implementation of the NRDP;
- 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;
- activities necessary for the preparation of the future programming period (post 2020);
- implementation of information and promotion strategy of the NRDP

- support for setting-up and functioning of NRDN

Beneficiaries

- MA - NRDP;
- AFRI;
- APIA;
- CA;
- CB;
- NRDN.

In the cases of APIA, CA and CB technical assistance costs will only be eligible where related directly to the management and control of implementation of the NRDP. Aside from salaries and bonuses which are provided given the conditions mentioned in the section "Eligible costs" other costs will be eligible on a pro rata basis linked to their use for NRDP related purposes.

For the institutions that are delegated by MA and AFRI to implement the actions related to verification and control are eligible only the necessary costs for purchasing equipment that are used for this purpose.

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, namely MA-NRDP, AFRI, CA and CB;.
- the payments of the bonuses for the staff responsible for check and control of the payment applications regarding the EAFRD area based measures (APIA)

For AFRI, APIA, CA and CB a procedure will be elaborated, which will define the category of staff (category with over 50% of work responsibilities consisting of management and control tasks for EAFRD). In this respect, a reporting and verification plan will be developed for the staff which is responsible for the implementation and control of EAFRD. The beneficiary entities (AFRI, APIA, CA and CB) will implement an informatics system for the management of the staff performances.

- expenditure for purchasing cars/boat (where appropiate) for MA, AFRI, CO and CA;
- payments for rent, maintenance and operation of the premises of MA and AFRI;
- payment for the maintenance and operation of cars of MA and AFRI, purchased through TA funds;
- expenditure regarding transportation (domestic and international), accommodation and meals, daily allowance (within the limits stipulated by EU institutions) of staff of MA, AFRI 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;
- expenditure on the fees of the staff involved in TA projects;
- expenditure on the procurement of goods and services that do not require implementation of a

project (direct expenditure);

- translation and interpretation expenditure for the activities undertaken under this measure;
- expenditure 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, management, audit, monitoring of NRPD activities etc. for MA, AFRI;
- expenditure for renting suitable premises for the activities financed under TA;
- expenditure for property rental, goods, logistics necessary for carrying-out activities financed under TA;
- expenditures on the financial audit of the operations financed under TA;
- expenditure on information and programme promotion materials;
- expenditures on the setting-up and functioning of the NRDN;

This list is not exhaustive. For other types of expenditure there must be a fundamental justification, to ensure the fulfilment of the objectives of the measure and that the costs are directly linked to NRDP implementation.

Information related to NRDN are inserted under Chapter 17 – NRDN.

Verifications of direct expenditure from TA (administrative and on the spot) will be outsourced towards an entity that is independent from the one authorising the payment.

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 expenditure and that does not require the implementation of a project;
- funding of TA operations shall be realized only with EAFRD 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.

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.

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

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 Consultative Thematic Committee for Rural Development, Agriculture and Fisheries (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 consists of 33 members, representatives of institutions from central public administration, socio-economic organisation, civil society and local organisations and institutions and has 6 working Groups.

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 no. 1 to Chapter 16 NRDP.

The appointment of partners within the consultative technical groups aimed to cover the sectors envisaged by the National Rural Development Programme, so that the document may efficiently approach the challenges that are specific to each rural development segment.

CCT DRAP has a consultative role and was established in line with the horizontal principles regarding equal opportunity, non-discrimination and sustainable development, based on the analyses and strategic orientations formulated within the working groups. The consultation process was carried-out by respecting the principles of the European code of conduct on partnership (Regulation (EU) no. 240/2014).

5 CCT DRAP meetings were organised between August 2012 – June 2014.

16.1.2. Summary of the results

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 were subjects to consultation and validation within CCT DRAP. The topic of debate during the final meeting was the content of the programme after consultations within the 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, considering 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 sufficient number of management plans, based on analyses to be 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.

Regarding 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. Regarding the requests to reduce the allocation for the knowledge transfer 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

6 Working Groups (WG) were set-up for the preparation of the NRDP.

- WG on Agriculture and Food Industry – 10 meetings
- WG on Environment – 7 meetings
- WG on Innovation and Vocational Training – 7 meetings
- WG on Economic Development in the Rural Area – 8 meetings
- WG on LEADER – 8 meetings
- WG on Financial Instruments – 3 meetings

Working Groups have contributed to the elaboration of specific sectorial analyses, national strategies necessary for fundamenting the accession process for European funds, proposed and debated 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.

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 timetable of consultation of Working Groups was:

- SWOT analysis - 43 days (June 28th – August 9th 2013)
- Romanian Strategy for rural development for 2014-2020 - 15 days (November 22nd – December 6th 2013)
- Measure fiches - 8 days (25.02-delivery of materials; 4-7 March – organization of WGs)

We underline that the partners involved in the elaboration of programming documents had the opportunity to make comments and to submit observations throughout the period, namely from the launch of the consultation process and until the completion of measure fiches based on the discussions conducted within the working groups.

On March 21st 2014, the first full version of NRDP 2014-2020 was published on the website of the Ministry of Agriculture and Rural Development under the “Documents under debate” section.

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.

Following the delivery of the Programme, on July 1st 2014 and after receiving the observations from the European Commission services, a new round of meetings was organised to present the manner in which MA has tackled these observations.

16.2.2. Summary of the results

The results of the WG meetings materialised in improved analyses, strategy, measure fiches and horizontal sections of NRDP. The results were disseminated through the minutes of meetings delivered to the Working Group members who had the opportunity to intervene with observations on them. Also, documents on the new programming period were permanently published on the website of MARD - www.madr.ro.

The consultation process was extremely transparent and had a participatory nature, with debates organised not only between the social partners and the MA, but also among different social partners. 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 selection of measures took into account the actual capacity to address these needs.

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”. In summary, the main proposals of a general nature envisaged:

- improving NRDP 2014-2020 by introducing new measures (RO PAC, LAPAR – eg: small farm, advisory services);
- categories of beneficiaries, the categories of eligible projects and the intensity of granted aid. (LAPAR, ROMPAN, members of technical working groups);
- improving the fruit-growing sub-programme (PRODCOM, Romanian Horticultural Society, CERASUS- COTNARI group).
- horizontal proposal – prioritisation of agricultural, non-agricultural, public infrastructure investments, of projects conducted under the local development strategies implemented under LEADER in the ITI Danube Delta territory.
- underlining the importance of the M1 and M2 in the agri-food and forestry fields, so as to

promote good practices in agriculture and forestry (water use and management, awareness raising among land users in regard to the risks of extreme climate phenomena and inadequate soil management practices etc.)

The summary of proposals received from working group members is presented in annex no. 2 to this chapter.

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 was organised. The purpose of these meetings was to obtain as much information as possible from the potential beneficiaries of the new programme, so as the final version of NRDP 2014-2020 would correspond to their expectations. The conferences took place between November 2013 – April 2014 and involved, in total, 4,768 participants.

The central-level conferences targeted the national stakeholders, as well as the public authorities, associations and all organisations operating at national level.

The regional conferences were implemented in Romania's 7 regions. Regional and local stakeholders, as well as potential final beneficiaries were targeted.

16.3.2. Summary of the results

During the conferences implemented at national and regional level, the participants have mainly expressed their opinions on the programme implementation component.

The feedback received from them was analysed and it resulted that the stakeholders involved in the Romanian agriculture (farmers, businessmen, beneficiaries and potential beneficiaries of NRDP etc.) wish for:

- *a programme with simple procedures, where the bureaucracy-related aspects are non-existing. This simplification of procedures implicitly refers also to the improvement of relationships between the authorities involved in the programme and the potential beneficiaries.*
- *support for small family farms, support for the setting-up of young farmers or support for establishment of non-agricultural activities in rural areas. All these proposed issues were considered by MARD in the elaborated measure fiches.*

It is considered that the results obtained following this exercise led to the improvement of the new NRDP 2014-2020, which answers the needs and expectations of stakeholders in this field.

16.4. d. Information and consultation of beneficiaries – Call Center: contacting 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 run by GBI Consulting, the consortium providing technical assistance on preparation of NRDP 2014-2020, with the purpose to strengthen the dialogue with both actual NRDP beneficiaries and with the potential ones. The general objectives were: dissemination of the information regarding the opportunities and new requirements on the new NRDP and receive feedback on the expertise of beneficiaries of the NRDP 2007-2013 and suggestions on the new programme.

This direct communication process covered all Romanian regions and the potential beneficiaries of all 2014-2020 NRDP measures. During period 29.10.2013 - 12.03.2014 information was provided to 35, 137 beneficiaries of the NRDP 2007-13 and potential beneficiaries of the new NRDP.

16.4.2. Summary of the results

Most of participants required the simplification of the procedures, reduction of the number of documents required by the PA and of the time needed by PA to check the application forms and payments claims. For investment projects they signalled the difficulties in the implementation of 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.

The new NRDP 2014-2020 measure take into account the simplification of procedures and of documentation for the future projects conducted through NRDP.

16.5. e. MARD website: http://www.madr.ro/ro/programare-2014-2020-pndr.html

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, was possible on the MADR web-site above containing the section dedicated to rural development for the period 2014-2020; www.pndr2020.ro platform; Email address: viitorulpndr@madr.ro

16.5.2. Summary of the results

Analysis of proposals and integration of those with a positive impact onto rural development.

Between August 2013 to July 2014, approx. 90 petitions have been sent by the potential beneficiaries. A third part of them envisaged proposals on Sub- measures 6.1 and 6.3 regarding eligibility conditions.

16.6. (Optional) explanations or additional information to complement the list of actions

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.

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 elements agreed by the Inter-institutional Committee that prepared the Partnership Agreement ("ICPA") and applicable to other programmes were included into the rural development programming documents.

Regarding the result 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 CCCT DRAP, the composition of the WGs and the tentative schedule of CCT DRAP and WGs activities until January 2013.

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 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 were subjects to consultation and validation within the 5th meeting of CCT DRAP.

The key proposals received from stakeholders during the consultation process as regards NRDP content referred to: improving the NRDP 2014-2020 by introducing new measures – i.e. small farm, advisory; proposals related to categories of beneficiaries, categories of eligible projects and the aid intensity, as well as proposals related to 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 threshold of the small farm size, decrease of the minimum threshold for the setting-up of young farmers.

The proposal for a reduced minimum threshold 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.

Other contributions from partners focused on implementation issues, notably the need to streamline and simplify administrative procedures, and improve access to provide co-financing for investment projects. A set of proposals were taken into account, as follows: reducing the processing of applications; regarding the difficulties in developing business plans required under the project documentation, standard projects will be made available; also, given the difficulties in conducting public procurement procedures, standardized documents and databases of reference prices for machinery and specialized equipment will be used, which will remove the procurement procedures for private beneficiaries and will reduce administrative burden on them. The collaboration with the working groups under CCT DRAP 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.

17. NATIONAL RURAL NETWORK

17.1. The procedure and the timetable for establishing the National Rural Network (hereinafter NRN)

NRDN will be established and start implementing its Action Plan no later than 12 months after the approval of the National Rural Development Programme (NRDP). The key steps and the timetable for establishing the NRDN are described below:

1. Set-up a **Strategic Working Group (SWG)** at the level of MARD which 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. These aspects will contribute to the drafting of an **NRDN Multi-annual Action Plan (MAP),** which shall ensure continuity of activities throughout the whole programme period. **The SWG shall function until the completion of the NRDN MAP.**

Indicative deadline for setting-up SWG: 1st quarter of 2015 (realized)

Indicative deadline for setting-up the NRDN MAP: 2nd quarter of 2015 (being finalized).

2. Setting-up a **permanent National Coordination Committee (NCC)** for consultation and decision-making regarding the strategic planning of the new NRDN. Clear eligibility criteria for NCC membership will be developed in order to ensure representativeness and balanced territorial and social representation.

Indicative deadline: 3rd quarter of 2015

3. Setting-up of a NRDN unit within the MA, which will represent the central component of the **Network Support Unit (NSU)**, composed by a team of experts who will ensure the management of the NRDN. Creation of the regional component of the NSU by involving the existing MA-NRDP staff at regional level (Regional/County Centres for Rural Development – RCRD). All NSU staff will receive additional training in order to ensure a proper administrative capacity.

Indicative deadline: 4th quarter of 2014 (realized)

4. Completion of the **Annual Work Plan (AWP)** for the 1st year of the NSU. The AWP will operationalize the NRDN MAP in terms of short to medium-term activities supported by the NSU. The AWP will comprise clear objectives and indicators and a description of their monitoring and assessment system, to ensure an adequate monitoring of activities.

The AWP, including the NRDN communication plan, will be consulted and agreed with the NCC, and will be correlated with the information/publicity Strategy for NRDP 2014-2020.

Indicative deadline: 3rd quarter of 2015

5. **Launching of NRDN** as high profile component of NRDP 2014-2020.

Indicative deadline: maximum 12 months after the approval of the programme

17.2. 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

The NRDN membership 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 other CLLD groups foreseen in the Partnership Agreement. The members of the network will participate in and benefit from the NRDN activities.

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 may be established within NCC.

Coordination and facilitation actions of the NRDN will be provided by the NSU with two components from within MA: a **central component** and a **regional component.** Some functions of the NSU could be outsourced or delegated, if the case, in compliance with the legal provisions related to public procurement.

Networking Processes

The core function of the NRDN will be to facilitate the exchange 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, as 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 mainly facilitated:

1. Facilitating access as NRDN member, especially by using new media means.
2. Effective stakeholder engagement;

3. Building a common understanding and permanent information regarding rural development;
4. Collection, analysis and dissemination of good practices;
5. Exchange of experience and know-how amongst local stakeholders;
6. Activities for developing cooperation and innovation capacities;
7. Cooperation and joint actions.

The process of activating and animating the new NRDN will begin with the active collaboration between NSU and relevant stakeholders. This collaboration will use a common approach, in parallel with specific activities targeting harder-to-reach groups, such as minorities (including Roma), or those with specific needs.

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, and of wider rural development policy. 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 new media means, publications, seminars, website, etc.

The NSU will bring together different relevant stakeholders for participation in professional trainings, as well as for exchanges of know-how and experience. A key target group for training will be the Local Action Groups (LAGs), but the training needs of other specific target groups will also be identified.

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.

The networking actions are necessary to develop and implement joint projects. This cooperation might be 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 to facilitate networking processes within the NRDN may be:

- **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, audio-visual (radio, television, video etc), information and publicity materials (publications, press communication, informative fiches and other reports, etc), databases, discussion forums, training courses, use of information multiplications,

webpage, helpdesk etc. Also, specific information will be sent by e-mailing, phone, or text message campaigns.

- **Exchange and cooperation tools** such 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 relevant and accessible activities/tools for the "off-line" community who have no possibility of access to the internet.

17.3. 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) of Regulation (EU) no. 1305/2013:

a. Increase the involvement of relevant stakeholders in the implementation of rural development;
b. Improve the quality of rural development programmes' implementation;
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.

Fostering innovation in the rural areas shall be performed by:

- Provision of training and networking designed for LAGs
- Technical support for inter-territorial and transnational cooperation
- Facilitating networking with consultants, experts and other specialized entities interested in innovation activities
- Training of advisers / consultants on innovation.

An Innovation Support Activity will be set-up within NSU in order to facilitate networking/interconnection between farmers, producers' groups, research-development-innovation entities, consultants in particular to assist with the identification of potential co-operation projects to be further developed under measure 16 etc.

Decisions will be taken, during the establishment of the NRDN, regarding the strategic approach to developing the intervention logic, setting of objectives, and prioritisation of actions and allocation of financial/human resources.

The NRDN Multi-annual Action Plan will cover entirely the obligations foreseen in Article 54(3) of Regulation (EU) no.1305/2013 and will include a description on how the relevant stakeholders will be identified and involved, and will also respect the common CMEF indicators and will define its own specific indicators to monitor the network performance.

Depending on the complexity of specific activities related to innovation, MA will decide on the opportunity to outsource partially or totally these activities, including training of consultants for business innovation.

For Year 1 of activity the following priorities will aim, among others:

A. Publicity and information concerning the NRDP 2014-2020 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 target stakeholder groups in the rural area;

C. Provision of networking for advisors and innovation support services, plus the facilitation of identifying partners for the Cooperation measure (Article 35); these activities being essential for fostering a “culture of innovation” amongst farmers and other stakeholders involved in rural development;

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. Initate the activity of collecting 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 European Network EIP.

Additional priorities for subsequent years will aim among others:

G. Facilitating thematic and analytical exchanges between relevant rural stakeholders, and the dissemination of findings;

H. Facilitating cooperation among LAGs, in particular by providing advisory services for inter-territorial and transnational cooperation projects;

I. Disseminating monitoring and evaluation findings;

17.4. Resources available for establishing and operating the NRN

In accordance with Article 51(2) of Regulation (EU) 1305/2013, an amount will be reserved in the Technical Assistance measure of the NRDP for establishing and operating the NRDN.

EAFRD support shall be used for the structures needed to run the NRDN and for the implementation of the NRDN Action Plan.

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 Euro. The NRDN budget will be exclusively used for the NRDN activities. By outsourcing some of the services, the MA will make sure that the contracting entities dispose sufficient and suitably qualified staff to efficiently perform the NRDN activities. NSU staff will have to have relevant skills/qualifications to facilitate networking activities.

In order to ensure the efficient and effective functioning of the NRDN, the NSU team will ensure the management of the NRDN activities regarding the implementation of the Action Plan and will be composed of at least 24 people within the MA, of which minimum 8 people at MA central level, and minimum 16 people at regional team of.

In exceptional cases, to be defined within the National Implementing Framework, certain activities might be delegated towards entities relevant for NSU activities.

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 RDP

Legal Basis

R (EU) No. 1305/2013, R (EU) No. 1303/2013, R (EU) No. 1306/2013

According to Article 62 of Regulation (EU) no. 1305/2013, **the Managing Authority (MA) and the Agency for Financing Rural Investments (AFRI), 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, MA **and AFRI have ensured the verifiability of actions that may be financed, based on the eligibility and selection conditions introduced in the Programme, and, where potential implementation risks were identified, jointly, mitigating actions have been adopted.** For this action, the two entities have used their prior experience, namely the Action Plan established for the NRDP 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.

MA and AFRI 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 AFRI 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 subsequent payment request(s).

For this purpose, it was agreed that a reference price database be used to ensure the reasonableness of costs in case of **private investments** under NRDP 2014 – 2020, which will cover certain most common categories of private investments. The price data base is operational since October 2014 and was approved through the Order of the Minister of Agriculture and Rural Development no 1571/15.10.2014. A new public portal will also be set up on AFRI website where all private procurements will be published. This portal will be operational after the approval of the implementing procedures. 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 AFRI, will ensure the enforcement of the economy, efficiency, effectiveness, and transparency principles. Standard templates will be provided by AFRI to assist beneficiaries in correctly undertaking procurement procedures. The selection of bodies providing training (in certain cases) and advisory services to the final beneficiaries and the implementation, where relevant, of technical assistance are 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 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 within AFRI.

The informatics system used for the implementation of the NRDP 2007 – 2013 is modular, projected to allow further extension and integration with other informatics systems. For this purpose following the approval of guides and procedures related to new measures the IT system will be updated in order to became operational in due time, especially considering the necessity of using it in the process of payment.

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, through the annual promotion of comprehensive information campaigns for the dissemination of information as well as training/advisory services related to the correct implementation of commitments for the beneficiaries.

The control system set-up for the verification of these measures implies both administrative controls carried-out for all new and ongoing commitments as well as on-spot controls carried-out by sampling, for beneficiaries and commitments presenting an increased risk.

Following the joint assessment carried-out by the MA and the Paying Agency, based on the 2007-2013 experience, the two entities have ensured the verifiability and controllability of measures included in the Programme.

18.2. Statement by the functionally independent body from the authorities responsible for the programme implementation 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, where aid is granted on the basis of standard cost or additional cost and income foregone, a functionally independent body should perform the calculation or confirm its accuracy. The following organisations undertook this function:

- M8 – Forest Research and Management Planning National Institute; National Institute of Research and Development Pedology, Agrochemistry and Environment Protection (ICPA),
- M10 – Agricultural Economics and Rural Development Research Institute; National Institute of Research and Development Pedology, Agrochemistry and Environment Protection (ICPA),
- M11 – National Institute of Research and Development Pedology, Agrochemistry and Environment Protection (ICPA),
- M13 – National Institute of Research and Development Pedology, Agrochemistry and Environment Protection (ICPA),
- M15 – Forest Research and Management Planning National Institute,
- sM4.1a – National Society of Romanian Fruit Growers and Research-Development Institute for Pomiculture, Pitesti, Arges,
- sM 4.1 – Research and Development Institute for Viticulture and Winemaking Valea Călugărească.

These bodies are functionally independent from the NRDP 2014-2020 Managing Authority and possesses the appropriate expertise to perform the standard costs calculations.

The technical fiches for the measures concerned include the methodology for calculation of the amount or support rate, *certified by* the above functionally independent bodies.

The adequate character of the methodology and the accuracy of calculations done, as well as the reasonability of assumptions, of the values as well as of the indicators used within the methodologies that apply for the calculation of compensatory payments/standard costs to be provided.

REGIA NAŢIONALĂ A PĂDURILOR – ROMSILVA

INSTITUTUL DE CERCETĂRI ŞI AMENAJĂRI SILVICE
Registrul comerţului J 40/450/1991 - Cod de înregistrare fiscală RO 2607964/1992
Oraş Voluntari, Bulevardul Eroilor nr. 128, cod 077190, judeţul ILFOv
Telefon: 3503238; 3503239; 3503240; 3503241; 3503242; 3503243; 3503244; Fax:3503245
email: icas@icas.ro http://www.icas.ro

ICAS

ALLCERT
Nr. Certificat: 01688
ISO 14001: 2004

București, 25.06.2014

Nr. înregistrare 2146

DECLARAŢIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) ŞI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În conformitate Art. 62 Posibilitatea de a verifica si de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: *" ...În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor",*

noi,

INSTITUTUL DE CERCETĂRI ŞI AMENAJĂRI SILVICE (ICAS),

în calitate de autor al **componentei**

"DEVIZE ESTIMATIVE PRIVIND COSTURILE MEDII ALE LUCRĂRILOR DE ÎMPĂDURIRE PENTRU TERENURILE AGRICOLE ŞI NEAGRICOLE, CARE FAC OBIECTUL MĂSURII 8.1. DIN PNDR 2014-2020",

din cadrul studiului

„Studiu privind costurile medii ale lucrărilor de împădurire pentru terenurile agricole și neagricole și pierderile de venit pentru terenurile agricole care urmează a fi împădurite (elemente aferente Măsurii 8.1 din PNDR 2014-2020"

(realizat în cadrul procesului de programare pentru PNDR 2014-2020)

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei (studiului) și precizia calculelor realizate în cadrul componentei menționate mai sus, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei.***

Director,

dr.ing. **Romică TOMESCU**

Institutul de Cercetări și Amenajări Silvice (ICAS)

REGIA NAŢIONALĂ A PĂDURILOR
INSTITUTUL DE CERCETĂRI ŞI AMENAJĂRI SILVICE

Figure 18.2.M08.1-1 – ICAS letter validating payments calculation methodology (setting-up and maintenance)

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 – ATCP 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

SR AC ISO 9001 IQNet SR AC ISO 14001 SR AC OHSAS 18001

București, 25.06.2014
Nr. înregistrare
1480/25.06.2014

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În cónformitate Art. 62 Posibilitatea de a verifica si de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: *"...În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor"*,

noi,

INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE ȘI PROTECȚIA MEDIULUI – ICPA București,

în calitate de autor al **componentei**

"PIERDERILE DE VENIT PENTRU TERENURILE AGRICOLE CARE URMEAZĂ A FI ÎMPĂDURITE",

din cadrul studiului

„Studiu privind costurile medii ale lucrărilor de împădurire pentru terenurile agricole și neagricole și pierderile de venit pentru terenurile agricole care urmează a fi împădurite (elemente aferente Măsurii 8.1 din PNDR 2014-2020"
(realizat în cadrul procesului de programare pentru PNDR 2014-2020)

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei (studiului) și precizia calculelor realizate în cadrul componentei menționate mai sus, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei.***

Director General,

ICPA București România

Cătălin SIMOTA
Institutul Național de Cercetare-Dezvoltare pentru Pedologie, Agrochimie și Protecția Mediului

Figure 18.2.M08.1-2 – ICPA letter validating payments calculation methodology (income foregone)

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 – ATCP 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

ISO 9001 ISO 14001 OHSAS 18001

INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE ȘI PROTECTIA MEDIULUI
ICPA BUCURESTI
INTRARE / IESIRE NR. 434
20 15 LUNA 02 ZIUA 27

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În conformitate Art. 62 Posibilitatea de a verifica si de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: *"...În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor"*,

noi,

***INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE ȘI PROTECȚIA MEDIULUI – ICPA București*,**

în calitate de organism independent in temeiul Art. 62 din Regulamentul (UE) nr. 1305/2013

***"STUDIU PRIVIND CALCULUL COMPENSATIILOR PENTRU MĂSURILE DE AGROMEDIU-CLIMĂ"*,**

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei (studiului) și precizia calculelor realizate în cadrul acestuia, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei privind calcularea nivelului platilor compensatorii pentru Masura 10- Agromediu si clima care urmeaza a se acorda in Romania in perioada 2014-2020 conform art. 28 din Regulamentul (UE) nr. 1305/2003.Certificăm de asemenea că plățile compensatorii propuse asigură evitarea dublei finanțări.***

Director General,

Cătălin SIMOTA

Institutul Național de Cercetare-Dezvoltare pentru Pedologie, Agrochimie și Protecția Mediului

Figure 18.2.M10.1-1 – ICPA letter validating payments calculation methodology M.10.1 P1-P7

ICEADR

Institutul de Cercetare pentru Economia Agriculturii și Dezvoltare Rurală

Bulevardul Mărăști Nr. 61, sector 1, București, cod 011464, CIF 14777032
Tel: + 4021.313.60.87, Tel/Fax: + 4021.313.60.96 E-mail: office@iceadr.ro, www.iceadr.ro

A.Ș.A.S.
INSTITUTUL DE CERCETARE PENTRU ECONOMIA AGRICULTURII ȘI DEZVOLTARE RURALĂ
INTRARE NR. ... IEȘIRE NR. 364
Ziua 12 luna 02 an 2015

Către,

MINISTERUL AGRICULTURII ȘI DEZVOLTĂRII RURALE
În atenția Doamnei Secretar General Adjunct Mihaela CIUCIUREANU,

Analizând datele atașate scrisorii nr. 185159/12.02.2015, vă transmitem următoarea:

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul European Agricol pentru Dezvoltare Rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului, În conformitate cu art. 62 posibilitatea de a verifica și de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: "*...În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor*",

noi,

Institutul de Cercetare pentru Economia Agriculturii și Dezvoltare Rurală
din cadrul Academiei de Științe Agricole și Silvice „Gheorghe Ionescu Șișești",
în calitate de organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea PNDR,

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei și precizia calculelor realizate, precum și rezonabilitatea ipotezelor, a valorilor veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei pentru calculul plăților compensatorii pentru asumarea angajamentelor specifice Pachetului 8 - Creșterea animalelor de fermă din rase locale în pericol de abandon din Măsura 10.1 – Agromediu și climă a PNDR 2014-2020.***

De asemenea, confirmăm că ***este exclusă dubla finanțare a practicilor benefice pentru climă și mediu***,în conformitate cu art. 9 alin. (1) din *Regulamentul delegat (UE) al Comisiei nr. 807/2014de completare a Regulamentului (UE) nr. 1305/2013 al Parlamentului European și al Consiliului privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de introducere a unor dispoziții tranzitorii*, ***calculul plăților compensatorii ținând cont doar de pierderile de venit legate de angajamentele care depășesc practicile obligatorii relevante prevăzute la art. 43 din*** *Regulamentul (UE) nr. 1307/2013 al Parlamentului European și al Consiliului de stabilire a unor norme privind plățile directe acordate fermierilor prin scheme de sprijin în cadrul politicii agricole comune și de abrogare a Regulamentului (CE) nr. 637/2008 al Consiliului și a Regulamentului (CE) nr. 73/2009 al Consiliului.*

Director

Dr. Ing. Alexandru LĂPUȘAN

A.Ș.A.S. INSTITUTUL DE CERCETARE PENTRU ECONOMIA AGRICULTURII ȘI DEZVOLTARE RURALĂ BUCUREȘTI

Figure 18.2.M10.1-2 – ICEADR letter validating payments calculation methodology M.10.1 P8

INSTITUTUL NAŢIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE AGROCHIMIE ŞI PROTECŢIA MEDIULUI – ICPA Bucureşti
Bd. Mărăşti nr. 61, 011464 sect. 1 Bucureşti, ROMÂNIA
Cont: RO72RZBR0000060000671307 – Raiffeisen BANK Agenţia Dorobanţi,
Cont: RO30TREZ7015069xxx006353 – ATCP Bucureşti
Cod fiscal nr.: RO 18107639 Reg. Comerţului: J40/18719/2005
Tel.: +40-0213184458, 0213184349; Fax: +40-0213184348
Web:http://www.icpa.ro E-mail: office@icpa.ro
CP nr. 71 OFICIUL POŞTAL 32

INSTITUTUL NATIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE SI PROTECTIA MEDIULUI
ICPA BUCURESTI
INTRARE / IESIRE NR. 1519
20 14 LUNA 07 ZIUA 01

București, 01.07.2014

DECLARAŢIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI ŞI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul European Agricol pentru Dezvoltare Rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În conformitate cu art. 62 posibilitatea de a verifica şi de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: "... *În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor*",

noi,

Institutul Naţional de Cercetare-Dezvoltare pentru Pedologie, Agrochimie şi Protecţia Mediului – ICPA Bucureşti

în calitate de organism independent în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013

confirmăm prin prezenta declaraţie ***caracterul adecvat al metodologiei şi precizia calculelor realizate, precum şi rezonabilitatea ipotezelor, a valorilor veniturilor utilizate, precum şi a indicatorilor folosiţi în cadrul metodologiei (studiului) privind calcularea nivelului plăţilor compensatorii care urmează a se acorda în România în perioada 2014 – 2020, conform art.29 din Regulamentul (UE) nr.1305/2013. Certificăm de asemenea că plăţile compensatorii propuse asigură evitarea dublei finanţări.***

Director General

Cătălin SIMOTA

Institutul Naţional de Cercetare-Dezvoltare pentru Pedologie, Agrochimie şi Protecţia Mediului

INSTITUTUL NATIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE ŞI PROTECTIA MEDIULUI
ICPA
București
România

Figure 18.2.M11-1 – ICPA letter validating payments calculation methodology M.11 P1-5

ICPA

INSTITUTUL NAŢIONAL DE CERCETARE-DEZVOLTARE PENTRU
PEDOLOGIE AGROCHIMIE ŞI PROTECŢIA MEDIULUI – ICPA Bucureşti
Bd. Mărăşti nr. 61, 011464 sect. 1 Bucureşti, ROMÂNIA
Cont: RO72RZBR0000060000671307 – Raiffeisen BANK Agenţia Dorobanţi,
Cont: RO30TREZ7015069xxx006353 – ATCP Bucureşti
Cod fiscal nr.: RO 18107639 Reg. Comerţului: J40/18719/2005
Tel.: +40-0213184458, 0213184349; Fax: +40-0213184348
Web:http://www.icpa.ro E-mail: office@icpa.ro
CP nr. 71 OFICIUL POŞTAL 32

SRAC ISO 9001 · IQNet · SRAC ISO 14001 · SRAC OHSAS 18001

București, 23.02.2015

Nr. Inregistrare 391

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul European Agricol pentru Dezvoltare Rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În conformitate cu art. 62 posibilitatea de a verifica și de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: "... *În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor*",

noi,

Institutul Național de Cercetare-Dezvoltare pentru Pedologie, Agrochimie și

Protecția Mediului – ICPA București

în calitate de organism independent în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei și precizia calculelor realizate, precum și rezonabilitatea ipotezelor, a valorilor veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei (studiului) privind calcularea nivelului plăților compensatorii pentru pajisti permanente care urmează a se acorda în România în perioada 2014 – 2020, conform art.29 din Regulamentul (UE) nr.1305/2013. Certificăm de asemenea că plățile compensatorii propuse asigură evitarea dublei finanțări.***

Director General

Cătălin SIMOTA

Institutul Național de Cercetare-Dezvoltare pentru Pedologie, Agrochimie și Protecția Mediului

INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE ȘI PROTECȚIA MEDIULUI
ICPA București Romania

Figure 18.2.M11-2 – ICPA letter validating payments calculation methodology M.11 P6

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 – ATCP 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

București, 25.06.2014

Nr. înregistrare
1482/25.06.2014

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În conformitate Art. 62 Posibilitatea de a verifica si de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează: *"...În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor"*,

noi,

INSTITUTUL NAȚIONAL DE CERCETARE-DEZVOLTARE PENTRU PEDOLOGIE, AGROCHIMIE ȘI PROTECȚIA MEDIULUI – ICPA București,

în calitate de autor al studiului

"STUDIU CU PRIVIRE LA DELIMITAREA ZONELOR CARE SE CONFRUNTĂ CU CONSTRÂNGERI NATURALE SAU CU ALTE CONSTRÂNGERI SPECIFICE ȘI AJUSTAREA (FINE TUNING) ZONELOR, ALTELE DECÂT ZONELE MONTANE CARE SE CONFRUNTĂ CU CONSTRÂNGERI NATURALE SPECIFICE",

realizat în cadrul procesului de programare pentru PNDR 2014-2020,

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei (studiului) și precizia calculelor realizate în cadrul acestuia, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei.***

Director General,
Cătălin SIMOTA
Institutul Național de Cercetare-Dezvoltare pentru Pedologie, Agrochimie și Protecția Mediului

ICPA
București
România

Figure 18.2.M13 – ICPA letter validating payments calculation methodology M.13

REGIA NAŢIONALĂ A PĂDURILOR – ROMSILVA

INSTITUTUL DE CERCETĂRI ŞI AMENAJĂRI SILVICE
Registrul comerţului J 40/450/1991 - Cod de înregistrare fiscală RO 2607964/1992
Oraş Voluntari, Bulevardul Eroilor nr. 128, cod 077190, judeţul ILFOv
Telefon: 3503238; 3503239; 3503240; 3503241; 3503242; 3503243; 3503244; Fax:3503245
email: icas@icas.ro http://www.icas.ro

ICAS

ALLCERT
Nr. Certificat: 01688
ISO 14001: 2004

București, 25.06.2014

Nr. înregistrare 2144

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

În conformitate Art. 62 Posibilitatea de a verifica si de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013, care stipulează*: " ...În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor"*,

noi,

INSTITUTUL DE CERCETĂRI ȘI AMENAJĂRI SILVICE (ICAS),

în calitate de autor al studiului privind

"CALCULUL PIERDERILOR DE VENIT ȘI A COSTURILOR SUPLIMENTARE ÎNREGISTRATE DE DEȚINĂTORII DE PĂDURI CA URMARE A APLICĂRII VOLUNTARE DE MĂSURI DE SILVOMEDIU",

realizat în cadrul procesului de programare pentru PNDR 2014-2020,

confirmăm prin prezenta declarație ***caracterul adecvat al metodologiei (studiului) și precizia calculelor realizate în cadrul acestuia, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei.***

Director,

dr.ing. **Romică TOMESCU**

Institutul de Cercetări și Amenajări Silvice (ICAS)

REGIA NAȚIONALĂ A PĂDURILOR ROMSILVA INSTITUTUL DE CERCETĂRI ȘI AMENAJĂRI SILVICE 1

Figure 18.2.M15.1 – ICAS letter validating payments calculation methodology M.15

ACADEMIA DE STIINTE AGRICOLE SI SILVICE
GHEORGHE IONESCU SISESTI

INSTITUTUL DE CERCETARE-DEZVOLTARE
PENTRU VITICULTURA SI VINIFICATIE
VALEA CALUGAREASCA

Str. Valea Mantei, nr. 2, Valea Calugareasca/ Prahova/ Romania
telefon: 0244 401901, fax 0244 401902
mail: icdvv@yahoo.com/ web: www.icdvv.ro

IEŞIRE Nr. 3988
Data 24.11.2014

DECLARATIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) SI PRECIZIA CALCULELOR

în temeiul art. 62 din Regulamentul (UE) nr. 1305/2013 al Parlamentului European şi al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurala acordat prin Fondul European agricol pentru dezvoltare rurală (FEADR) şi de abrogare a Regulamentului (CE) nr. 1698/2005 al Consiliului

In conformitate art. 62 Posibilitatea de a verifica şi de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/2013 care stipulează: "*…In acest scop, un organism independent din punct de vedere funcțional de autoritatile responsabile pentru implementarea programului si care dispune de expertiza corespunzătoare efectuează calculele si confirmă caracterul adecvat şi precizia calculelor. In programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat si precizia calculelor*",

noi

INSTITUTUL DE CERCETARE – DEZVOLTARE PENTRU VITICULTURA SI VINIFICATIE VALEA CALUGAREASCA

în calitate de autor al componentei „Devize estimative privind costurile medii ale lucrărilor de înfiintarea plantațiilor pentru struguri de masă", care fac obiectul măsurii 4 „Investiții în active fizice", submasura 4.1. „Investiții în exploatații agricole" din cadrul Programului Național de Dezvoltare Rurală (PNDR) 2014 – 2020,

confirmăm prin prezenta declarație *caracterul adecvat al metodologiei (studiului) şi precizia calculelor realizate în cadrul componentei menționate mai sus, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei.*

DIRECTOR GENERAL,
Dr.ing Marian *ION*

Valea Călugărească Prahova SECRETARIAT

Figure 18.2.sM4.1 – ICDVV letter validating payments calculation methodology for table grapes

SOCIETATEA NAȚIONALĂ A POMICULTORILOR DIN ROMÂNIA

Nr.55./20.02.2015

DECLARAȚIE PRIVIND CARACTERUL ADECVAT AL METODOLOGIEI (STUDIULUI) ȘI PRECIZIA CALCULELOR,

în temeiul art. 62 din Regulamentul (UE) nr. 1305/ 2013 al Parlamentului European și al Consiliului din 17 decembrie 2013 privind sprijinul pentru dezvoltare rurală acordat din Fondul european agricol pentru dezvoltare rurală (FEADR) și de abrogare a Regulamentului (CE) nr. 1698/ 2005 al Consiliului

În conformitate Art. 62 Posibilitatea de a verifica și de a controla măsurile din cadrul Regulamentului (UE) nr. 1305/ 2013 care stipulează: " *.....În acest scop, un organism independent din punct de vedere funcțional de autoritățile responsabile pentru implementarea programului și care dispune de expertiza corespunzătoare efectuează calculele sau confirmă caracterul adecvat și precizia calculelor. În programul de dezvoltare rurală se include o declarație care confirmă caracterul adecvat și precizia calculelor*",

noi

SOCIETATEA NAȚIONALĂ A POMICULTORILOR DIN ROMÂNIA – SNPR

în calitate de autor al costurilor standard pentru infiintarea plantațiilor și pepinierelor pomicole și al valorilor contribuției în natură (lucrări efectuate în regie proprie), care fac obiectul Suprogramului Tematic Pomicol din cadrul PNDR 2014-2020, elaborate în cadrul studiului ***„Studiu privitor la pretabilitatea tehnico-economică a speciilor de pomi fructiferi în România"*** (realizat în cadrul proiectului finațat de Banca Mondială în cadrul Programului CEZAR - contract 356/03.03.2014), precum și în afara acestuia,

confirmăm prin prezenta declarație caracterul adecvat al metodologiei (studiului) și precizia calculelor realizate în cadrul componentei menționate mai sus, precum și rezonabilitatea ipotezelor, a valorilor costurilor și veniturilor utilizate, precum și a indicatorilor folosiți în cadrul metodologiei.

SOCIETATEA NAȚIONALĂ A POMICULTORILOR SNPR ROMANIA PITEȘTI

Președinte,

Dr. ing. Ilarie ISAC

Societatea Națională a Pomicultorilor din România – SNPR

Figure 18.2.sM4.1a - SNPR letter validating fruit-growing methodology

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 are 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 may be made if the 2007-2013 NRDP budget is spent or after 31 December 2015, whichever comes first.

For any carryover payments i.e. non-finalised commitments from the 2007-13 period being paid from 2014-2020 funds, Romania shall ensure the provisions under Article 3 (2) (c) of Regulation No. 1310/2013, according to which these transitional operations are clearly identified in the management and control system, are met.

The co-financing rate applicable under the corresponding measure of the 2014-2020 NRDP shall be applied to these payments.

1. **M04 – correlated with the following measures from NRDP 2007-2013:**

- M121 – 69,699,352 € EAFRD
- M123 – 21,675,000 € EAFRD
- M125 – 75,157,000 € EAFRD

From the allocation of NRDP 2014 – 2020 will be paid the remaining amounts to be paid for contracted projects under M121, 123, 125 for which the implementation and payment will not be finalized by 31.12.2015. The last payment year is 2017.

2. M06 – correlated with the following measure from NRDP 2007-2013:

- **M112**

Payments will target the second support tranche of commitments signed under M112 after September 2012. It is estimated that approx. 17% of beneficiaries will not request their 2nd tranche before end of 2015, and so approx. 7,481,005 € EAFRD will be paid from the 2014 – 2020 period. The final payments will be made in 2016.

- **M. 41 (LEADER) component 411**

There were considered the signed commitments for young farmers starting with May 2014, which since the contract signing have less than 19 months for implementing their business plan and the receipt of the second tranche. The amount to be paid from the 2014 – 2020 EAFRD allocation is approx. 12,423,600 €. The final payments will be made in 2018.

- **M141**

Under M 141 a number of 27,803 beneficiaries signed financing decisions in 2012 (one tranche shall be paid from NRDP 2014) and 2013 (two tranches shall be paid from NRDP 2014) with a value of 53,866,200 € from EAFRD.

Considering the experience, the cancellation rate of projects which have completed all the 5 years of implementation is 40%. We estimate that 16,882 beneficiaries will be paid from the new NRDP, approx. 32,319,720 € EAFRD contribution. The final payments will be made in 2017.

M. 41 (LEADER) – M 411

On 12.02.2014, under LEADER M141, 809 financing decision were signed in 2012 (one tranche shall be paid from NRDP 2014) and 2013 (two tranches shall be paid from NRDP 2014), with a value of 2,023,425 € EAFRD 2014 – 2020 contribution. The final year for the last payments will be 2017.

- **M313**

The amounts related to the transfer to NRDP 2014 – 2020 are those to be paid for contracted period that will not finalize by 31.12.2015. The estimated value is of 19,500,000 € EAFRD 2014 – 2020. The last payment year will be 2017.

3. **M 07 correlated with measure M322 from NRDP 2007-2013:**

The remaining amounts to be paid for contracted projects based on R 1698/2005 for which the implementation and payment will not be finalized by 31.12.2015, will be transferred to NRDP 2014 – 2020. The estimated value to be paid from EAFRD 2014 – 2020 is 150,250,000 €. The last payment year will be 2017.

4. M 08 correlated with M 221 fromNRDP 2007-2013:

Starting with 2016, payments will be made from the M08 budget for commitments signed under M221. The estimated budget for paying commitments that go beyond the 2007-2013 period is 909,574 € EAFRD. From the NRDP 2014 – 2020 budget, payments related to these commitments will be made during the entire implementation period of the programme (including 2023).

5. M 09 correlated with the following measures from NRDP 2007-2013:

- **M142**

For approximately 30 producer groups under NRDP 2007 – 2013 with contracts signed for 5 years annual payments, which currently have less than 3 payment tranches paid, payments from EAFRD 2014 – 2020 will be made until the end of 2018, with a value of 3,264,192 €.

- **M. 41 (LEADER) component 411**

The remaining amounts to be paid related to a contract signed with a producer group in 2014 under a LAG, a contract that implies annual payments for 5 years, will be transferred to NRDP 2014 – 2020.

6. M10/11 correlated with M 214 NRDP 2007-2013

NRDP 2013 provides that agri-environmental commitments are signed by beneficiaries for a period of 5 years.

For payments made for payment requests submitted prior to 2015, for which the checks provided for in Chapter II, Section I of Regulation (EC) No. 65/2009 are completed by the end of 2015, the budget required for making the payments will be provided from the NRDP 2007-2013 allocation. The budget required for payments after 31.12.2015 will be provided from the allocation of M10 of the NRDP 2014-2020 (for P 1-4, 6 and 7) and the allocation of M11 (P 5). These payments will target single area payment applications submitted in 2015 for which the checks provided for in Chapter II, Section I of Regulation (EC) No. 65/2009 were not completed by 31.12.2015 (e.g. P 4 of M214), as well as the applications submitted starting with 2016 within the commitments signed under the NRDP 2007-2013. The payments for this campaign will consist of commitments signed in 2011 and in the years 2016 and 2017 the financial sources necessary for making the payments related to commitments signed in 2012, respectively 2013, will be ensured. In 2014, by applying the provisions of Art. 41b of Regulation (EC) no. 1974/2006, there were no new agri-environment commitments signed under M214, the reason why after 2017 there will be no ongoing commitments signed during the 2007-2013 period.

Starting with the application moment of M10 and 11 from NRDP 2014-2020, beneficiaries of M214 with ongoing commitments may access the review clause foreseen in the measure fiche of the NRDP 2007-2013, based on provisions of Art. 46 of Regulation (EC) no. 1974/2006.

Data provided by IACS indicate:

- the amount of 257,996,335 **€** (EAFRD) necessary for making payments for old commitments signed in the old legal framework, which will be provided from the allocation of M10 of the NRDP 2014-2020 and
- the amount of 7,428,836 € EAFRD necessary for making payments for old commitments signed in the old legal framework, which will be provided from the allocation of M11 of NRDP 2014-2020.

The estimated deadline for the last payments is late 2017.

7. M 14 – correlated with M 215 NRDP 2007 – 2013

NRDP 2013 provides that the commitments on animal welfare are signed by beneficiaries for a period of 5 years.

The payments for payment applications submitted by 2014 (included), except for those submitted for year 3 of the first session addressing poultry welfare (sessions I, II and III for swine and session II for poultry) will be made in 2015, being covered from the allocation of the NRDP 2007-2013. Starting with the application payments submitted IN 2014 for the first session addressing poultry welfare (year 3) and with the application payments submitted in 2015 for the other sessions (session I, II and III for swine and session II for poultry), the payments related to commitments signed based on NRDP 2007 – 2013 will be provided from the allocation of M14 of the NRDP 2014 – 2020. No new commitments will be signed, the allocation of M14 being exclusively addressed to transitional expenditure.

Starting with 2015 the beneficiaries of M215 with ongoing commitments may access the review clause foreseen in the measure fiche of the NRDP 2007-2013, based on provisions of Art. 46 of Regulation (EC) no. 1974/2006, for adjusting the commitments to the new legal framework.

Data provided by IACS show that the amount of 437,013,968 **€** EAFRD is necessary for making the payments for old commitments signed under NRDP 2007-2013, which will be provided from the allocation of M14 of NRDP 2014-2020.

The estimated deadline for the last payments is late 2019.

Technical assistance

According to R1698/2005, new commitments for technical assistance actions under the 2007-13 NRDP may be signed 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 may be carried-out in parallel.

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)	166,531,352.00
M06 - Farm and business development (art 19)	73,747,750.00
M07 - Basic services and village renewal in rural areas (art 20)	150,250,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	909,574.00
M09 - Setting-up of producer groups and organisations (art 27)	3,281,192.00
M10 - Agri-environment-climate (art 28)	257,996,335.00
M11 - Organic farming (art 29)	7,428,836.00
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)	0.00
M20 - Technical assistance Member States (art 51-54)	0.00
Total	1,097,159,007.00

20. THEMATIC SUB-PROGRAMMES

Thematic sub-programme name
THEMATIC SUB-PROGRAMME FOR THE FRUIT-GROWING SECTOR

21. DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Checksum	Files	Sent date	Sent By
Annex Chp. 4 - References	4 SWOT and identification of needs - annex	29-04-2015		Ares(2015)1821441	1502724142	References	29-04-2015	nelenreb
Annex Chp. 8.1 - The verification procedure for fulfilment of environmental conditions by beneficiaries of investments measures from NRDP 2014 – 2020	8.1 Description of measure - general conditions - annex	29-04-2015		Ares(2015)1821441	58102376	The verification procedure for fulfilment of environmental conditions by beneficiaries of investments measures from NRDP 2014 – 2020	29-04-2015	nelenreb
Annex Chp. 11 – Explanatory document IP	11 Indicator Plan - annex	29-04-2015		Ares(2015)1821441	1495743716	Explanatory document IP	29-04-2015	nelenreb
Annex Chp. 3 – SEA final report	3 Ex-ante evaluation report - annex	29-04-2015		Ares(2015)1821441	478938100	SEA final report	29-04-2015	nelenreb
Annex Chp. 3 - Declaration MA SEA procedure	3 Ex-ante evaluation report - annex	29-04-2015		Ares(2015)1821441	2406892256	Declaration MA SEA procedure	29-04-2015	nelenreb
Annex Chp. 13 – Declaration on State-Aid	13 Elements needed for state aid assessment - annex	29-04-2015		Ares(2015)1821441	1497181175	Declaration on State-Aid	29-04-2015	nelenreb
Annex Chp. 16 - CCT DRAP composition + Synthesis of proposals received from partners	16 Actions taken to involve partners - annex	29-04-2015		Ares(2015)1821441	646440657	CCT DRAP composition Synthesis of proposals received from partners	29-04-2015	nelenreb

Annex Chp. 3 – Final ex-ante evaluation report	3 Ex-ante evaluation report - annex	29-04-2015		Ares(2015)1821441	3278008230	Final ex-ante evaluation report	29-04-2015	nelenreb
Annex Chp. 20 – Fruit-growing thematic sub-programme	20 Thematic sub-programmes - annex	29-04-2015		Ares(2015)1821441	2600904345	Fruit-growing thematic sub-programme	29-04-2015	nelenreb
Annex Chp. 8.1 – list of GAEC and SMR	8.1 Description of measure - general conditions - annex	29-04-2015		Ares(2015)1821441	1689118909	Annex Chp. 8.1 – list of GAEC and SMR	29-04-2015	nelenreb
Annex Chp. 8.1 – combination of commitments and avoidance of double funding	8.1 Description of measure - general conditions - annex	29-04-2015		Ares(2015)1821441	2931065525	Annex Chp. 8.1 – combination of commitments and avoidance of double funding	29-04-2015	nelenreb
Annex Chp. 8.2 – methodology on designing eligible areas under M.13	8.2 M13 - Payments to areas facing natural or other specific constraints (art 31) - annex	29-04-2015		Ares(2015)1821441	266884213	Annex Chp. 8.2 – methodology on designing eligible areas under M.13	29-04-2015	nelenreb
Annex Chp. 8.2 – list of eligible areas M.10, M.11, M.13	8.2 M10 - Agri-environment-climate (art 28) - annex	29-04-2015		Ares(2015)1821441	2060478955	Annex Chp. 8.2 – list of eligible areas M.10, M.11, M.13	29-04-2015	nelenreb
Annex Chp. 6 - Detailed action plan on the conditionality related to public procurement (G4)	6 Ex-ante conditionalities - annex	29-04-2015		Ares(2015)1821441	2449137394	Detailed action plan on the conditionality related to public procurement (G4)	29-04-2015	nelenreb
Annex Chp. 6 - Detailed action plan on the conditionality related to SEA	6 Ex-ante conditionalities - annex	29-04-2015		Ares(2015)1821441	1777961116	Detailed action plan on the conditionality related to	29-04-2015	nelenreb

						SEA		
Annex Chp. 6 - Detailed action plan on the conditionality related to risk Management	6 Ex-ante conditionalities - annex	29-04-2015		Ares(2015)1821441	1107587472	Detailed action plan on the conditionality related to risk Management	29-04-2015	nelenreb