

MEASURE 1.1***Improvement of processing and marketing of agricultural and fishery products***

Axis 1	Improving the access to markets and of the competitiveness of agricultural processed products		
Intervention typology	Assistance regime		X
	Infrastructure: Construction of new buildings and installations and the modernization of the existing ones; New machinery and equipment, computer software, including the installation and mounting costs based on contracts with third parties; Purchase of specialized new transportation means)		X
Beneficiaries	Associations and groups of producers (with legal status), trading companies with private capital at least equal to/more than 75%, consumption cooperatives; In the wine making sector the following supported: associations, groups of producers and private trading companies processing only high quality varieties of grapes.		
Localization	Entire territory of Romania		
Project selection method	At Ministry level	Announcement	At the counter
		X	

1. Objectives and Description of the Measure

The overall objective of the measure is the improvement of efficiency, processing and marketing of agricultural and fishery products, resulting in high quality products in order to contribute to the implementation of the acquis communautaire, to increase the competitiveness and the added value of the products and to contribute at the same time at the creation of new jobs. The measure will contribute to:

- maintaining existing jobs;
- creating new employment;
- increasing the revenues in the sector.

Specific objectives:

- Improvement of the competitiveness of processed agricultural products;
- Orientation of production in accordance with foreseeable market tendencies and encouragement of developing new markets for agricultural products;

- Improvement or rationalization of wholesale collecting and marketing networks and of agricultural and fishery products processing;
- Improvement of presentation and promotion of agricultural and fishery products on the market (from qualitative and commercial points of view);
- Encouragement of a better using of by-products and/or elimination of by-products or of waste;
- Increasing efficiency by using modern technologies;
- Favoring of innovative investments;
- Improvement of processed products quality and of food products quality control, by compliance with the minimum requirements of food security requested by European Union;
- Improvement and control of sanitary conditions;
- Promotion of environmentally friendly methods of production;
- The appearance and consolidation of some competitive private economical agents;
- The increasing of new jobs opportunities in rural area and maintaining of existing ones;
- Setting up of „green markets” aiming at the emergence of new segments of consumers oriented towards ecological agricultural products;

Operational objectives:

- Support for investments for improving the processing and marketing of agricultural and fishery products, by objectives and by sectors;
- Stimulating investments aiming at the protection and enhancement of the environment as well as livestock health and animal welfare („green investments”);
- Any investments in processing and/or marketing units should involve the harmonization of the mentioned units to the *acquis communautaire* when the investments are accomplished.

2. Fields of Action of the Measure

The measure is focused on investments projects for the improvement and optimization of production flows, processing and marketing of agricultural and fishery products and, respectively, setting up or modernization of local collecting networks, of capacities of reception, storing, conditioning, sorting and packing of agricultural and fishery products.

Those investments contribute to the adoption of European standards in the following sectors: milk and dairy products; meat (beef, pork, mutton, poultry) and eggs; vegetables, fruits and potatoes; processing of grapes - high quality wine varieties; fish and aquaculture and oyster culture products (oysters and mussels); cereals; oil seeds; sugar; textile plants (flax and hemp).

For all above-mentioned sectors, the investment types that can be financed refer to:

Milk and dairy products

- New investments for buildings, installations, machinery and equipment and the modernization and technological upgrading of the existing units, for setting up collecting, reception, cooling and storage units for milk as a raw material, as well as the purchase of new, specialized new transportation means, refrigerating and isotherm vehicles, vehicles for liquid and powder products, for the enterprise as defined in the feasibility study.
- Investments in processing, storing and marketing of milk and dairy products as well as for modernizing and technological upgrading of the existing capacities;
- Investments in treatment, recycling and elimination of residual products and harmful waste;
- Investments to increase the added value of by-products resulting from milk processing (whey, butter milk) within the processing and marketing units;
- Investments in improving of the monitoring and control system of reception, collecting, processing and marketing channel of products from a quantity and quality point of view;
- Investments in improving the internal control of raw material, semi-processed, products and by-products obtained within the processing and marketing units (building and modernization of sites for test laboratories and purchase of laboratory equipment).

Meat, meat products and eggs

- New investments for buildings and modernization and technological upgrading of the existing units for the slaughtering and meat processing of cattle, swine, sheep, goat and poultry, including: buildings, machinery, installations and equipment, concerning slaughtering, processing, packing, storage and marketing of meat and meat products and of eggs, as well as the purchase of new internal transportation means, and new specialized means of transportation (isotherm vehicles, refrigerating vehicles and vehicles for animal transport) necessary as a result of their identification in the feasibility study;
- Investments in treatment, recycling and elimination of residual products and harmful waste;
- Investments to increase the added value of by-products obtained as a result of the slaughtering process and meat processing (offal, lard, blood, connective tissues, etc.) within the processing and marketing units;
- Investments in improving the monitoring and control system of reception, slaughtering, processing, storage and the marketing channel of products from a quantitative and qualitative point of view;
- Investments in improving the internal control of raw material, semi-processed, products and by-products obtained within the processing and marketing units (buildings and modernization of sites for test laboratories and purchase of laboratory equipment).

Fruits, vegetables and potatoes

- New investments for buildings, machinery and equipment, and/or modernization of the existing units for storage, sorting, conditioning, cooling, freezing, processing, packing and marketing;
- Investments in improving product quality and hygiene;
- Investments in environmental protection (wastewater treatment plants);
- Investments to increase the added value of by-products resulting from processing of fruits, vegetables and potatoes within the processing and marketing units;
- Investments in improving the monitoring and control system of reception, storage, processing and marketing channel of products from a quantity and quality point of view;
- Investments in improving the internal control of raw material, semi-processed products, products and by-products obtained within the processing and marketing units (building and modernization of sites for test laboratories and purchase of laboratory equipment).

Wine

- New investments and/or modernization and technological upgrading of buildings, machinery and equipment of wine making, including reception, storage, processing, bottling and marketing of wine;
- Investments in improving product quality and hygiene;
- Investments in treatment, recycling and elimination of residual products and harmful waste;
- Investments in improving the monitoring and control system of reception, storage, processing and marketing channel of products from a quantity and quality point of view;
- Investments in improving the internal control of raw material, semi-processed products, products and by-products obtained within the processing and marketing units (building and modernization of sites for analysis laboratories and purchase of laboratory equipment);
- Investments in the implementation of the quality management system in accordance with the ISO 9000 requirements.

Fish and fishery products

- New investments, and/or modernization and technological upgrading of the existing capacities of buildings, machinery and equipment for storage (including wholesale freezing store houses), processing, packing and marketing of fish and fishery products (including equipment for cooling, freezing and ice making);
- Investments in improving hygiene and quality according to EU standards;
- Purchase of new specialized means of transportation necessary as a result of their identification in the feasibility study (freezing lorries);
- Investments in treatment, recycling and elimination of residual products and harmful waste;

- Investments to increase the added value of by-products resulting from fish and fishery products processing (fish-bones, heads, scales) within the processing and marketing units;
- Investments in improving the monitoring and control system of reception, processing and marketing channel of products from quality and quantity points of view;
- Improvement of internal control of raw material, semi-processed products, products and by-products obtained within the processing and marketing units (buildings and modernization of sites for test laboratories and purchase of laboratory equipment).

Cereals

- Construction (within the processing and marketing units) and/or modernization of buildings, machinery and equipment and technological upgrading of the existing ones for storage and first processing of cereals (drying, calibration, cleaning, conditioning, milling), however without increasing the national share;
- Investments in equipment for environmental protection (organic and mineral dust emissions, mineral and organic impurities);
- Investments in improving the monitoring and control system of reception, storage, processing and marketing channel of products from a quality and quantity point of view;
- Investments in improving the internal control of raw material, semi-processed products, products and by-products obtained within the processing and marketing units (building and modernization of sites for test laboratories and purchase of laboratory equipment).

Oil seeds

- Construction (within the existing processing and marketing units) and/or modernization of buildings and equipment of the existing capacities with new technologies for storage and processing of oil seeds, without increasing the existing capacity (drying, calibration, cleaning, conditioning, preservation in cold spaces, extraction, refining), including sunflower seeds;
- Investments in treatment, recycling and elimination of residual products and harmful waste;
- Investments to increase the added value of by-products resulting from storage and processing of oil seeds (oil-protein meal) within the processing and marketing units;
- Investments in the improvement of the monitoring and control system of reception, storage, processing and the marketing channel of products from a quantity and quality point of view;
- Investments in improving the internal control of raw material, semi-processed products, products and by-products obtained within the processing and marketing units (building and modernization of sites for test laboratories and purchase of laboratory equipment).

Sugar

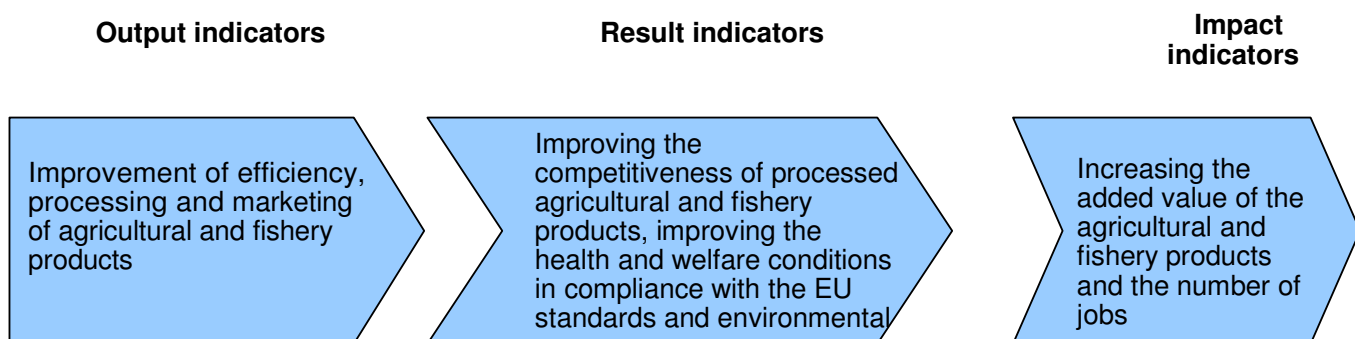
- Construction (within the existing processing and marketing units) and/or modernization of buildings, purchase and technological upgrading of equipment and installation for storage and processing of sugar beet;

- Investments for improvement of storage, marking and packing technologies for sugar;
- Investments in improving hygiene and quality according to EU standards;
- Investments to increase of the added value of by-products resulting from sugar beet processing (molasses, beet pulps) within the processing and marketing units;
- Investments for treatment, recycling and elimination of residual products and harmful waste;
- Investments in improving the monitoring and control system of reception, processing and marketing channel of products from a quality and quantity point of view;
- Investments in improving the internal control of raw material, semi-processed products, products and by-products obtained within the processing and marketing units (building and modernization of sites for the test laboratories and purchase of laboratory equipment).

Textile Plants

- New investments for constructions, modernization and technological upgrading of existing units for processing of textile plants (flax and hemp), including buildings, machinery, equipments, installations and equipment for processing, packaging, storing and marketing of textile fibers;
- Investments for the treatment, recycling and elimination of residual products and harmful waste;
- Investments to increase the added value of by-products resulting from textile plants processing;
- Investments for improving the monitoring and control system of reception, processing storing and marketing flow of textile plants from a quality and quantity point of view;
- Investments for improvement of internal control of raw material quality, products and by-products obtained within the processing and marketing units (buildings and modernization of spaces for analysis laboratories and purchase of laboratory equipment).

The **intervention logic** of Measure 1.1 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 1.1:

Year	Financial plan ¹		Approved ²	Paid ³		c/a	b/a	c/b
	Total public expenditure	EU contribution		c	EU contribution			
	a		b			€	€	
	€	€	€	€	€	%	%	%
2000	52,806,925	39,605,194	0.00	0.00	0.00	-%	-%	-%
2001	54,814,904	41,111,178	0.00	0.00	0.00	-%	-%	-%
2002	29,366,667	22,025,000	15,262,925.79	0.00	0.00	-%	-%	-%
2003	55,034,187	41,275,640	27,840,733.67	3,596,582.02	2,697,436.52	-%	-%	-%
2004	84,375,127	63,281,345	28,459,052.15	29,755,355.95	22,316,516.95	40%	34%	117%
2005	53,176,768	40,734,580	111,466,146.24	27,521,728.68	20,641,296.52	52%	210%	25%
<i>Affected by floods</i>	<i>8,520,038</i>	<i>7,242,032</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	-%	-%	-%
2006	49,938,702	37,835,497	154,378,966.24	72,843,112.06	54,632,334.04	146%	309%	47%
<i>affected by floods</i>	<i>3,814,707</i>	<i>3,242,501</i>	<i>6,057,376.27</i>	<i>0.00</i>	<i>0.00</i>	-%	159%	-%
2007				150,906,267.97	113,351,763.20	-%	-%	-%
<i>affected by floods</i>				<i>1,720,621.87</i>	<i>1,462,528.59</i>	-%	-%	-%
2008				56,059,831.28	42,324,576.97	-%	-%	-%
<i>affected by floods</i>				<i>2,797,035.11</i>	<i>2,377,479.83</i>	-%	-%	-%
2009				10,341,514.30	7,890,465.23	-%	-%	-%
<i>affected by floods</i>				<i>1,343,294.95</i>	<i>1,141,800.71</i>	-%	-%	-%

¹ The amount of total planned public expenditure, extracted from NPARD, page 373, varies by 0.37 euro differs from the amount extracted from the Final Report on the Implementation of SAPARD Programme, page 159

² The amount of the approved totals for affected by floods and no affected by floods, extracted from the Excel table Appedix 6 (centralizer no. 2 floods projects and no. 6 non-floods projects, differs by 2.09 euro from the amount of the approved total expenditure under the Final Report on the implementation of SAPARD Programme, page 159

³ The amount of totals paid for floods and non-floods projects, extracted from the Excel table Appendix 4, T03 floods projects and non-floods projects, differs by 0.191 euro from the amount of total paid expenditure extracted from the Final Report on the Implementation of SAPARD Programme, page 159

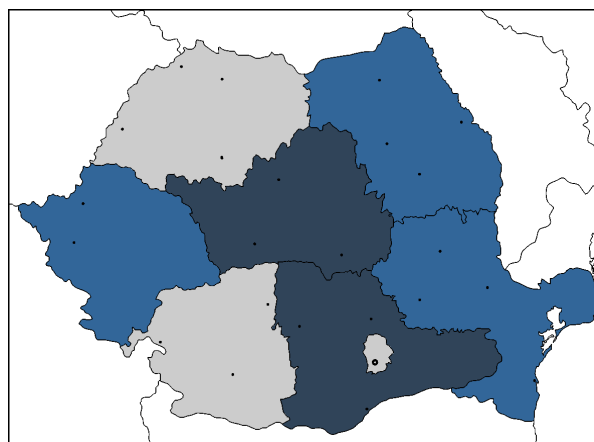
Total*	379,513,279	285,868,434	337,407,824.09	351,024,392.26	263,854,389.44	92%	89%	104%
<i>Not affected by floods</i>	367,178,535	275,383,901	331,350,447.82	345,163,440.33	258,872,580,090	94%	90%	104%
<i>affected by floods</i>	12,334,745	10,484,533	6,057,376.27	5,860,951.93	4,981,809.13	48%	49%	97%

Sources: "Financial plan" Column: National Plan for Agriculture and Rural Development, 27 Dec.2006, page 373; "Approved" Column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel tables Appendix 6, Approved projects not affected by floods 1.1, 2.1 and Approved projects affected by floods 1.1, 2.1; "Paid" Column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel table PARDF - Payment SAPARD 2003-2009.

* Note: the inconsistencies between totals and totals amount are due to the fact that both the collection and the processing of the monitoring data were performed manually, working with a different number of decimals. Therefore, upon making calculations the amounts were automatically rounded up, having regard to the number of manually inputted decimals, which entails the occurrence of differences between 0.1 and 2 euro between the amounts including in the various reports of PARDF.

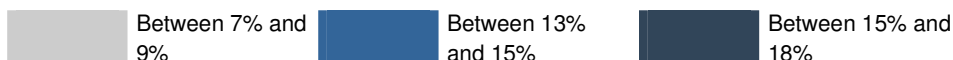
92% of the forecasted amounts were spent during the implementation years, indicating a high performance of the financial evolution, enabling the pursuing of the established objectives, beyond the overall evolution of the Financial Plan of SAPARD Programme, which was about 89% on average. The first commitments were obtained in 2002, and the first payments were made only in 2003. The largest part of the committed amounts was contracted in 2005 and 2006 (79% of the total approved amounts). A variable evolution of expenditure can be noticed, with a special increase for the years 2006-2008, where over 80% of the payments made throughout the programming period are concentrated. The most significant amount was paid in 2007 (43%). This dynamic is already consolidated, and is noticeable in relation to all the SAPARD Measures, notably the investments with payment upon the approval of the completed works.

The following map evidences the territorial distribution of the funds related to Measure 1.1.

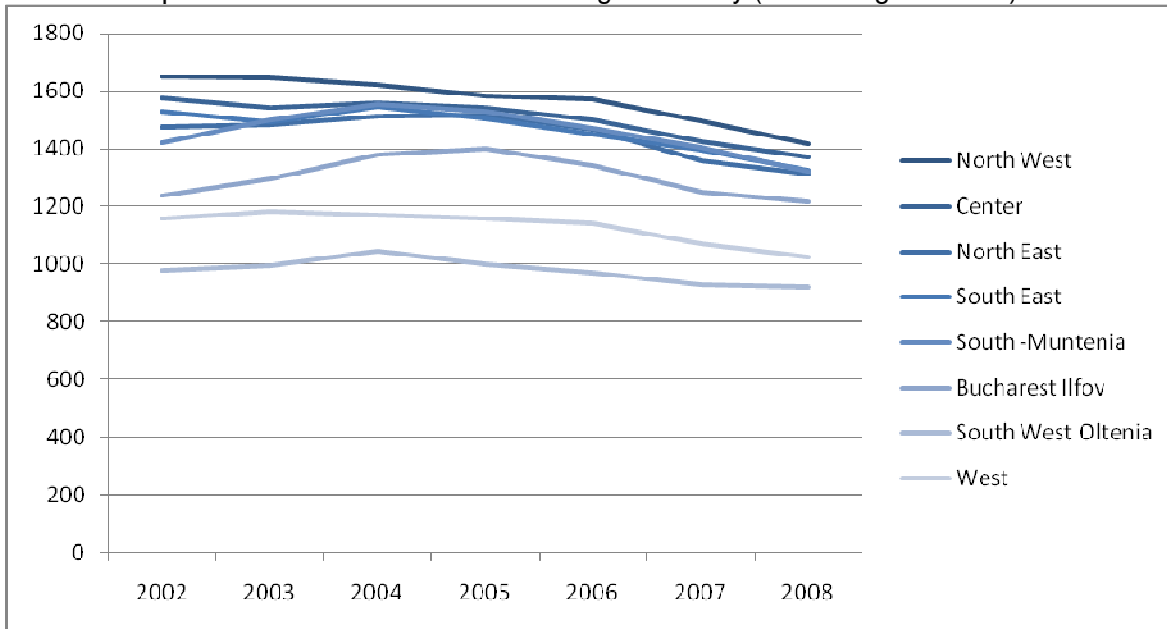


Source: Prepared by Evaluator

Legend:



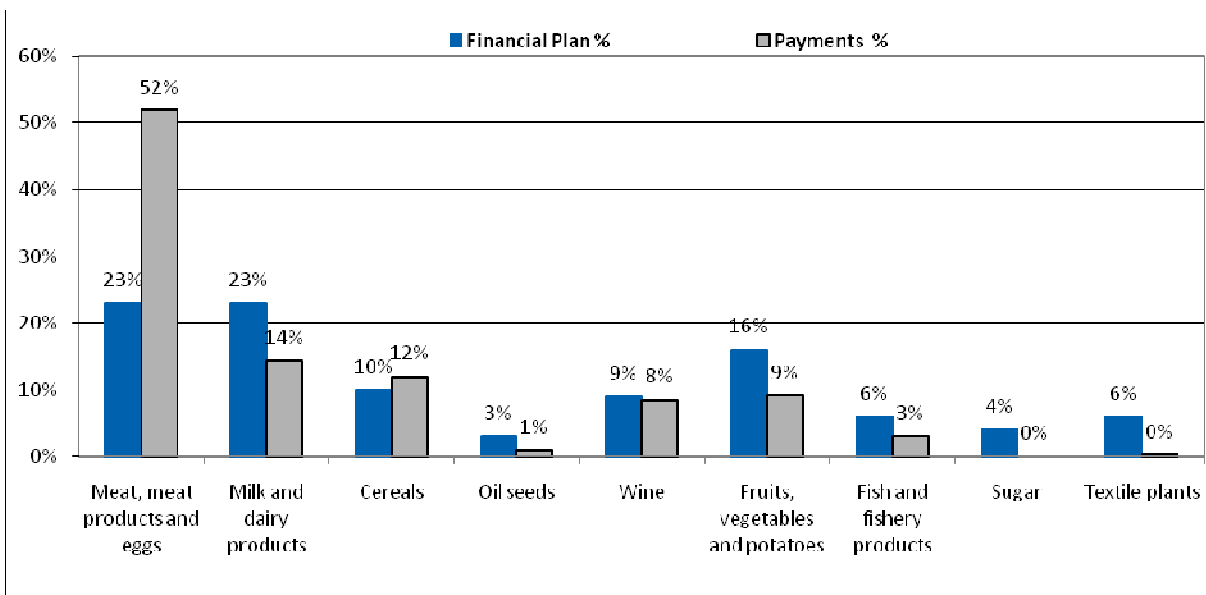
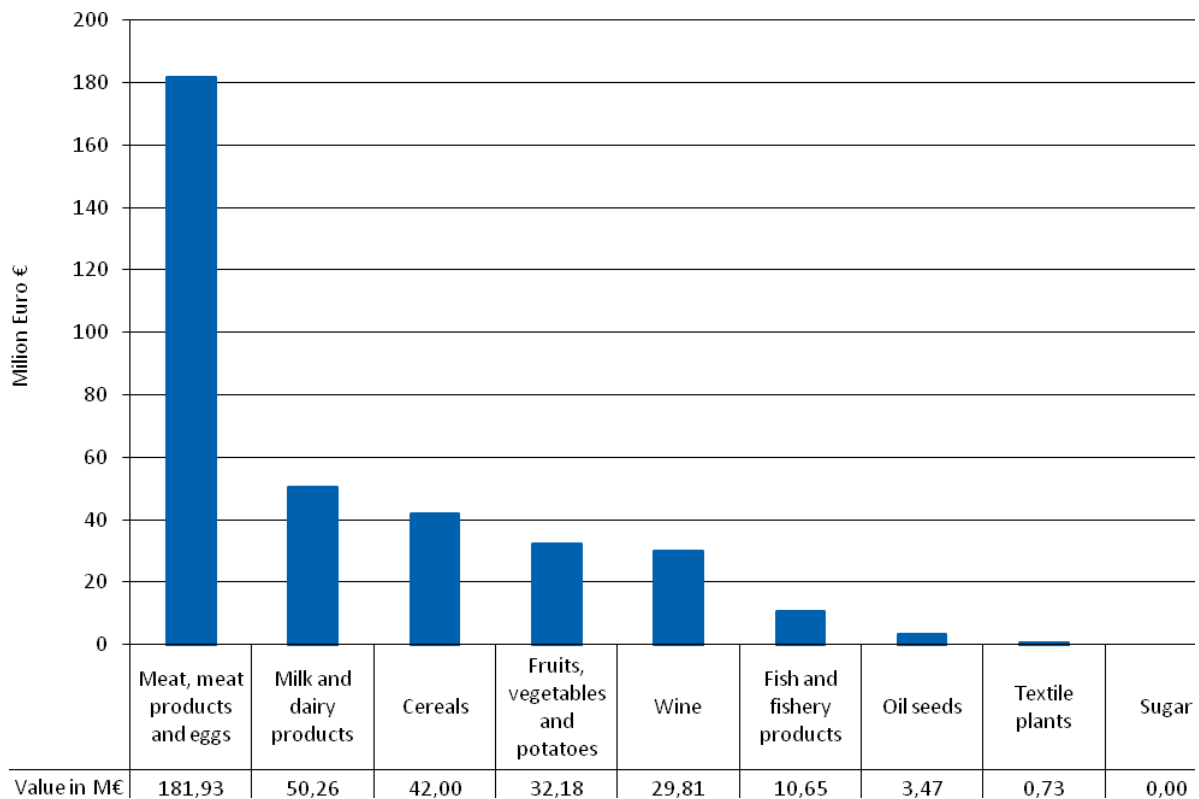
Having in view that the processing and marketing of agricultural products are not necessarily linked in terms of location to the agricultural production activity, the rather balanced territorial distribution of the funds related to this sub-measure does not reflect the real differences existing between the agricultural potentials of the regions. The largest share of payments made in relation to measure 1.1 is held by the Center Region (18%), followed by South Muntenia Region (15%). The South West Oltenia (7%) and Bucharest Ilfov (8%) Regions benefitted to a lesser extent, nevertheless the difference between the highest and lowest values is still low (11 percentage points). The Nord West and Bucharest Ilfov Regions benefitted from this measure to a lesser extent, while the Center Region to a slightly higher extent than what would have been foreseen on the basis of the number of local enterprises active in the food and beverages industry (see the figure below).



Source: INSE TEMPO_INT101H_27_6_2011

Figure: Local enterprises active in the food and beverages industry

The analysis of resources by sub-measure (showed in the chart below) indicates the expenditure concentration on the basis of the payments made in relation to the reference sub-measure).



The majority of the payments made were directed towards the sub-measure “Meat, meat products and eggs” (52%), having exceeded two times the proportion forecasted under the SAPARD Programme (23%). The payment related to the sub-measures “Cereals” (12%) and “Wine” (8%) reached proportions similar to those forecasted under the Programme (10%, respectively 9%). On the other hand, the sub-measures “Milk and dairy products” (14%), “Fruit, vegetables and potatoes” (9%), “Fish and fishery products” (3%), “Oil seeds” (1%) and “Textile plants” (0.2%) did

not reach their planned funding shares (23%, 16%, 6%, 3% and 6%). We notice the lack of interest of the potential beneficiaries for the “Sugar” sub-measure, in relation to which no project was funded.

4. Results of Physical Evolution at 31/12/2009

The Measure 1.1 is very consistent financially (output capacity 92%), but less in terms of number of projects (output capacity 24%). The tables below shows the output and result indicators for the Measure 1.1, sub-measures, as of 31.12.2009, on the basis of the data extracted from the Final Report on the Implementation of SAPARD Programme in Romania, June 2010.

Output Indicators	Measurement Unit	Target	Achieved (Approved Projects) ⁴			Output capacity (Approved Projects)
			Non affected by floods	Affected by floods	Total	(b/a) %
		(a)			(b)	
Total						
	N°	1900	456	3	459	24%
Milk and dairy products						
no. of projects	N°	450	91	0	91	20%
<i>Processing projects</i>	N°	300	88	0	88	29%
<i>Storage projects</i>	N°	150	1	0	1	0.7%
<i>Milk collection</i>	N°	<i>n.d.</i>	2	0	2	<i>n.d.</i>
Meat, meat products and eggs						
no. of projects	N°	490	196	1	197	40%
<i>Processing projects</i>	N°	300	144	0	144	48%
<i>Storage projects</i>	N°	190	0	0	0	0%
<i>Slaughterhouses</i>	N°	<i>n.d.</i>	51	1	52	<i>n.d.</i>
<i>Eggs</i>	N°	<i>n.d.</i>	1	0	1	<i>n.d.</i>
Fruit, vegetables and potatoes						
no. of projects	N°	340	40	0	40	12%

⁴ Note: The Excel table in the Final Report, Appendix 6.a.1.1, comprises a column for the number of completed projects (column G). These data have not been taken into account (the table above showing in the Achieved column the number of approved projects), due to the fact that there are no data referring to the capacities involved by the completed projects, these being available only with reference to approved projects.

<i>Processing projects</i>	N°	200	<i>n.d.</i>	0	<i>n.d.</i>	<i>n.d.</i>
<i>Storage projects</i>	N°	140	<i>n.d.</i>	0	<i>n.d.</i>	<i>n.d.</i>
<i>Fresh</i>	N°	<i>n.d.</i>	20	0	20	<i>n.d.</i>
<i>Processed</i>	N°	<i>n.d.</i>	20	0	20	<i>n.d.</i>
Wine making						
no. of projects	N°	190	44	0	44	23%
<i>Processing projects</i>	N°	100	27	0	27	27%
<i>Storage projects</i>	N°	90	12	0	12	13%
<i>Laboratories</i>	N°	<i>n.d.</i>	5	0	5	-
Fish and fishery products						
no. of projects	N°	130	18	0	18	14%
<i>Processing projects</i>	N°	60	<i>n.d.</i>	0	<i>n.d.</i>	-
<i>Storage projects</i>	N°	70	<i>n.d.</i>	0	<i>n.d.</i>	-
Cereals						
no. of projects	N°	160	63	2	65	41%
<i>Processing projects</i>	N°	100	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	-
<i>Storage projects</i>	N°	60	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	-
Oil seeds						
no. of projects	N°	30	3	0	3	10%
<i>Processing projects</i>	N°	20	<i>n.d.</i>	0	0	-
<i>Storage projects</i>	N°	10	<i>n.d.</i>	0	0	-
Sugar						
no. of projects	N°	50	0	0	0	0%
<i>Processing projects</i>	N°	30	<i>n.d.</i>	0	0	-
<i>Storage projects</i>	N°	20	<i>n.d.</i>	0	0	-
Textile Plants						
no. of projects	N°	60	1	0	1	2%
<i>Processing projects</i>	N°	60	1	0	1	2%
<i>Storage projects</i>	N°	0	0	0	0	-

Sources: "Target" Column: National Plan for Agriculture and Rural Development, page 181; "Achieved" Column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, page 222, and Excel table Appendix 5, a 1.1, a3.1

Result Indicators ⁵	UM	Target (Involved Capacities)		Achieved (Involved Capacities)		Output capacity	
		New	Improved	New	Improved	New	Improved
		(a1)	(b1)	(a2)	(b2)	(a2/a1) %	(b2/b1) %
Milk and dairy products	HI thousand/year	4,400	6,600	2,677.455	6,881.813	61%	104%
<i>Processing projects</i>	HI thousand/year	4,400	6,600	2,667.84	6,610.81	60.6%	100.2%
<i>Storage projects</i>	HI thousand/year	n.d	n.d	0	151	n.d	n.d
<i>Milk collection</i>	HI thousand/year	n.d	n.d	9.61	120	n.d	n.d
Meat, meat products and eggs	Thousand t/year	n.d	n.d	358.08	774.27	n.d	n.d
<i>Processing projects</i>	Thousand t/year	67	170	165.82	520.10	247%	306%
<i>Storage projects</i>	Thousand t/year	27	55	0	0	0%	0%
<i>Slaughterhouses</i>	Thousand t/year	395	658	192.26	254.17	49%	39%
<i>Eggs</i>	Thousand egg pcs.year	n.d	n.d	0	6.000	n.d	n.d
Fruit, vegetables and potatoes	Thousand t/year	152	219	133	147	87%	67%
<i>Processing projects</i>	Thousand t/year	95	80	7.31	121.98	8%	152%

- ⁵ In the case of Milk and dairy products measure, the total amount of the improved capacity differs by 151 hl thousand/year from the total capacity of the various types of projects (processing, storage projects, milk collection);
- In the case of Wine sub-measure, the total amount of the newly achieved capacity differs by 31.97 hl thousand/year from the total capacity of the various project types (processing, storage projects, laboratories), and in the case of the improved capacities by 114.26 hl thousand/year as against the total of the various project types (processing, storage projects, laboratories).
- The output capacity could not be calculated in relation to certain project measures/types, due to the absence of some (target or output) indicators in relation to certain measures/types of projects.

<i>Storage projects</i>	Thousand t/year	57	139	125.66	25.33	220%	18%
Wine making	HI thousand d/year	370	870	51.12	254	14%	29%
<i>Processing projects</i>	HI thousand d/year	350	870	31.97	114.26	9%	13%
<i>Storage projects</i>	HI thousand d/year	-	-	16.15	136.66	n.d	n.d
<i>Laboratories</i>	HI thousand d/year	-	-	3	3.14	n.d	n.d
Fish and fishery products	Thousand t/year	13	25	19.54	22.15	150%	89%
<i>Processing projects</i>	Thousand t/year	11	19	n.d	n.d	n.d	n.d
<i>Storage projects</i>	Thousand t/year	2	6	n.d	n.d	n.d	n.d
Cereals	Thousand t/year	-	2,238	-	2,679	-	120%
<i>Processing projects</i>	Thousand t/year	-	938	-	n.d	n.d	n.d
<i>Storage projects</i>	Thousand t/year	-	1,300	-	n.d	n.d	n.d
Oil seeds	Thousand t/year	75	425	0	252.60	0%	59%
<i>Processing projects</i>	Thousand t/year	75	425	0	252.60	0%	59%
<i>Storage projects</i>	Thousand t/year	-	-	-	-	-	-
Sugar	Thousand t/year	-	10	0	0	-	0%
<i>Processing projects</i>	Thousand t/year	-	10	0	0	-	0%
<i>Storage projects</i>	Thousand t/year	-	-	-	-	-	-
Textile plants	Thousand t/year	30	8	0.30	0	1%	0%
<i>Processing projects</i>	Thousand t/year	30	8	0.30	0	1%	0%
<i>Storage projects</i>	Thousand t/year	-	-	-	-	-	-

Sources: “Target” Column: National Plan for Agriculture and Rural Development, Appendix 5, page 191; “Achieved” Column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, page 222

The highest output capacity in terms of the number of projects was recorded in the case of the “Cereals” sub-measure (41%), followed by the “Meat, meat products and eggs” (40%) and “Wine” (23%). The largest number of projects implemented under this measure fall within “Meat, meat products and eggs” sub-measure (197 projects, 43% of the total projects funded under Measure 1.1). No project was funded for “Sugar” sub-measure, and only one project was funded for the “Textile plants” sub-measure, only 2% of the target being achieved.

However, if we refer to the capacity of achieving the projects financed under Measure 1.1, we may notice a much higher degree of achievement of the proposed targets, the highest degree of achievement being recorded by the “Meat, meat products and eggs” measure, and an improved output capacity with reference to the processing projects (306%). In relation to the “Fish and fishery products” sub-measure, the proposed target for the newly achieved capacity was exceeded by 50%, and in respect of the improved capacity 89% of the target was attained, while the target proposed in respect of the number of funded projects was reached only in proportion of 14%. In relation to the “Cereals” sub-measure, the improved output capacity was exceeded by 20% as against the proposed target, and by 4% in respect of the “Milk and dairy products” sub-measure.

Result indicators	Target	Achieved*
Improving health and welfare		
Share of assisted investments related to health and welfare	>20%	3.32% (6.a.2.2 total alignment with EU standards, col. H)
of which:		
- aiming to improve the nutritive and hygiene quality of the products for human consumption	>30%	2.20% (6.a.2.2, food hygiene + foodstuff quality, col. H)
Share of all assisted investment with an environmental purpose (emissions, resource use, etc.) within assisted processing and marketing lines	>20%	1.12% (6.a.2.2 environment + waste, col. H)

Sources: “Target” column: National Plan for Agriculture and Rural Development, Appendix 5, page 191; “Achieved” column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel table Appendix 5, 6 a 2.2

* Note: These indicators cannot be calculated from the beneficiaries' answers

The indicator „ Share of assisted investments related to health and welfare” was calculated on the basis of the data under the Appendix 5 of the Final Report on the Implementation of SAPARD Programme in Romania, version June 2010, the Excel file a.2.2. – 6.a. Improving the processing and marketing of agricultural and fishery products (assistance value), table 6.a.2.2 Breakdown by investment type (cumulated data).

The share of eligible costs incurred by beneficiaries in respect of investments in Ron (column H), in relation to the objective „Alignment to EU standards in the fields: Food hygiene, Veterinary sector,

Foodstuff quality, Animal health, Environment” amounts to 43,083,085.843 Ron, accounting for 3.32% of the „Total eligible costs incurred by beneficiaries” (1,297,739,144.705 Ron).

In order to calculate the share of the investments „aiming to improve the nutritive and hygiene quality of products for human consumption”, the amount of eligible costs incurred by the beneficiaries with reference to investments (column H) in respect of the “Food hygiene” objective (11,340,313.868 Ron) was added up to the amount of eligible costs incurred by the beneficiaries with reference to investments (column H) in respect of the “Foodstuff quality” objective (17,247,003.654 Ron), and was divided by the „Total eligible costs incurred by beneficiaries” amount (1,297,739,144.705 Ron), the result being 2.20%.

In order to calculate the degree of achievement for the indicator „Share of all assisted investment with an environmental purpose (emissions, resource use, etc.) within assisted processing and marketing lines”, the evaluator took into account the share of eligible costs incurred by the beneficiaries with reference to investments in respect of the “Environment” (9,490,199.2961 Ron) and “Better use and disposal of by-products or residues from processing” (5,092,398.965 Ron) objectives out of the „Total eligible costs incurred by the beneficiaries” (1,297,739,144.705 Ron), the result being 1.12%.

In accordance to the note no. 5 of this table, in order to avoid taking into account twice the projects funding several types of investments, only the investment with the highest value was taken into account.

As regards the result indicators referring to „Improving the health and welfare”, we referred to the targets defined under NPARD, Appendix 5, page 191. In order to calculate the achieved value of the indicator “Share of assisted investments related to health and welfare”, we extracted the data regarding the share of the total eligible costs of the projects, in respect of which the highest value investment fell within the class “Alignment with EU standards” in the Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel table Appendix 5, a2.2. This share does not accurately reflect the value of the result indicator “Share of assisted investments related to health and welfare”, and no one can presume any proportionality between the total costs of the projects and the amount of the investments made in respect of the pursued targets. Thus, it is difficult to compare the achieved value of 3.32% with the target of >20%. The same methodology problem is encountered in the case of the indicator “Share of all assisted investment with an environmental purpose (emissions, resource use, etc.) within assisted processing and marketing lines”. Nevertheless, the low values of the calculated indicators allow us to state that the result indicators referring to Improving health and welfare have not been attained in the least.

Considerations concerning the physical evolution situation

The Measure 1.1 attained to a very low degree its target regarding the number of projects (output capacity 24%). Less than 50% of target was achieved even in respect of the sub-measures with the highest output capacity (“Cereals” and “Meat, meat products and eggs”), and no project was funded under the “Sugar” sub-measure.

However, if we refer to the involved capacities of the projects funded under Measure 1.1, we notice a much higher degree of achievement of the proposed targets, the highest being recorded in relation to the “Meat, meat products and eggs” sub-measure.

The result indicators referring to „Improving health and welfare” were not attained, but the low share of the costs of the projects falling within the class “Alignment with EU standards” is also due to the fact that, in the monitoring tables, the projects were divided into classes according to the type of investment having the highest value, without showing the amounts allocated for investments referring to health and welfare under the projects with other types of investments of higher value. Thus, the indicators calculated on the basis of the monitoring tables are underestimated.

5. Primary data collected

The interviewing activities aimed to analyze the impact of the Programme on the beneficiaries, were carried out in the period April-May 2011, and involved 46 beneficiaries of Measure 1.1, who were asked to answer to a questionnaire.

6. Sample selection criteria for Measure 1.1

With a view to selecting a representative sample of beneficiaries for this Measure, we make reference to the analysis performed on the sample of beneficiaries of the SAPARD Programme. In particular, it is deemed appropriate to present the factors taken into consideration for the estimation of a significant number from statistical viewpoint for analysis, as indicated in the table below.

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Measure 1.1	10.3%	27.1%	18.7%	18.3%	46

Measure 1.1 – Analysis of beneficiaries sample by sub-measure

The sample was divided into the sub-measures provided for under Measure 1.1, taking into account the importance of each sub-measure, as indicated in the table below.

Measure 1.1 – Improving the processing and marketing of agricultural and fishery products

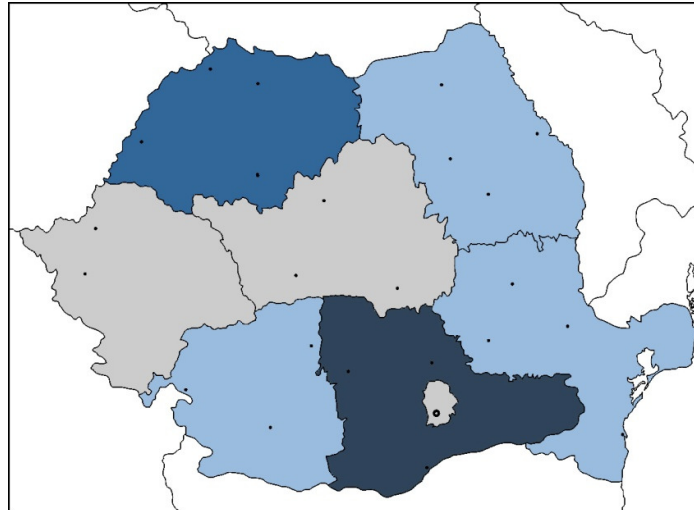
Sub-measure	Share of number factor	Share of financial factor	Average	Extraction units
Meat and meat products	42.6%	51.8%	47.2%	22
Milk and dairy products	20.1%	14.3%	17.2%	8
Cereals	14.3%	12.0%	13.2%	6
Wine making	9.5%	8.5%	9.0%	4
Fruit, vegetables and potatoes	8.6%	9.2%	8.9%	4
Other activities	4.9%	4.2%	4.5%	2
TOTAL	100%	100%	100%	46

We notice that the largest number of extracted units (48%) belong to the “Meat and meat products” sub-measure, due to the fact that 52% of the payments made were allocated to this sub-measure, and 43% of the approved projects belong to this sub-measure.

The interview sample accounts for 10% of the final beneficiaries of the Measure, and are located in the 8 development regions of Romania.

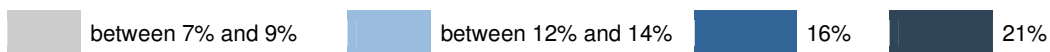
7 Answers map, research data analysis and comments

The following map shows the geographic distribution of the respondents. The largest number of respondents comes from the South Muntenia region.



Source: Prepared by Evaluator

Legend:



43 trading companies provided answers, representing 43 funded projects, therefore the sample size accounts for 9.37% of the 459 projects approved under Measure 1.1. As regards the amount of payments made, the respondents used 11% of the approved expenditure for this measure.

The analysis of the data obtained on the basis of the evaluation questionnaire evidenced the fact that 21% of the respondent trading companies had been newly established prior to submitting the financing application, 19% were taken over from another farmer, and in one case the trading company was transformed from a state company. The majority of them (56%) did not answer this question.

The average amount of the financing obtained by the trading companies for the sample projects was 894 thousand euro, beyond the average value of all the projects approved under Measure 1.1 (727 thousand euro).

Beneficiaries were entitled to be granted funds twice during the implementation period under Measure 1.1 (however without exceeding the limit of the maximum eligible amount under the measure - 4 million EUR), and at the same time were able to receive funds under other measures of the SAPARD Programme as well.

The majority of the respondents (77%) did not apply for another financing under the SAPARD Programme. Out of the respondents to the questionnaire, 10 trading companies (23%) submitted financing applications under SAPARD Programme outside the projects included in the sample, of which two respondents for other two projects (first one for the Measures 1.1 and 123XS, and the second one for the Measures 1.1 and 3.1), three respondents for another project under Measure

1.1, one respondent for the Measure 123XS, and four respondents also applied for the Measure 3.1.

40% of the interviewed enterprises declared that the total volume of the investments made in the holding since establishment until today was between 1,000,000 Euro and 10,000,000 Euro, four enterprises invested less than 1 million Euros, six enterprises (14%) invested over 10 million Euro, and 16 enterprises (37%) did not answer this question.

20 (47%) enterprises declared that out of the invested total the percentage of the SAPARD funding was between 20% and 50%, in the case of eight enterprises (19%) the SAPARD contribution was less than 20%, and in the case of one respondent this exceeded 50%, while 14 enterprises (33%) did not answer this question.

Pursuant to the SAPARD funding the income of the interviewed holdings increased in the most cases (10 respondents, 23%) by 15-30%, two respondents declared that the holding income doubled (100% increase), and in the case of six respondents (14%) the income did not increase or the increase was insignificant (below 10%). The non-answer share was high (58%) in respect of this question as well.

Although the Measure 1.1 granted assistance for capital investments in the field of processing and marketing of agricultural and fishery products, in the majority of cases (65%) the trading companies accessed funds only for investments in machinery and equipment.

The product outlet is regional in the case of 9 respondents (21%), national in respect of 19 (44%), European in respect of 4 (9%), and extra-European in respect of 10 (23%), while one Enterprise did not answer this question. Mention should be made that two trading companies produce just for export and do not sell their products on the national market.

35% of respondents declared that the products of their enterprises are marketed directly from the enterprise and through commercial intermediaries, 30% declared that these are marketed directly by the company, and 26% declared that they are sold through the commercial intermediaries. One trading company (2%) gives its products to the producer organizations, and 3 enterprises (7%) did not answer this question.

The investments under the SAPARD Programme brought multifarious improvements and changes at the level of the beneficiary holdings: 20 respondents (47%) believe that the investment under the SAPARD Programme entailed changes in respect of the product marketing, 14 respondents (33%) in respect of the product quality, 13 respondents (30%) in respect of the product typology, and one respondent (2%) indicated the increased production. Eight enterprises (19%) did not answer this question.

With reference to Measure 1.1, in order to appraise the increase in the competitiveness of the trading companies the relevant results are those aimed at establishing the indicators referring to:

- Degree of use of the beneficiary processing and marketing lines (target >80%);
- Reduced processing and marketing costs / basic product unit – only in respect of existing capacities (target >20%);
- Percentage of marketed products came from those obtained via the beneficiary processing and marketing lines which have a quality label - no. of products and % (target >20%).

A significant part of the respondents consider that the funded investments facilitated an increased productivity (more efficient use of the production factors): 51% of the interviewed beneficiaries declared that this was accomplished to a rather large extent and 19% to a large extent; 13 enterprises (30%) did not answer this question.

In most cases (70%) the investments made contributed a lot or somewhat to the improvement and rationalization of the processing and marketing of related products, thanks to the following effects: reduced expenses, increased quality control, better product quality, assortment diversification, increased production capacity and increased productivity, faster delivery of products, accessing new market segments, better product presentation and obtaining of intracommunity trading licenses. One respondent (2%) declared that the contribution of the investments made was small, and another respondent (2%) that the investments made did not contribute to the improvement and rationalization of the product processing and marketing. 11 enterprises (26%) did not answer this question.

The majority of the interviewed beneficiaries (22 trading companies, 51%) do not manufacture quality products under acknowledged brand (e.g. ecological products), 26% (11 trading companies) do manufacture such products, and 23% did not answer this question. For 9 out of the 11 enterprises manufacturing quality products under acknowledged brand the percentage of income earned in relation to these accounts for at least 50% of the total income, in the case of one enterprise this percentage is 10%, and another enterprise did not specify this percentage. The largest part of the interviewed enterprises (18 respondents, 42%) declared that they market products as products with quality mark, 12 respondents (28%) as conventional product, 3 enterprises (7%) market biologically certified products, and other 3 enterprises market both conventional products and products with quality mark, one enterprise markets conventional products and biologically certified products, one enterprise markets products with quality mark and biologically certified products, and 5 companies (12%) did not answer this question.

The modernizations and changes made contributed to a lot or somewhat to the creation of the economy of sale at company level (reduced costs through increased production) in respect of 60% of the respondents, for 12% this contribution was low, and 28% did not answer this question.

Having regard to the above-referred answers, we may appraise that the target of the result indicators were attained, and the SAPARD Programme has contributed to an increased competitiveness of the beneficiary holdings.

21% of the respondents indicated as positive and indirect effects generated by the funding actions aspects relate to health and welfare; thereby we may say that the 20% target of the result indicator aiming at the share of beneficiary investments referring to health and welfare was attained.

63% of the respondents state that the investments made in relation to the sanitary veterinary and environmental health have improved the internal quality management system of the enterprise, one enterprise declared that these investments did not improve the internal quality management system of the enterprise, and 35% did not answer this question.

The majority of the respondents (61%) believe that the funded investments facilitated quite a lot or somewhat the alignment with the EU sanitary veterinary standards, 2% - just a little, 2% - not at all, and 35% did not answer this question.

Although the conducted questionnaire did not provide any information from the beneficiaries of the SAPARD Programme referring to the result indicator “Trend in frequency of reported labor accidents (to decrease)”, on the basis of the national statistics⁶ we may state that this target was attained, since in the period 2003-2007 the number of individuals who had suffered accidents at the workplace in relation to the economic activities (Nace Rev.1) related to “Agriculture and auxiliary services”, “Forestry, forest exploitation and auxiliary services”, “Fishery and aquaculture”, respectively “Food and beverages industry” decreased by 28% in 2007 as compared to 2003, and by 15% in the period 2008-2009.

Nine respondents (21%) declared that the added value of the products within the assisted processing and distribution lines improved by 10% at least after the SAPARD funding, in the case of one respondent the added value improved only by 5%, and in respect of three respondents (7%) this was not applicable. Since the majority of the trading companies included in the sample (69%) did not provide a quantifiable answer, we cannot appraise the degree of attainment of the impact indicator “Added value of the products obtained via the beneficiary processing and marketing lines >10%”.

The investments made under Measure 1.1 had positive effects on maintaining and creating new jobs. The investment entailed staff employment at 29 interviewed enterprises (67%), and contributed to maintaining jobs in better conditions in respect of 10 interviewed enterprises (23%), while 9% of the respondents did not answer the question referring to the jobs.

We notice the same trends from the information data from the balances of the respondent trading companies. According to the information available on the web page, during the implementation period (between the submittal year and the project completion) the headcount increased in total by 2,041 in respect of the 43 enterprises included in the sample. During the implementation of SAPARD projects, 2,367 jobs (resulting an average of 55.1 jobs created per project) were created in total, while 10,774 jobs (on the average 250.6 jobs maintained per project) were maintained, however in the case of 10 trading companies the headcount diminished in this period, 326 jobs being eliminated in total.

In order to follow the long term impact of the investments under Measure 1.1 on the creation and maintenance of jobs, we have studied the evolution of the headcount between the financing application submittal year (differentiate in respect of each individual project) and 2009 (according to the data available at www.mfinante.ro). These data point to the fact that the headcount of the respondent trading companies increased on long term as well, in total by 1,180. Therefore, in respect of the beneficiaries included in the sample, in the period between the financing application submittal year and 2009, 2,734 jobs were created in total, 9,546 jobs were maintained, and 1,554 jobs were eliminated. We calculated the number of jobs created, respectively maintained, due to the SAPARD Programme by multiplying the totals by the percentage represented by the investments made from SAPARD funds out of the total investments made by the beneficiary trading companies (according to the respondents' statements). Thus, we obtained 747 created jobs (on the average 17.4 jobs created per project, at a cost of 51,472.97 Euro per created job), and 2,347 jobs maintained (54,6 jobs maintained per project, 16,382.75 Euro per maintained job).

Extrapolating the results obtained in respect of the trading companies included in the sample to all the projects funded under Measure 1.1, we may estimate the social impact of this measure. Having in view that the total public committed value of the agreements concluded in respect of the 459

⁶Source: INS: TEMPO_ACC102A_6_6_2011, TEMPO_ACC102C_6_6_2011. Data prior and after 2008 are not comparable, given the revision of the definitions at the level of NACE divisions.

assisted projects of Measure 1.1 was 337,407,826.18 Euro⁷, by applying the method of the amounts spend per created/maintained job calculated in respect of the project included in the sample, we may estimate that the investments funded under Measure 1.1 created 6,555 new jobs, and contributed to maintaining a number of 20,595 jobs, representing in total 27,150 jobs, 9.74% of the total headcount (278,837 employees) at national economy level, in the following fields: “Agriculture, hunting and related services”, “Forestry and forest exploitation; “Fishery and aquaculture”, “Food industry” and “Production of beverages” Nace rev. 2) in 2009.⁸

The results obtained under the project are different from those defined upon their submittal in the case of 10 out of the 43 respondent trading companies (23%), of which five reported higher results, 3 reported lower results, and two respondents did not specify how were the final results differ from the defined ones. 18 trading companies (42%) reported that they obtained the forecasted results, and 15 (35%) did not answer this question. However, the attainment of the results did not guarantee as well the going concern: one trading company has obtained the defined results under a project completed in 2004 declared that the same became insolvent due to the economic crisis.

8 Final considerations on the results of the Measure 1.1

The financial performance of Measure 1.1 was high, 92% of the forecasted public expenditure being achieved, above the general evolution of the Financial Plan of SAPARD Programme (89%). The largest part of the committed amounts was contracted rather late, during the last two years of the programming period (79% of the total approved amounts were contracted in 2005 and 2006), and the largest part of the payments were made in the period 2006-2008 (80% of the payments made throughout the programming period). This indicates a late commencement of the implementation of Measure 1.1, the direct effect being the impossibility to expend in full the amount forecasted for 2006.

The rather balanced territorial distribution of the funding related to this sub-measure does not reflect the real existing differences between the agricultural potentials of the regions.

The majority of the payments made were directed towards the “Meat, meat products and eggs”, sub-measure, two more beyond the proportion foreseen by the SAPARD Programme, this sub-measure being the most efficient, ranking the second from the viewpoint of the number of projects (40% of target), and first in terms of achieved capacities (reaching 149.76% of the output capacity in respect of meat and meat products). The other sub-measure in respect of which the funding proportion foreseen was exceeded is “Cereals”, which ranked first from the viewpoint of the number of achieved projects (41% of target), and achieved an improved capacity 20% beyond the proposed target. We notice at the same time the potential beneficiaries' lack of interest for the “Sugar” sub-measure, where no project was funded.

⁷ According to the Final Report on Implementation of SAPARD Programme in Romania, page 159, the committed amount on 31.12.2009 in respect of the 459 projects funded under Measure 1.1 was 337,407,826.18 Euro. For extrapolation purposes, the committed amount was used, and not the paid amount (351,024,392.26 Euro), since in the case of the projects included in the sample we have available only the contracted public value, according to the Excel document *List of beneficiaries of SAPARD Programme under Measure 1.1* (<http://www.PARDF.ro/content.aspx?item=1999&lang=RO>), and we have no data referring to the paid amounts.

⁸ Source: INS: TEMPO_FOM104G_6_6_2011

The share of the investments achieved to improve health and welfare, respectively environmental protection, does not reach the level established by the targets of SAPARD Programme.

The investments generated positive effects for the beneficiaries related to health and welfare. The low share of the projects costs from the class “Alignment with EU standards” is due to the fact that, in the monitoring tables, the projects were divided into classes according to the type of investment having the highest value, without showing the amounts allocated for investments referring to health and welfare under the projects with other types of investments of higher value. Thus, the indicators calculated on the basis of the monitoring tables are underestimated.

The positive effect of the investment achieved under Measure 1.1 on the health and welfare related aspects is evidence by the results obtained pursuant to the direct research, since for 61% of the interviewed beneficiaries the funded investments have facilitated the alignment to the EU sanitary veterinary standards.

Having regard to the low degree of achievement of the output indicators (number of projects), and the high degree of achievement of the result indicators (output capacities), we may draw the conclusion that much fewer projects, however of much larger size than the foreseen ones were funded under Measure 1.1, the setup up and development of processing and storage facilities of high capacity being thus supported. Thereby, this measure has not facilitated the access to financing of enterprises or groups of producers with small financial power.

MEASURE 1.2***Improving the structures for quality, veterinary and plant-health control, for the quality of food stuffs and for consumer protection***

Axis 1	Improving the access to markets and the competitiveness of agricultural processed products	
Intervention typology	Infrastructure Rehabilitation of analysis laboratories	X
	Services for other enterprises	X
Beneficiaries	Laboratories of the public institutions authorized to carry out sanitary veterinary, plant-health control, for the quality of food stuffs	
Localization	Entire territory of Romania	
Project selection method	At Ministry level	Announcement
		X

1. Objectives and description of the Measure

The general objective of Measure 1.2 is the implementation of the *acquis communautaire* in the sanitary-veterinary, plant-health and foodstuff quality control sectors. Its purpose is to contribute to the improvement of quality of Romanian raw materials and final agri-food products and to improve the competitiveness of the domestic market and for export prospects.

At the same time, the Measure aims at:

- Rendering operational and efficient the sanitary-veterinary, plant-health and foodstuffs control;
- Adoption of new techniques of hygiene sanitary controls, similar to those used in the EU member countries;
- Modernization of laboratories, in view of complying with the international accreditation requirements;
- Consolidating the system of communication and sharing of the information network in relation to public laboratories.

2. Fields of Action of the Measure

In the **sanitary veterinary** sector the investments consist in:

- extension and modernization of the existing constructions and endowment with specific equipment and devices of the laboratories of the existing 16 County Sanitary Veterinary and Food Safety Directorates, subordinated to NSVFSA, within 8 regions, established under the sectoral strategy;
- purchase of specific IT means, with a view to introduce the EU computer information systems and relevant database, especially TRACES program for a rapid communication with the European reference centers, as well as between sanitary veterinary and food safety county directorates, and all of them with the National Sanitary Veterinary and Food Safety Authority (NSVFSA) regarding import, export and transit procedures;
- modernization and/or endowment with specific equipment and devices of certain public laboratories.

In the **plant-health** sector, the investments consist in:

- endowment of a laboratory for the determination of pesticide residues in plants and vegetal products, serving several counties;
- purchase of devices (Agro-expert systems), IT techniques and equipment and software for the National Information System for Plant Protection within the 42 county plant-protection units;

For the **food stuffs quality** control, the investments consist in:

- modernization of the buildings and endowment with specific equipment and devices of the laboratories within the Institute of Food Bio-Resources Bucharest for the food safety, quality and packaging materials control, in the view of national accreditation in accordance with SR EN ISO/CEI 17025/2001 standard, for the analyses imposed by the control authorities on the occasion of checking up the economic agents, and for the laboratory analyses required by the economic agents, excluding factory laboratories or laboratories without high-end endowment, from Bucharest municipality and surrounding counties;
- extension and modernization of the existing spaces with foodstuff assessment designation and endowment with specific equipment and devices for food security and quality control of the laboratories within the 16 sanitary veterinary and food safety directorates subordinated to NSVFSA, within 8 regions;
- acquisition of a modern information and monitoring system, with a view to communicating the data regarding food safety and quality to the involved authorities.
- modernization and/or endowment with specific equipment and devices of some public laboratories for food safety and quality control of foodstuff for animal and vegetal origin, authorized or accredited, recommended by the National Sanitary Veterinary and Food Safety Authority.

The **intervention logic** of Measure 1.2 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 1.2:

Table – Financial achievement of Measure 1.2 as of 31.12.2009

Financial plan	Total public expenditure		Approved	Paid		%	%	%
	a	cota UE		c	EU contribution			
Year	€	€	€	€	€	c/a	b/a	c/b
2000	0	0						
2001	0	0						
2002	5,905,333	4,429,000						
2003	7,788,175	5,841,131		0				
2004	7,822,807	5,867,105		0				
2005	9,841,333	7,381,000		0		0%		
2006	6,433,945	4,825,459	31,150,781	0		0%	484%	0%
2007			2,546,855	1,347,000	1,010,250	-%	-%	53%
2008				16,506,000	12,379,500	-%	-%	-%
2009				11,502,166	8,626,625	-%	-%	-%
Total	37,791,593	28,343,695	33,697,636	29,355,166	22,016,375	78%	89%	87%

The data presented in the table above indicate an expenditure evolution notably during the last years characterized by a special increase of payments in the last implementation phase of SAPARD, and namely in 2008 and 2009, when 90% of the payments made throughout the entire programming period were made.

The fact can be noticed that 2006 was the year of collection of the applications for Measure 1.2, when the largest part of the commitments was assumed. Notwithstanding that, the financial flow indicators do not allow the evidencing of certain specific connections between financial projections, commitments and payments, precisely due to the fact that these three phases occurred in different years. The expenditure was foreseen until 2006, the commitments began in 2006, and the largest part of the payments was made in 2008 and 2009. This financial flow by phases limits the achievement of an accurate financial analysis of the Measures. Nevertheless, it is consistent with the typology of the funded initiatives. Practically, the payment methods defined by PARDF were achieved having regard to the work evolution and in particular to the approval upon completion.

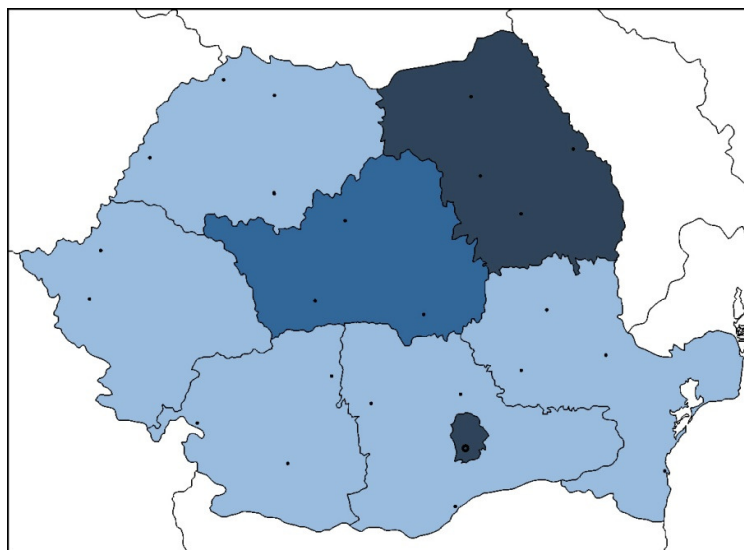
This contribution provision method necessarily involves a temporal distancing between the commitment phase and the payment one.

The analysis of the financial evolution indicators as against the entire programming cycle reveals a slight progress, of 78% of the total available resources. This highlights the fact that over 87% of the committed resources were actually provided to the final beneficiaries.

The capacity of absorption of the total financial amounts made available reached almost 90%, indicating a good evolution of the measure throughout the programming period. This confirms the fact that the improvement of the alignment with the *acquis communautaire* in the sanitary veterinary field is a compulsory task for the analysis laboratories of Romania.

At the same time, the good capacity of the Managing Authority to expend the largest part of the available resources during the last period of the Programme was emphasized, thus ensuring a good evolution of the Measure and evidencing a good capacity of managing available funds.

Another interesting analysis is that referring to the territorial distribution of resources, the map below, evidencing the distribution by regions of the funding related to Measure 1.2. The map below indicates that the distribution of resources under this measure was rather homogeneous in respect of all the 8 Regions of Romania. Practically, the fact can be noticed that, except for the Bucharest and North East Iași Regions which obtained 19%, and respectively 17% of the total financial allocation, all the other regions received funds accounting to about 10%, especially for the improvement of the control system of the veterinary laboratories. This fact evidences that the need to improve the quality and control systems is a horizontal task for all the 8 Regions. Notably the Bucharest Region received a high financial allocation, since here is located the single national laboratory for the food quality control (Institute of Food Bioresources Bucharest), therefore this is the only beneficiary of the “food stuffs quality control” sub-measure”.

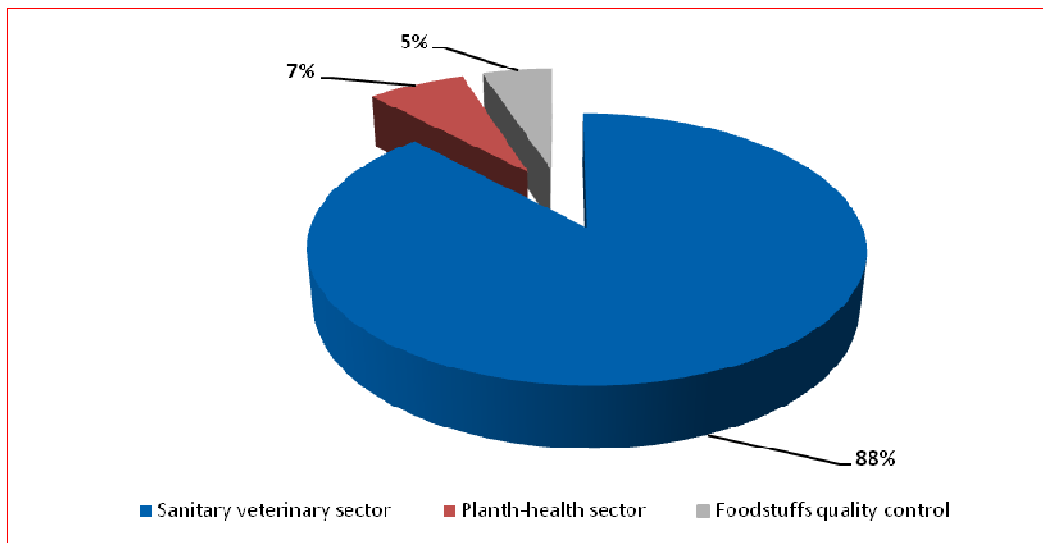


Source: Prepared by Evaluator

Legend:



The analysis of resources by sub-measure (presented in the following chart) indicates the level of expenditure concentration, on the basis of the payments made for each sub-measure.



The fact is evidenced that about 90% of payments were made under the “sanitary veterinary sector” sub-measure for the consolidation of the sanitary veterinary system control, while the other two sub-measures benefitted by about 1 million Euro each. This evidences the intervention purpose in respect of this instrument, notably the consolidation of the system of control of the regional animal husbandry regional services, precisely in order to provide a prompt answer in case of pandemics and spreading of epidemics of animal origin (H1N1, mad cow syndrome, etc.). The fact is thus confirmed that this instrument has enabled the improvement of the monitoring and control system aimed at preventing the spreading of hazardous pandemics of animal origin at European Union level, thus allowing Romania to participate to the European network of protection against these phenomena. Thus, the Measure purpose of the improvement of the alignment with the *acquis communautaire* is obvious.

4. Results of Physical Evolution at 31/12/2009

The two tables below show the situation of the output and result indicators for the Measure 1.2 as of 31.12.2009, as indicated under the Final Report on SAPARD Programme implementation in Romania of June 2010.

Table - Output indicators in respect of Measure 1.2

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
Number of projects by types of activity, as follows	N°	20	19	95%
<i>Extension, modernization of constructions and endowment of laboratories</i>	N°	18	17	94%
<i>National information network</i>	N°	2	2	100%
<u>Laboratories</u>				
Number of beneficiaries	N°	18	17	94%
Number of public projects for modernization	N°	18	17	94%
<u>Information network</u>				
Number of projects	N°	2	2	100%

A first analysis of the physical evolution of the Measure evidences that all the target values have been fully attained, the initial expectations being met; thus, the physical progress is very good as against the target projected under the programming, and emphasizes the fact that the Measure had been fully effective as regards the attainment of the established objectives.

The good output evolution is consistent with the expenditure incurred, and the evaluator notices that all the initiatives have addressed the public structures for the control and verification of sanitary standards. Practically, this control and supervision activity regarding the quality of the agri-food products is developed mainly by public institutions.

In conclusion, the fact is highlighted that all the targets proposed under the programming have been attained, thanks to a good development of the Measure and of the projections made. It is also true that the limited number of final beneficiaries (18) allowed the linear management of this initiative. The 18 beneficiaries received on the average resources of 2.1 million Euro for the modernization of their own structures.

The table below shows the result indicators for Measure 1.2, with the consolidated values as of 31.12.2009

Table - Result indicators in respect of Measure 1.2

Result indicators	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a)
Ratio of the number of analyses performed complying EU standards to the total number of	%	90	87.5	97%

analyses performed to exceed 90%;				
20% increase in the number of types of analyses performed, complying with EU requirements thanks to the assistance, as compared to the number of analyses done before granting the assistance for the modernized laboratories	%	20	10	50%
Improving the quality of foodstuffs of animal and vegetal origin		Unavailable (n.d.)	80%*	---

**indicator quantified and estimated by evaluator on the basis of the data collected via direct research in respect of the final beneficiaries*

Considerations concerning the physical evolution situation

With reference to the first output indicator, “Ratio of the number of analyses performed complying EU standards to the total number of analyses performed to exceed 90%”, in the absence of the official monitoring data, the evaluator resorted to the direct studies of the laboratories. The interviews pointed to the fact that on the average 88% of the analyses currently performed by these structures are compliant with the community standards. It is therefore obvious the full attainment of the objectives established under the programming is, the interviewed officials confirming the net improvement of the quality of the research studies performed thanks to the new laboratory equipment and devices acquired under SAPARD.

With reference to the second output indicator, “20% increase in the number of types of analyses performed, complying with EU requirements thanks to the assistance, as compared to the number of analyses done before granting the assistance for the modernized laboratories”, the annual performance reports comprise a table with the number of analyses performed at the level of each sector, as indicated below:

Laboratories	No. of analysis types			Var 2008/2006
	2006	2007	2008	%
Sanitary veterinary control	2,084	2,232	2,232	7%
Plant-health control	3	13	13	77%
Product quality control	0	65	65	100%
Total	2,087	2,310	2,310	10%

The data above indicate that in 2006, the year when the funds were approved, the analysis laboratories involved under SAPARD performed in total 2,087 types of analyses with the available equipment and devices, while upon the completion of the implementation of the initiatives funded by the programme, in 2008, the total types of analyses performed was 2,310, up 10%, corresponding to 50% of the target value defined under the programming.

Notwithstanding the fact that the direct inquiring of the beneficiaries pointed to the fact that the types of average increase in the type of performed analysis is about 50%, this value is different

from that presented by the monitoring system data. However, regardless of the increase percentage, it is obvious the positive effect generated by the investments, both as regards the quality of the analyses performed, and the diversification of the types of such analyses.

With reference to the third output indicator, the evaluator was able to estimate pursuant to the direct interviews with the beneficiaries, rather in terms of quality, that in about 80% of the cases the food quality has improved, having in view the increased quality of controls, and therefore the producers' obligation to comply with all the hygiene sanitary standards in the food sector. Thus, the improved quality of the controls indirectly promoted the food quality, with the mention that the data available to the evaluator do not allow the numerical quantification of this positive effect of the funding.

5. Primary data collected

The inquiry activities were carried out in April 2011, and involved 6 beneficiaries of the Measure 1.2. At the same time, these included the preparation of an ad hoc questionnaire for the analysis of the results, and generally of the impact generated by the Programme on the beneficiaries; in particular, the analysis in terms of the *acquis communautaire* assessment in respect of the food safety and pandemics management.

6 Measure Sample Selection Criteria

With a view to selecting a representative sample of beneficiaries for this Measure, we make reference to the analysis performed on the sample of beneficiaries of the SAPARD Programme. In particular, it is deemed appropriate to present the factors taken into consideration for the estimation of a significant number from statistical viewpoint for analysis, as indicated in the table below, with reference to the representative nature of the Measure, having regard to the entire universe of SAPARD beneficiaries taken into account.

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Measure 1.2	0.40%	2.30%	1.40%	2.10%	5

At the same time, the research sample was divided according to the sub-measures provided for under Measure 1.2, as emphasized in the section describing this Measure. The sample was tiered up according to the following method:

Measure 1.2 – Analysis of beneficiaries sample by sub-measures

Sub-measure	Share of number factor	Share of financial factor	Average	Extraction units
<u>Sanitary veterinary sector</u>	84.20%	87.80%	86.00%	5

Other activities	15.80%	12.20%	14.00%	1
TOTAL	100%	100%	100%	6

At the same time, in order to increase the representativeness of the sector at geographic level as well, the evaluator deemed appropriate to increase by one unit the number of final beneficiaries to be interviewed, arriving to a total number of 6 interviews in respect of this Measure.

It is obvious that, since as already emphasized in relation to the initiatives funded under Measure 1.2 about 90% of resources were allocated to the “sanitary veterinary” sector, the research was focused on the beneficiaries of this initiative.

The interview sample thus represents over 30% of the final beneficiaries of the Measure, located in 5 of the 8 regions of Romania, and also 83% of the beneficiaries belong to the “sanitary veterinary” sector, as established under the sample generation system.

In total, the 6 interviewed beneficiaries used 32% of the expenditure approved or this Measure, confirming the proportion between the number of beneficiaries and the approved expenditure, but also the average size of the project.

7. Evolution of answers and analysis of data generated by the direct research

In this particular case of the Measure 1.2, in 100% of cases the beneficiaries are public laboratories, therefore the interviewed entities are 100% public laboratories performing analysis and control activities concerning the sanitary system, as well as national supervision activities.

For the largest part of the cases, the interviewees were the persons in charge of the laboratories, who are in possession of more information concerning the type, modality and achievement of the research, but in several cases it was also possible to directly contact the managers of the institutions, who have a better overall vision on the plat-health control system applied pursuant to the received funding.

All the beneficiaries submitted their request for the 2006 session, and performed investments during 2007. The **average amount** of the requested funding was **1.8 Million Euro**, as against the maximum admitted financing of 2.0 Million Euro. Neither one of the beneficiaries submitted applications for other SAPARD Measures, this also due to the fact that the specific typology of the applicant makes them non-eligible for other support actions under SAPARD.

50% of the applicants submitted their application individually, or by resorting to internal resources for the preparation of the entire funding documentation. The other 50% resorted to consulting enterprises in this domain, even though they could have participated directly, they preferred to resort to external specialists, for the purposes of a correct preparation of the documentation.

It is important to highlight the fact that, in the case of this Measure, the **deadweight** effect is almost zero, over 50% of the beneficiaries would not have made the investment without the SAPARD funding, other 15% would have attempted to find other community resources or research funds in

order to endow their own laboratory, and the remaining beneficiaries answered with: I don't know or I can't answer. This fact emphasizes the importance and relevance of this Measure, which not only solved a fundamental task such as that of improving the network of controls of quality of products of vegetal and animal origin, but also reveals the fact that without SAPARD these types of investments would not have been made. It is thus confirmed the net contribution of the Measure to one of the general objectives of SAPARD, that of ensuring the implementation of the *acquis communautaire* in the new member countries, in view of the new programming phase of the Structural Funds, for the period 2007-2013.

The Measure has foreseen a funding contribution of 100% of the total eligible investments, guaranteeing a total coverage of the investments made by the regional laboratories, notwithstanding that 15% of the beneficiaries resorted to private **financing** (through banks) in order to anticipate the costs, and thereafter recover them in the following year under SAPARD.

Taking into account the specific nature of the funded investments, equipment and devices for the analysis laboratories, these did not have direct effects on the **workforce**, therefore in respect of 67% of the sample beneficiaries no positive effect was generated in terms of job creation pursuant to funding. The remaining 33% beneficiaries scored an increase, through the employment of 8 full-time employees (of which 6 women and 2 men). However, this value does not refer to the entire range, the employment increase having occurred solely in respect of the measure referring to the food quality, in relation to the setting up of a new laboratory. In the other cases, in question was a modernization of the already existing laboratories.

A very interesting aspect related to the workforce one is the staff training; in the case of 100% of the beneficiaries there was a positive impact as regards the staff qualification. The need to use new equipment and perform new types of analyses involved a better level of skills of the laboratory employees, in all the cases they having attended specific professional training courses. This professional qualification aspect is very important, since it is related to one of the Measure objectives, the *acquis communautaire* one, and the direct interviews confirmed the fact that the "quality and quantity methodology for the analysis performance" have doubled.

Other direct and indirect positive effects highlighted by the beneficiaries are without limitation:

- alignment of the work conditions to the community standards;
- increased number of analyses in terms of quantity and type of examinations performed;
- RENAR (Romanian national body for quality certification) accreditation.

Finally, with reference to the procedural aspects of the questionnaire, the fact was evidenced that there is an excessive bureaucracy at the management system level, the procedures being rather complicate both in terms of access to funding and of reporting therefore, especially in respect of the measures targeting the public sector, it is recommendable to find a more flexible and less restrictive modality for the contribution management.

8. Final considerations on the results of the Measure 1.2

The Measure 1.2 appears to have fully attained the established objectives, showing a very good performance in terms of physical and financial achievement. The general evolution points to the fact that, although the expenditure level was lower than the expenditure level of the Programme (78% as compared to 89%), in terms of quality it has been evidenced that the established targets have been fully attained. The result indicators point to the improved quality of the analyses

performed by the public laboratories having benefited from the assistance, but also to the increased overall number of analyses that may be currently performed by these structures. The new equipment and devices acquire have enabled the plant-health/ veterinary/food stuffs supervision system to become accredited and meets the required community standards. This network of public laboratories thus consolidated lays the foundation of increases exchanges of foodstuffs between Romanian and the other community countries.

MEASURE 2.1

Development and improvement of rural infrastructure

Axis 2	Improving infrastructures for rural development and agriculture		
Intervention typology	Infrastructure	X	
Beneficiaries	Local Councils of communes of Romania; Associations with legal status between the Local Councils of the communes of Romania; The National Administration for Land Reclamation.		
Localization	Entire territory of Romania		
Project selection method	At Ministry level	Announcement	
		X	

1. Objectives and Description of the Measure

The general objectives of this measure are as follows:

- To improve the current situation of the infrastructure within rural areas, improve the standard of living and work conditions as well as to help maintain the population in the rural areas.
- To ensure the reconstruction and preservation of infrastructure for protection and prevention against floods.

More detailed, this measure provides for the following specific objectives:

- Improvement of access to the network of communal, county, national roads, and to the network of railways, as well as to the agricultural holdings, tourists objectives of national importance or other economic objectives;
- Support of the economic, commercial and tourism activities by developing a minimal infrastructure;
- Improvement of hygiene and sanitary conditions of the inhabitants, and of the productive activities, according to the standards in force;
- Improvement of the quality of the environment and diminishing of polluting sources;
- Ensure the necessary prevention and protection against floods.

And for the following operational objectives:

- Building and modernization of the roads of local interest and bridges;
- Building and modernization of the drinking water supply systems;
- Building of sewage water networks and investments related to water treatment plants;
- Rehabilitation of existing dikes for protection against floods;
- Rehabilitation and consolidation of works for land stabilization and for prevention against floods.

2. Fields of Action of the Measure

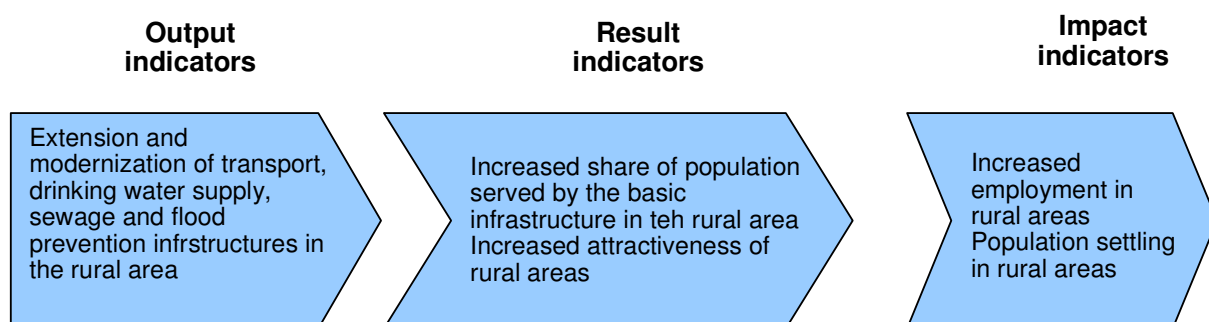
Roads in rural areas: Building of new roads of local interest, and modernizing the existing roads of local interest, priority being given to the roads allowing access to the county and national public roads, to the railway network, as well as other necessary works related to the construction of roads in accordance with the provisions of Law no. 82/1998. Building external networks in order to connect the investment to utilities (electricity, telecommunications).

Drinking water supply system in centralized network in rural areas: Building of new water supply works, extension and/or modernizing the existing works such as: spring water catching, water supply, water treatment plant, tanks for water storing, pumping stations, distribution network. Building external networks in order to connect the investment to utilities (electricity, access road, telecommunications, water, sewage).

Sewage in centralized system in rural areas: Building of new sewerage facilities, extension and/or modernizing the existing facilities such as: networks of wastewater sewers, wastewater treatment plants, pumping stations and discharge channels for treated water (processed in treatment plants). Building external networks in order to connect the investment to utilities (electricity, access road, telecommunications, water, sewage).

Infrastructure to prevent and protect against flood: Rehabilitation and consolidation of rivers banks and dikes in areas affected by floods and with flood risk. Maintaining draining off capacity for excess water from embankment areas through the channel network. Rehabilitation of certain hydro technical structures from areas affected by floods and with the high risk of flood. Small forest belts built up for protection and consolidation of the river banks. Regulating the leaking on versants; Stabilization of slippery soil. Elimination of humidity excess by setting up rainfall collection channels on slopes and their directing towards natural outlets. Arrangement of valleys and ravines by setting up proper hydro technical structures.

The **intervention logic** of Measure 2.1 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 2.1:

Table – Financial achievement of Measure 2.1 as of 31.12.2009

	Financial plan		Approved (affected and not affected by floods) cumulated *	Payments **				%		
	Total public expenditure	EU share		payments affected by floods	total payments (affected and not affected by floods)	EU share affected by floods	total EU share	d/a	b/a	d/b
	a		b	c						
2000	150.666.667	113.000.000								
2001	153,333,333	115,000,000								
2002	92,667,904	69,500,928								
2003	75,928,675	56,946,506			2,423,585		1,817,689	3		
2004	43,676,160	32,757,120	483,491,446		199,308,184		149,481,138	456	1,107	41.2
2005	83,602,461	71,062,092	0		137,814,979		103,361,234	165	571	28.9
2006	78,285,239	66,542,453	135,575,290		71,234,366		53,425,775	91	859	10.6
2007	0		0	21,027,101	68,535,302	17,873,036	53,504,187			10.4
2008	0		0	28,892,807	99,430,698	24,558,886	77,462,304			15.7
2009	0		0	6,798,866	21,553,533	5,779,036	16,845,037			3.48
tot	678,160,439	524,809,099	619,066,736	56,719,000	600,300,874	48,210,958	455,897,363	89	91	97

* These data can be found in the Annual Reports of SAPARD: given the incidence of terminated projects it was not possible to identify the projects approved every year, but only the cumulated value per year. Having in view the irregular flow of the amounts, which for example were higher in 2006 as compared to 2007, 2008 and 2009, the evaluator calculated the 135,575,290 euro amount as difference between 2009 and 2004, and attributed this amount to 2006. As a matter of fact, the results of the questionnaires conducted amongst the beneficiaries of Measure 2.1 point to the fact that financing applications were submitted and approved since 2000 until 2008.

The amount of payments related to the projects affected by natural floods is only cumulated, as indicated in the Annual Reports.

It has been noted that the amount in the Final Report (56.719 million euro) does not coincide with the amount in the monitoring table (about 50 million euro). This difference may be due to the fact that some of the paid projects were subsequently terminated, and/or may be due to the currency exchange.

** The amount of payments per year was provided by the beneficiary.

The data shown in the table above indicate that the revised Financial Plan had foreseen in relation to the Measure 2.1 an expenditure evolution clearly concentrated in the three years of the

Programme implementation, these having totaled almost 60% of the total volume of committed amounts (amounting to over 678 million euro). As a matter of fact, the volume of the projects approved until 31.12.2004, amounting to over 483 million euro, evidenced the fact that the funding demand under this measure exceeded by far the projections, the amounts contracted until 2004 representing 11 times the amount allocated to the respective year, and accounting for over 71% of the amounts committed until 2006.

At the same time, the payments made until 31.12.2004, amounting to about 202 million euro, were 4.6 times higher than the committed amounts of the respective year, and accounted for about 41% of the value of the projects contracted by that time, *which indicates a promising onset of this measure as regards the capacity of absorbing available funds, which actually proved limited as against the existing needs during the implementation, this fact having led to various financial reallocations in favor of Measure 2.1.*

The amount of payments made in 2005 reached almost 138 million euro, accounting for about 29% of the value of projects approved for the same year, and 23% of the total expenditure paid as of 31.12.2009. About 70 million euro per year were paid during the years 2006 and 2007 (10-11% of the approved value), while 99 million euro were paid in the years 2008 and 2009 (about 16% of the approved amount) and, respectively, about 21.5 million euro (3.5% of the approved total).

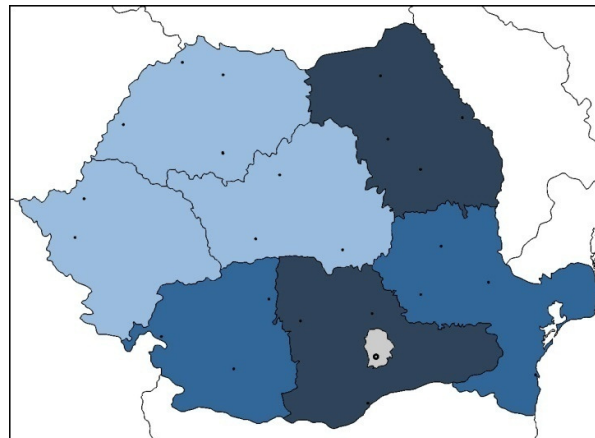
As of 31.12.2009, over 91% of the allocated amounts had been contracted, and almost all (97%) the contracted amounts (about 619 million euro) had been paid (about 600.3 million euro), which suggests a real success as regards the financial achievement of this measure.

The planned EU co-financing in respect of this measure was 75% in the case of the projects not affected by floods, and 85% in respect of the projects affected by floods (years 2005-2006). According to the tables for the financial monitoring of the Programme, the EU share paid until 31.12.2009 amounts to almost 456 million euro, accounting for 75.95% of the total payments made. Out of the 456 million euro amount, about 48 millions were paid for projects affected by floods (35% of the allocated amounts).

In this respect, mention should be made that out of the total payments made by 31.12.2009, about 9.4% were made for projects affected by floods. The projects affected by floods amounted to over 56.7 million euro, accounting for about 35% of the amounts allocated to the projects affected by floods (about 162 million euro) in the period 2005-2006.

With reference to the territorial distribution of the resources, the following chart shows the value of the projects approved under Measure 2.1 by development regions.

Map: Territorial distribution of projects approved under Measure 2.1



Source: Prepared by Evaluator

Legend:

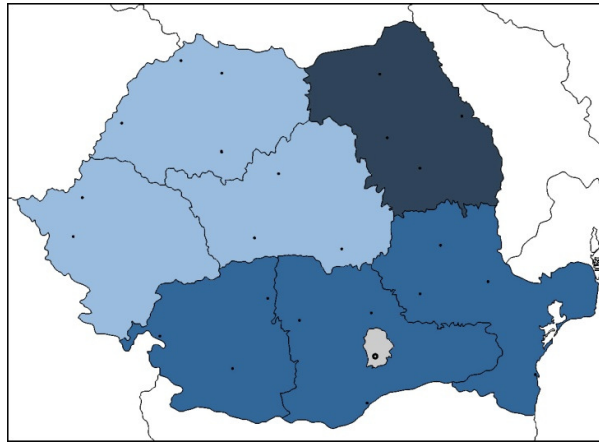


This map indicates that the North East Region is the main beneficiary of the funding under Measure 2.1, concentrating a share of over 27% of the total resources made available. The important resources can be found as well in the regions South Muntenia (20%), South East (15.23%) and South Oltenia (12.69%), these together with the North East Region totaling almost 75% of the total funding. This concentration in four main regions may be due first of all to their development context, the afore-mentioned regions being the poorest of Romania, and requiring the largest part of the infrastructure investments, notably in the rural area, prevailing in these four regions. On the contrary, the Bucharest Ilfov Region benefitted only to a small extent (less than 1%) from the resources made available under the Programme.

The detailing of the territorial distribution of the resources by sub-measure, as indicated by the maps below, shows that the North East Region, concentrating about 36% of the resources, is the main beneficiary of the interventions in the field of communal roads, followed by the Southern regions, and namely the South East, South Muntenia and South Oltenia regions, with shares between 14 and 18% of the allocated resources. On the other hand, the Northern, Central and Western regions, that is to say, the North West, West and Central regions record values between 5 and 6% of the total resources allocated to this sub-measure, while no resource was allocated to Bucharest Ilfov.

With reference to the sub-measure concerning the extension and/or modernization of the drinking water distribution network, the territorial distribution of resources is more homogeneous, the shares held by the regions being between 1% (Bucharest Ilfov Region) and 21% (South East and South Muntenia regions), while two regions (North East and South West Oltenia regions) concentrated between 14% and 17% of resources, and three regions (Central, North West and West regions) between 6% and 10% of the resources allocated to this sub-measure. The Bucharest Ilfov Region remains the region concentrating the lowest amounts.

Territorial allocation of resources under Measure 2.1 - Sub-measure 1

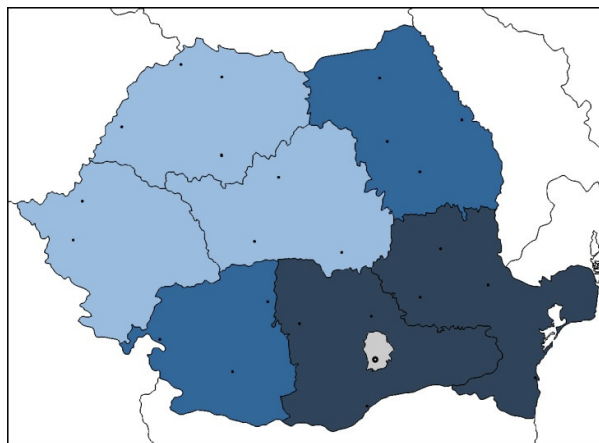


Source: Prepared by Evaluator

Legend:



Territorial allocation of resources under Measure 2.1 - Sub-measure 2



Source: Prepared by Evaluator

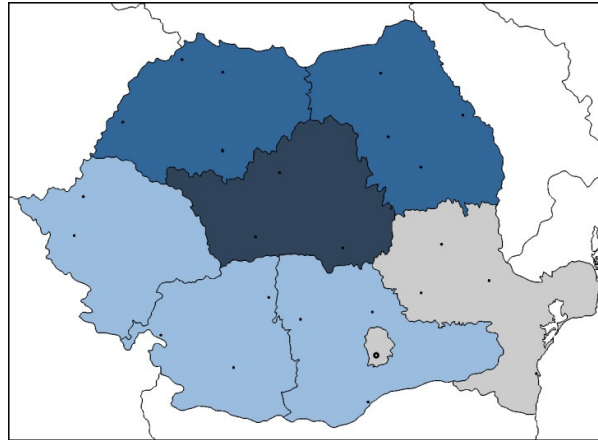
Legend:



With reference to the interventions aimed at modernizing and extending the sewage network the shares shown by the map below indicate that the territorial distribution of the resources intended for this sub-measure was to a certain extent ever more homogeneous than the distribution of resources under the sub-measure 2, these shares being between 7% in respect of Bucharest Ilfov and South East, and 26% in respect of Central Region, while the regions North East and North West concentrated each 15% of the contracted resources, and the regions West, South West and South Muntenia between 9% and 11%. This relative homogeneity of the resource distribution

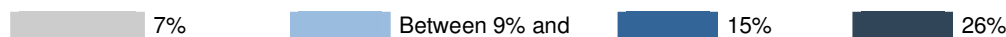
under the sub-measure related to the sewage infrastructure may derive from the fact that all the regions were confronted at the onset of the Programme commencement with major drawbacks as regards the availability of such infrastructure, the national average of rural localities connected to the sewage network in 2002 being below 17%⁹.

Territorial allocation of resources under Measure 2.1 - Sub-measure 3



Source: Prepared by Evaluator

Legend:



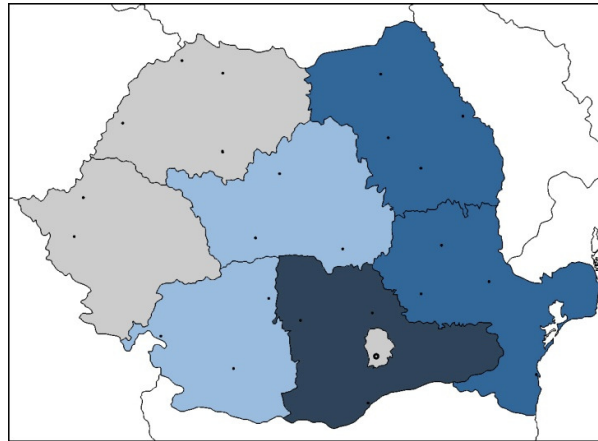
The South Muntenia Region concentrated by far the highest volume (50% of allocations) of investments under the sub-measure related to the flood prevention and protection infrastructure, followed by the regions North East and South East (between 15% and 18%). On the other hand, the Western regions of Romania, that is to say, the West and North West regions, and Bucharest Ilfov Region concentrated only between 0 and 3% of resources. At the same time, the Central and South West regions receive only limited resources, between 6% and 7% thereof.

With reference to the flood prevention and protection infrastructure, mention is made that 38 out of the 41 county in Romania and Bucharest Municipality comprise more or fewer localities out of the 1,351 mentioned on the List of administrative-territorial units affected by floods, according to the National Land Management Plan, Section V– Natural Risk Areas – Floods, approved under the Law 575/2001.

The Government Decision no. 1512/2005 declared as areas affected by floods the localities affected by the April-September 2005 floods, the related community contribution increasing from 75% to 85%.

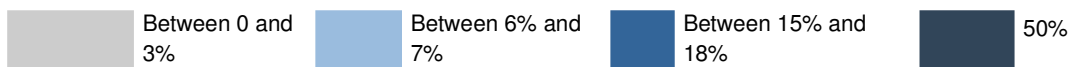
⁹ A higher amount than that mentioned by NPARD with reference to the period 1997-1998, which may be due to the fact that prior and during the implementation of SAPARD Programme other infrastructure investments were also achieved under other funding sources, evidencing once more the importance ascribed to these interventions by the Government of Romania in the period of pre-accession to EU.

Map: Territorial allocation of resources under Measure 2.1 - Sub-measure 4



Source: Prepared by Evaluator

Legend:



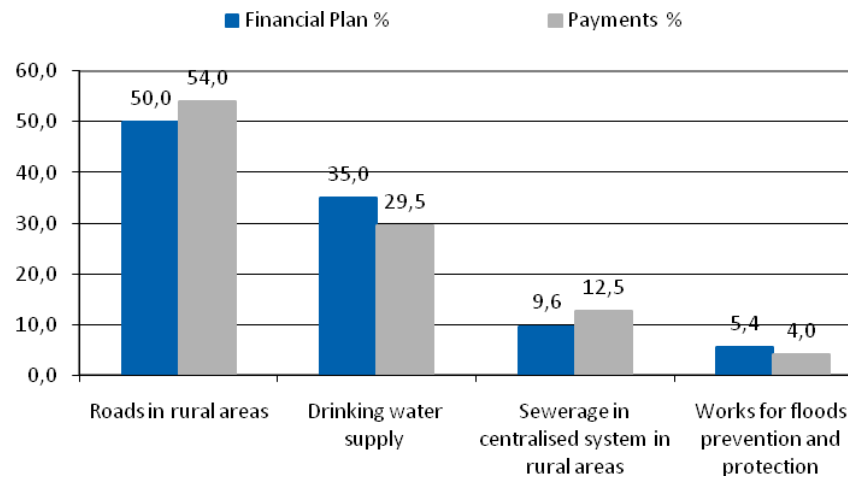
With reference to the degree of absorption of the funds made available at sub-measure level, a concentration of over 54% of the payments made as of 31.12.2009 can be noticed in respect of the sub-measure concerning the building and rehabilitation of the roads in rural area, this share being even higher than the 50% one initially established under the PNADR. The allocation of significant amounts to the transport infrastructure is understandable, considering the importance of ensuring the connection between the rural and urban areas for the balanced development of the territory from socio-economic viewpoint, especially considering that half of the rural localities were not directly connected to the main roads, and less than 10% of the communal and county roads were modernized in the period 1997-1998. As a matter of fact, the situation of the rural infrastructure was critical in respect of many facilities, from the education and sanitary infrastructure to the infrastructures for thermal energy distribution, drinking water supply and sewage, the last ones showing major drawbacks: a drinking water network was available in about 20% of the rural localities, serving about one quarter of the rural population, while a sewage network was available in less than 3% of the rural localities (according to the data provided under PNADR).

In this context, NPARD had ascribed a high importance to the drinking water distribution network, which had been allocated 35% of the funds. As a matter of facts, the amounts paid as of 31.12.2009 indicate a reduction of this share down to 29.5%, while higher amounts than the projected ones (accounting for 12.5% of the total, as compared to 9.6% scheduled) were spent for the sub-measure related to the sewage infrastructure.

A slightly lower share than the scheduled value (4% as compared to 5.4%) was spent for the sub-measure related to the flood prevention and protection.

The following chart summaries those above-described.

Chart: Share of planned and paid resources by sub-measure



Source: The financial plan data are taken over from NPARD p. 216, and the paid amounts data were calculated from the Final Report SAPARD, table 6.16.

4. Results of Physical Evolution at 31/12/2009

The two tables below indicated the evolution of the output and result indicators for the Measure 2.1 as of 31.12.2009, as presented in the Final Report SAPARD Romania in June 2010.

Having regard to the above-referred data, it can be said that the Measure 2.1 has fully attained its targets as regards the number of projects (847 approved) and targeted inhabitants (1,368,459 inhabitants foreseen to be reached by the completed projects), their output capacity being 117% and, respectively, 400%.

Table: Output indicators in respect of Measure 2.1

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
<i>no. of projects</i>	no.	724	847	117
<i>no. of inhabitants</i>	no.	342,000	1,368,459	400
<i>no. of communes</i>	no.	880	n.d.	n.d.
<u>Roads in rural area</u>				
<i>no. of projects</i>	no.	300	442	147%
<i>no. of inhabitants</i>	no.	147,000	n.d.	

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
<i>no. of km</i>	km	1,500	2,792	186%
<i>no. of communes</i>	no.	380	n.d.	
<u>Drinking water supply</u>				
<i>no. of projects</i>	no.	300	292	97%
<i>no. of inhabitants</i>	no.	145,000	1,029,129	710%
<i>no. of pipeline km</i>	km	3,100	5,385	174%
<i>no. of communes</i>	no.	370	n.d.	
<i>no. of pumping stations</i>	no.	500	n.d.	
<i>no. of drinking water reservoirs</i>	no.	500	n.d.	
<u>Sewerage in centralized system in rural areas</u>				
<i>no. of projects</i>	no.	100	91	91%
<i>no. of inhabitants</i>	no.	50,000	339,330	679%
<i>no. pipeline km</i>	km	1,300	1,723	133%
<i>no. of communes</i>	no.	130	n.d.	
<i>no. of pumping stations</i>	no.	300	n.d.	
<i>no. of treatments plants</i>	no.	100	n.d.	
<u>Works for flood prevention and protection</u>				0%
<i>no. of projects</i>	no.	24	22	92%
<i>total km, of which:</i>	km	101.5	112	110%
<i>- no. of reconstructed dike km</i>	km	0.5	n.d.	
<i>- no. of shore embankment km</i>	km	2.3	n.d.	
<i>- no. of restored shore km</i>	km	1.7	n.d.	
<i>- no. reshaped dike km</i>	km	14.5	n.d.	
<i>- no. of rehabilitated and consolidated ravine and valley km</i>	km	101	n.d.	

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
Total area, of which:	ha	3,485	3,334	95.66
- Area (ha) with flood prevention works	ha	2,685	n.d.	
- Area (ha) with flood prevention works on sloped lands	ha	800	n.d.	

Note: The table was created by comparing the output indicators provided for under NPARD with the situation of the approved, affected and not affected by floods projects, as described at pages 226 and 227 of the Final Report SAPARD, Romanian version.

As a matter of fact, a closer look on the outputs of Measure 2.1 in respect of the number of projects foreseen to be implemented, by sub-measure, indicates that:

1. the interventions concerning the roads in rural areas are actually those which exceeded the target, 442 projects being implemented as compared to 300 planned;
2. the other sub-measures actually have not attained their targets, but nevertheless the output capacity was over 90% (even over 97% in the case of the sub-measure referring to the drinking water network).

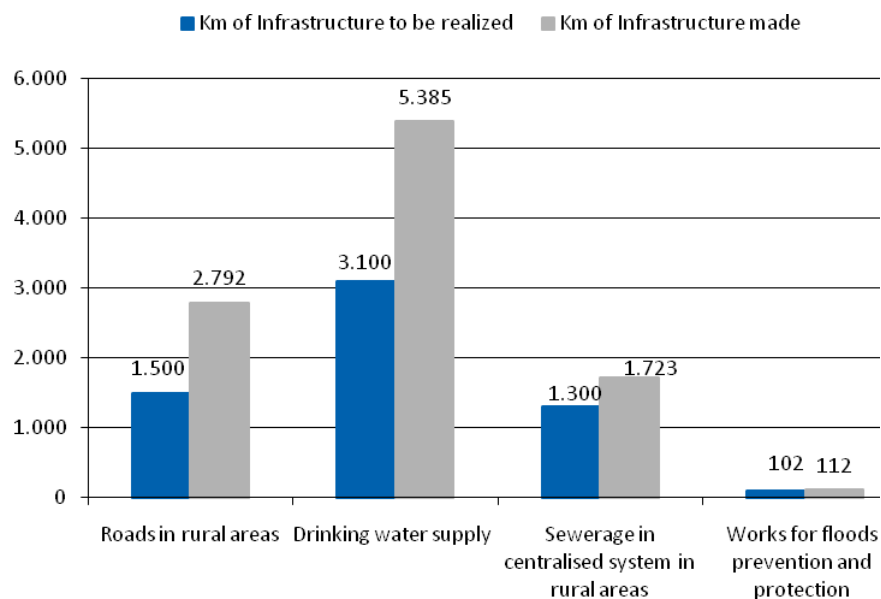
More detailed, if we take it account the actual outputs of the projects, that is to say, the number of road km, water pipeline km, flood prevention and protection infrastructure km (in other words, „km of achieved infrastructure”), it follows that all the sub-measures have attained and even exceeded the targets established under NPARD, as evidenced by the following chart.

Once more, the sub-measure concerning the rural roads reached the highest performance, recording an output capacity of 186%, followed by the sub-measure concerning the drinkable water network, with a target attainment capacity of 173%, by the sub-measure concerning the sewerage network, with an output capacity of 132.5% and, finally, by the sub-measure concerning the flood prevention and protection infrastructure, that recorded an output capacity of 110%.

With reference to the number of inhabitants reached by the achieved infrastructure improvements, the performances of the drinkable water network and sewerage network sub-measure stand out, the number of beneficiaries thereof being about 7 times higher than the scheduled one (that is to say, about 1 million persons in respect of the drinking water infrastructure and, respectively, 340 thousand persons in respect of the sewerage infrastructure).¹⁰

Chart x. Physical achievement of Measure 2.1 by sub-measure – Scheduled infrastructure km, as vs. achieved infrastructure km

¹⁰ Number of inhabitants having benefitted from the road infrastructure works is not available.



With reference to the typologies of funded actions, the table below indicates the following:

1. the actions funded under the sub-measure concerning the rural roads focused on the communal road modernization works, accounting for over 91% of the number of funded projects. The reconstruction of the roads affected by floods concentrated about 6.5% of the funded projects, while the construction of new communal roads only 2.26% of the total.
2. on the other hand, the actions funded under the sub-measure concerning the drinkable water distribution network concentrated on the execution of new works (67% of the total number of projects), while the network extension and/or modernization works account for only 28% of the projects, and the reconstruction of the drinking water supply systems in the areas affected by floods accounted for 4.4% of projects.
3. at the same time, the large majority (over 79%) of the interventions under the sewage related sub-measure involved the execution of new sewage works, other about 17.5% of the projects concerning the network modernization and/or extension, and only 3.3% of them concerning the reconstruction of the sewage facilities in the areas affected by floods.

The typologies of actions funded under Measure 2.1 are perfectly coherent and relevant as against the needs identified upon programming.

Having in view that the interventions funded under SAPARD Programme mainly concerned road modernization actions, as well as that 4/5 of the public roads consist in commune and county roads, the analysis of the available data regarding the evolution of the public road network and its degree of modernization in the period 2002-2008 revealed the following:

1. notwithstanding the road modernization interventions, the North East Region continues to have a share of modernized public roads smaller than the national average (25.94% as compared to 27.99% nationwide), however this increased by 12.46% as compared to 2002 (when it was 23.26%);

2. a rather significant increase (above the national average) of the share of modernized roads was recorded in respect of the regions South East (up from 17.45% in 2002 to 21.66% in 2008), South Muntenia (from 27.39% to 32.28%) and Central (from 22.29% to 26.02%);
3. notwithstanding a significant increase in respect of the modernized roads, in the regions South East and Central their share continues to be below the national average;
4. notwithstanding the low concentration of the resources allocated to this sub-measure, the share of modernized roads in the Bucharest Ilfov Region increased from 48.47% to 74.38%, probably due to other funding sources (for example, the Regional Operational Programme 2007-2013);
5. a significant increase (-10.86%, accounting for about 4 percentage points, from 27.74% to 23.70%) in the share of modernized roads in the North West Region was recorded, probably due to the deterioration of the condition of existing roads.

Table: Evolution of public roads 2002-2008 by development regions

Regions	2002			2008			Δ (2008-2002) in %
	total, of which:	modernized (no. km)	modernized (%)	total, of which:	modernized (no. km)	modernized (%)	
North East	13,388	3,114	23.26	13,502	3,502	25.94	12.46
South East	10,565	1,844	17.45	10,966	2,375	21.66	28.80
South Muntenia	11,838	3,243	27.39	12,574	4,059	32.28	25.16
South East Oltenia	10,375	3,285	31.66	10,675	3,674	34.42	11.84
West	10,192	2,595	25.46	10,288	2,941	28.59	13.33
North West	11,583	3,213	27.74	12,084	2,864	23.70	-10.86
Central	10,105	2,252	22.29	10,714	2,788	26.02	23.80
Bucharest Ilfov	850	412	48.47	890	662	74.38	60.68
Total	78,896	19,958	25.30	81,693	22,865	27.99	14.57

Source: Prepared by evaluator using data from: INS, Territorial Statistics 2007; Ministry of Environment <http://mmediu.ro/RO-EEA-EIONET/State%20of%20Env%20report/Lansare%20SOER%202010%20-%2015%20decembrie%202010/CD%20lansare%20SOER%202010%20-%2015%20decembrie%202010/Raport%20national%20de%20stare%20a%20mediului%202009/TRANSPORTURI.pdf>

Moreover, the available data (www.insse.ro) indicate the fact that in the period 2002-2009 the number of localities served by the drinking water network and sewage network increased throughout Romania, notably by almost 32% the number of localities connected to the drinking water network, and by 24% the number of localities connected to the sewage network.

It is worth noting that during the reference period the number of localities served by the sewage network decreased in various counties, including Bihor, Satu Mare, Sălaj, Botoșani, Teleorman, Dolj and Gorj counties. On the other hand, a record increase in respect of the number of localities

connected to the sewage network was scored in the regions Central (+82%) and West (+66%), while the counties where the number of localities connected to the sewage network increased the most (between 133 and 333%) are: Vâlcea, Harghita, Caraş-Severin, Covasna, Timiș and Sibiu. Having in view the incidence of SAPARD resources in the Central Region in relation to sub-measure 3, it is certain that this increased number of localities connected to the sewage network is also related to the SAPARD Programme funding.

With reference to the localities served by the drinkable water distribution infrastructure the regions where their number recorded the most significant increase are South West Oltenia (+50%), South Muntenia (+40.44%) and Central (+40%). In this respect, the increases recorded in respect of Dolj (+525%), Giurgiu and Teleorman (+200%) and Sibiu (+122%) counties are worth noting. It is also notable that in 2009 the counties scoring the largest number of localities connected to the drinking water network (over 70 de localities) were Bihor, Argeş and Timiș.

By using the data above (centralized by Evaluator), an estimation can be made in respect of the share of holdings/ households/ businesses having access to the assisted infrastructure, leaving from the number of localities equipped with such infrastructures. The reviewed data clearly point to the fact that the sewage infrastructure, which served in 2009 a number of 469 rural localities (accounting for 20.4% of the total commune in Romania) is still weakly developed as against the existing needs, while the number of rural localities served by the drinking water system was 1,874 (66% of total) in 2009. Therefore, having in view the share of equipped localities, the targeted result indicator (that is to say, the connection of over 50% of households/ holdings/ businesses) was attained in respect of the drinking water infrastructure, yet not in the case of the sewage infrastructure, while the average of the indicators related to the two types of infrastructure indicates that the *result was not attained*, as evidenced by the table below (according to the 2002 and 2009 data).

At the same time, significant differentiations were notable as regards the attainment of this result at regional and county level: in the South West Region the share of localities connected to the drinking water network continued to be below 50% in 2009, and notwithstanding the improvements achieved over the last years, this share was still below 40%, *inter alia* in Sibiu, Giurgiu, Teleorman and Dolj county. On the other hand, over 90% of the connected localities can be found in Cluj, Constanța and Tulcea counties.

At the same time, with reference to the sewage infrastructure, it is worth noting that almost 50% of the localities are connected to the sewage network in Harghita and Ilfov counties, and over 50% in Bacău county only. On the other hand, there are many counties where less than 10% of the rural localities are connected to the sewage network (2009), and namely: Satu Mare, Sălaj, Alba, Iași, Vaslui, Brăila, Buzău, Vrancea, all the counties of South Muntenia region, except for Prahova, Dolj, Gorj and Olt counties. Besides the Bucharest Ilfov Region, only the West Region has no county with less than 10% of the localities connected to the sewage network.

With reference to the increased tourism in the rural area, certainly the infrastructure funded works under Measure 2.1 facilitated this phenomenon. However, this phenomenon must be reviewed in the light of several determinant factors, including first of all the increased number of tourist accommodation structures in the rural areas, and especially the agritourism related ones. Therefore, according to the available data (INS) in the period 2002-2009 the number of tourists hosted by agritourism facilities increased 5 times, from 64,811 in 2002 to 325,686 in 2009, which

means that the targeted result was attained (information on the duration of stay is not available). *Fore more details, see the chapter regarding the implementation of Measure 3.4.*

Finally, having in view the increased share of localities served by the sewage infrastructure, from 16.71% to 20.44%, the conclusion may be drawn that the result regarding the volume of residual products/ wastewater sewage/ wastewater treatment in treatment plants has been attained.

It is worth highlighting that the results achieved in the localities where SAPARD projects were implemented under Measure 2.1 were remarkable, the percentage of holdings/ households/ businesses having access to assisted infrastructure soared on the average from about 22% to about 70%.

Table: Result indicators in respect of Measure 2.1

Result indicator	Measurement unit	Target	Baseline	Achieved
		(a)	(b)	(c)
Percentage of holdings/ households/ businesses with access to assisted infrastructure – <i>percentage of served localities (water and sewage network)</i>	%	>50%	34.84	43.24
Increased tourist frequency in the rural areas	Number (of tourists)	> baseline	64.811	325,686
	duration (tourist stays)	> baseline	<i>n.d.</i>	<i>n.d.</i>
Residual products/ wastewater sewage/ wastewater treatment in treatment plant as a result of the assisted actions	% (volume o treated water)	> baseline	<i>n.d.</i>	<i>n.d.</i>
	% (number of holdings/households served)	> baseline	16.71	20.44

Considerations concerning the physical evolution situation:

As regards the physical achievement of Measure 2.1, the targets established under NPARD were exceeded, both in terms of submitted projects, and of km of achieved infrastructure and number of targeted inhabitants, the financial reallocations in favor of Measure 2.1 performed during the implementation of the Programme evidencing the strategic nature of this measure, in respect of all its components, for ensuring a balanced development of the Romanian territory, by promoting an increased life quality in the rural area.

From the viewpoint of the distribution of the sub-measure related resources, it can be said that the shares scheduled under NPARD were more or less complied with, even though the expenditure projections were slightly exceeded in respect of the sub-measures concerning the roads in rural area and sewage network, while being higher than the achieved values in respect of the sub-measures concerning the drinking water network and flood prevention and protection.

At the same time, a high degree of coverage of the needs identified under NPARD was notably recorded in respect of the typologies of actions funded under the activated sub-measures

especially, in particular the need for the modernization of the communal and county roads, and on the other hand the need to build up from zero the drinking water distribution and sewage infrastructures.

The results obtained thanks to the implementation of the interventions under Measure 2.1 point to an important ongoing need for the development of the sewage infrastructure throughout the Romanian regions, while the public roads infrastructure has remained deficient notwithstanding the already achieved investments, especially in the regions North East, South East, Central and North West, where interventions to maintain the already existing roads are probably required. In general, notwithstanding the fact that significant resources were allocated in the period 2000-2006 for the public roads modernization actions, having in view that the share of modernized public roads is still below 40% in all the regions except for Bucharest Ilfov, it can be said that the needs for investment in this field are still high.

As regards the impact of the funded interventions, it is notably difficult to isolate the net effect of the interventions on the population, having in view the multifarious social and economic phenomena contributing to the definition of the population migration patterns.

5. Primary data collected

The inquiry activities were developed during April - May 2011, and involved 74 beneficiaries of the Measure 2.1, who were invited to answer an ad hoc questionnaire about the project results, as well as generally about the impact generated by the Programme on the beneficiaries. In particular, as regards the generated impact, the main objectives of Measure 2.1 refer to maintaining population, creating jobs and increasing the attractiveness of rural areas, especially increasing the number of tourist arrivals in these areas.

6. Sample selection criteria for Measure 2.1

As regards the methodology used to select a representative sample of beneficiaries for this Measure, reference is made to the corresponding paragraph. This section will only indicate the factors taken into account in order to estimate a number of projects significant from the statistical viewpoint, as indicated by the following table:

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Measure 2.1	19.3%	42.7%	31.0%	31.5%	79

At the same time, this sample was divided according to the sub-measures of Measure 1.2, as emphasized in the section describing this Measure. In particular, the sample was tiered up according to the following method.

Measure 1.2 – Analysis of beneficiaries sample by sub-measures

The sub-measure concerning the building and modernization of roads in rural area, that concentrated the largest number of projects, also provided the highest number of interviewees (52%), followed by the sub-measures concerning the water supply (33%), sewage (12%) and flood prevention (3%), as described in the table below:

Sub-measure	Share of number factor	Share of financial factor	Average	Extracted units
Roads in rural areas	54.1%	54.0%	54.0%	43
Centralized water supply system in the rural areas	33.5%	29.5%	31.5%	25
Centralized sewage system in the rural areas	10.3%	12.5%	11.4%	9
Flood prevention and protection works	2.1%	4.0%	3.1%	2
TOTAL	100%	100%	100%	79

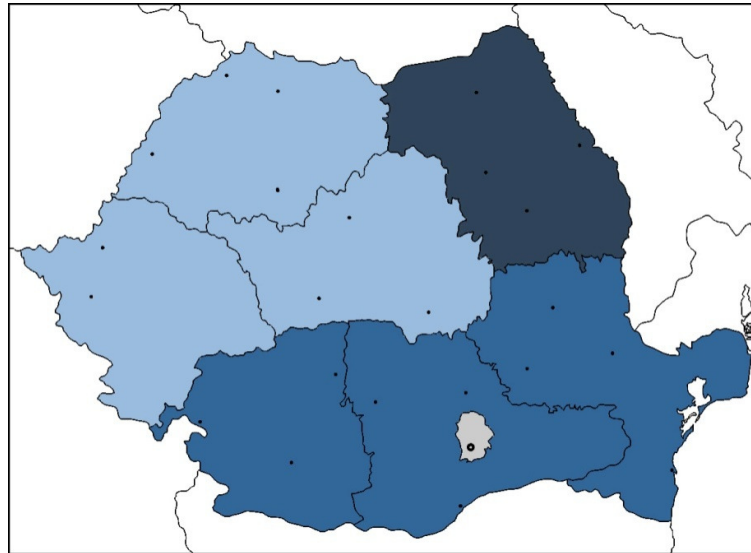
74 beneficiaries were interviewed in respect of the extracted units, of which: 54.4% in relation to the sub-measure concerning roads in rural areas; 31.1% in relation to the sub-measure concerning the water supply; 9.5% beneficiaries of the sub-measure concerning the sewage, and 4% beneficiaries in relation to the flood prevention field.

This sample accounts for **about 9%** of the total pool of beneficiaries of Measure 2.1.

7. Answers map, research data analysis and comments

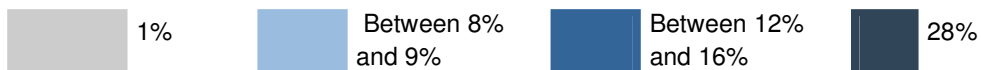
As regards the characteristics of the interviewed beneficiaries of Measure 2.1, these were mainly local councils (93%), followed by the National Administration for Land Reclamation (ANIF) (4%) and associations of the local public administrations (about 3%).

The territorial distribution of the answers indicates that the interviewed beneficiaries came especially from the four regions where the largest volume of investments were achieved under this Measure (about 75% of total), that is to say, the regions North East (about 28% of respondents), South East (16%), South Muntenia (about 15%) and South Oltenia (about 12%), while the regions West, North West, Central and Bucharest-Ilfov were represented to a lesser extent, as indicated by the table below. Therefore, it can be said that the territorial origin of the interviewed beneficiaries complied in full with the shares related to the distribution of financial resources allocated to this measure via the contracted projects.



Source: Prepared by evaluator

Legend



The interviewed beneficiaries declared that they submitted the financing application in the period 2002-2006.

Except for the sub-measure 4, the **average value** of the projects submitted by the interviewed beneficiaries was higher than the average value of those submitted by the totality of beneficiaries, the last one being 708,737 euro, as compared to 1,145,035 euro for the sample related ones. In particular, the projects concerning the road and drinking water distribution infrastructure included in the sample were by over 77% and, respectively, 52% higher than the projects submitted on the average by beneficiaries.

Table: Average value of pool / sample related projects by sub-measure

Sub-measure	Project average value (pool) (€)	Project average value (sample) (€)
1	733,141	1,298,183
2	606,191	924,679
3	827,201	986,313
4	1,089,521	1,066,968

Source: Prepared by evaluator

The large majority of the interviewed beneficiaries (77%) submitted their financial applications themselves, and a rather limited part (22%) requested the support of certain consultants/

consulting enterprises, which suggests that generally the local public administration authorities have the internal expert knowledge necessary to access European funds, or that they were appropriately assisted by the responsible bodies de (e.g. ANCA) / technical assistance provided via projects funded under other programmes (e.g. Phare).

The **information sources** regarding the SAPARD Programme and the respective possibility to submit financing applications were generally multiple, about one quarter of the respondents mentioning, in an equal extent, the following: consultants (28%); public staff (22%); written press (22%); internet (22%); other organizations (22%); other sources (26%), especially the County Councils. To a lesser extent but nevertheless relevant, the respondents mentioned as information sources the television (18%), industry associations (11%) and local publicity (9%). The respondents' opinion on the quality of received information was generally good and very good, over 91% of them considering such information optimal (39%) or good (51%), and only 4% as sufficient, the share of those considering it insufficient being irrelevant.

70% of the interviewed beneficiaries declared that they did not encounter any difficulties in the relationships with the authorities in the course of development of the bureaucratic procedure of managing the received funding, however a little more than one quarter of the interviewed beneficiaries declared that they encountered some difficulties. Amongst such difficulties, more than half of the beneficiaries (53%) quoted too long periods of waiting to obtain the funding, and a quarter of them (25%) quoted funding access conditions too hard to meet.

The suggestions received from the beneficiaries with a view to addressing the encountered difficulties have mainly referred to the following topics:

1. diminishing bureaucracy / simplifying procedures;
2. facilitating the access to funding by ensuring a public pre-funding quota, so that the beneficiaries do not have to resort to banks;
3. observing the refunding time limits;
4. motivating financially the public staff involved in the programme implementation;
5. reducing intermediary organizations, and increasing the importance of the regional implementation level;
6. furthering the assistance for investments concerning the flood prevention and protection.

However, the **overall evaluation** of the correspondence between the national agricultural policies and the organization's needs on a scale from one to ten being a good one on the average (scoring 8), this suggests that the beneficiaries of Measure 2.1 were contented about the types of investments that could be made under this Measure, which evidences once more the priority value and strategic/lever importance of the infrastructure investments for the Romanian rural environment.

Moreover, over 74% of the respondents would not have achieved the investments without the financial assistance of SAPARD Programme, the remaining 28% being equally divided between those who would have achieved the works anyway, and those whose answered: I don't know/ I can't answer, the **deadweight** effect being thus small (about 14%).

The SAPARD contribution to the made investments was 79% on the average, and 82% of the respondents resorted to a credit institution in order to achieve the project. As a matter of fact, this reduces to a large extent the investment sustainability: only 53% of the respondents believe that

the infrastructure maintenance will be easy, while 39% of them believe that major difficulties will be encountered, mainly due to the lack of funds.

As regards the **positive effects** of the investments, it can be said that the funded interventions contributed to a significant extent to improving the competitiveness of rural areas and the quality of life of the inhabitants in the concerned areas: about 40 -43% of the respondents noticed an increased accessibility of the area and improved local transport system, economic development (including the development of agriculture, increased prices of lands and homes, increased investments and tourism development), increased standard of living, comfort and/or sanitary conditions for population; about 12% highlighted the role of investments in improving the environmental conditions; 4% of the interviewed beneficiaries mentioned their contribution to the stabilization of the rural population, including by attracting young population and reducing the rural – urban exodus.

The answer was in the majority of cases multiple, indicating that the development of infrastructures helped improve several elements of the rural life, including the economic development, general standard of living, population stabilization and environmental protection.

At the same time, over 92% of respondents stated that the funded investment entailed an increased attractiveness of the villages for population and enterprises. More detailed, the large majority of the interviewed beneficiaries (about 90% of answers) noticed an improved competitiveness, through increased investments in the area, including in the fields of constructions (home prices having increased pursuant to the infrastructure improvements), tourism (especially thanks to the provision of new tourist accommodation facilities, such as agritourism ones), agriculture, and almost everybody (97%) mentioned the improved quality of life of inhabitants.

Finally, it is worth noting that in over 40% of the cases the achieved investments **created new jobs** at the level of the beneficiary's organization, 2-3 job positions on the average, meaning about 850 full-time employment positions newly created the average at the beneficiaries' level.

Moreover, the fact has to be reminded that the employment effect of the infrastructure investments must also have in view the job positions created at the level of certain external organizations, such as building enterprises, and enterprises from other relevant sectors, involved in the achievement of such infrastructures, which raises the number of created jobs (at least during the project implementation) in respect of the pool of beneficiaries to about 16,000. This fact evidences once more that the infrastructure related investments are an important economic development *lever* in relation to wide areas.

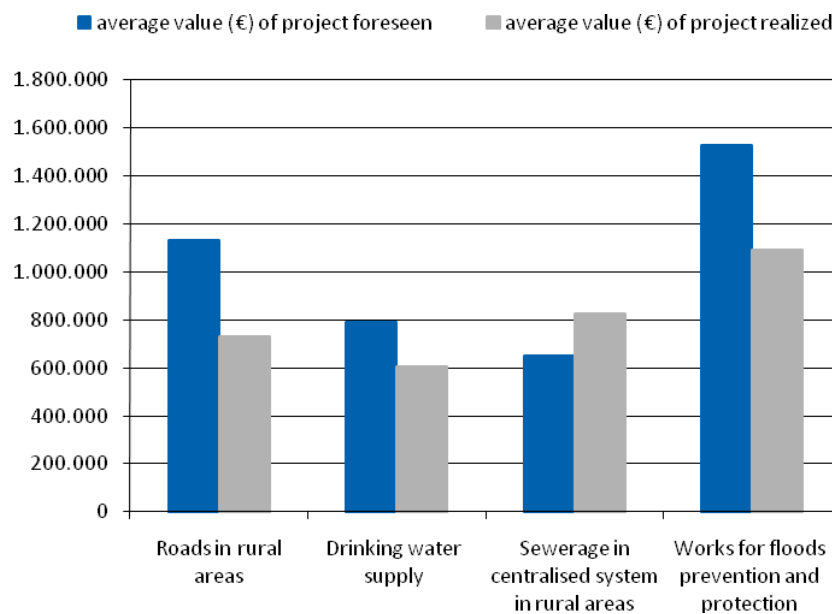
8. Final considerations on the results of the Measure 2.1

The irregular evolution of the amounts related to the approved projects, which reached a peak of 672 million euro in 2006, and thereafter gradually dropped to 619 million euro in 2009, is due to the fact that some of the approved projects were terminated during their implementation. Having regard to this issue, and the fact that the volume of submitted projects evidences a high need of funding for infrastructure projects, it can be said that the absorption of the funds available under this Measure would have certainly been 100% had the potential beneficiaries had an optimal project implementation capacity, which would have prevented the agreement termination.

The value of the projects funded under Measure 2.1 was on the average smaller than projected under the financial plan, being 708,737 euro, as compared to 936,686 euro. Calculating the

average value of the projects by sub-measure, it follows that the smallest projects, amounting on the average to 606,191 euro, were funded under the interventions concerning the drinking water infrastructure, followed by the projects in the of road infrastructure, with an average value of 733,141 euro, and therefore 35% smaller than the projected amount. Over one million euro per project was spent anyway in respect of the projects concerning the flood prevention and protection infrastructure, notwithstanding the fact that the average value thereof was 28% smaller than the projected one. On the other than, the infrastructure projects for wastewater, totaling on the average 827.201 euro, were 27% larger than projected.

Project value by sub-measures of Measure 2.1



Due to the still existing needs for modernization and/or extension of the transport, drinking water and distribution and sewage infrastructure in the rural areas, both for the purposes of improving the rural population's life quality and for the balanced economic development of rural areas, this Measure was taken over under NRDP 2007-2013, Measure 322 „Village renewal and development, improvement of basic services for the economy and rural population, conservation and upgrading of rural heritage”. The objectives of this Measure are:

- Improving the basic physical infrastructure in rural areas;
- Improving the access to public basic services for the rural population;
- Increasing the number of renewed villages;
- Increasing the number of patrimony objectives from the rural area.

The total funds allocated to Measure 322 under FEADR are 1,546,087,425 euro.

As of 11.02.2011, 3,039 projects were submitted under this measure, amounting to 7,429,244,322 euro (accounting for more than half of the value of the projects submitted under the entire programme), of which 611 projects (amounting to 1,623,062,089 euro) were selected, and 610

projects contracted, amounting to 1,537,866,970 euro, for which payments amounting to 167,709,873 euro were made.

The investments achieved under the SAPARD Programme were deemed relevant for the existing needs, and their effects were multifarious and positive, both on the general living conditions of the population, and on the economic development of the concerned localities, therefore the Programme is positively appraised on the whole.

More detailed, the strategic value of the infrastructure investments has to be highlighted once more, these constituting “levers” of the economic and territorial development, entailing an increased attractiveness of the concerned areas and a general improvement of the living standard of their inhabitants, including a significant contribution to increased employment both in the public and private sector, in all the economic fields, the entire community and business community being generally indirect final beneficiaries of an improved infrastructure.

At the same time, from the viewpoint of the implementation system, the relationship with the responsible organizations involved in the Programme development has been positively appraised, despite the fact that some difficulties were encountered in the course of such development, evidencing in particular the need for simplified procedures/ diminished bureaucracy.

MEASURE 3.1***Investments in the agricultural holdings***

Axis 3	Development of rural economy		
Intervention typology	Nonrefundable financial assistance regime		X
	Infrastructure: Building, modernization and extension of buildings and auxiliary installations including, where necessary, demolition works, utility networks; Acquisition of new machinery and equipment, IT hardware and software, necessary for the farm management and production process, including assembly expenses; Acquisitions of new agricultural machinery for the farm activities; Acquisitions of new, specialized transport means; Tools and instruments for farm use, including flood and work protection related ones		X
Beneficiaries	Individual agricultural producers; Agricultural family associations; Private agricultural companies/associations with legal status provided by Law no. 36/1991 regarding the agricultural companies, and other associative forms in agriculture; Agricultural commercial companies with private capital at least equal/more than 75%, set up according to Law no. 31/1990 and Law 15/1990; Producer groups;		
Localization	Entire territory of Romania		
Project selection method	At Ministry level	Announcement	At the counter
		X	

1. Objectives and Description of the Measure 3.1

General objectives

- This measure provided financial support for investments in private agricultural holdings, vegetal and livestock breeding, for ensuring the rationalization and reorientation of the production for the purposes of increasing the quality of the products resulted from the application of competitive technologies and which may also limit the pollution on the environment.
- This measure has contributed to the improvement of the agricultural producers' incomes, to attracting young people in the agriculture activities by improving their life and working conditions, as well as to ensuring the hygiene and welfare conditions of the livestock.
- The implementation of the measure was carried out in accordance with the provision of Article 2 of EC Regulation 2759/1999 and ensured the conditions for the implementation of the Acquis Communautaire in the agricultural holdings.

Specific objectives

- to modernize the farming technologies and reduce the production costs;
- to diversify production and improve the quality of Romanian agricultural products;
- to ensure the improvement of the breed, of animal hygiene and welfare conditions;
- to diminish the production losses and to increase the efficiency of the agricultural holdings;
- to promote the diversification of agricultural activities in order to ensure a better use of the workforce from agriculture;
- to ensure better capitalization of the agricultural potential of each area;
- to facilitate the transfer of agricultural holdings to the young farmers;
- to protect, preserve and improve the natural environment, to ensure the restoring and preservation of soil quality;
- to stimulate competition.

Operational objectives

- to promote the investments in the animal breeding and in the plant sector at the farm level, for the improvement of farm buildings (for animal breeding and for plant sectors), investment in new machines and/or with animals of high genetic value, renewing and improvement of fruit tree and vineyard plantations.

2. Fields of Action of the Measure 3.1

The eligible projects have to refer to:

1. Vegetal production farms

Help the development of viable farms through:

- Acquisition of the equipment necessary for the modernization of the holdings from the plant sector by equipping them with: tractors, combine harvesters, outfits, machinery, installations and agricultural equipment, including for calibrating, sorting, conditioning and storing of the agricultural products obtained and processed within the farm, irrigation installations, installations for processing vegetable residues;
- Rehabilitation of the fruit growing plantations (with the change of the structure of the fruit trees) through the procurement of planting material, as well as works carried out by third persons for upturning soil preparation, planting and replanting with the exception of soil fertilizing;
- Rehabilitation of vineyards plantations (re-conversion, replacement of the ageing vine and hybrids only by noble varieties) on existing surfaces, without increasing the total area put to vineyards, through procurement of planting material, setting up of vineyards nursery (cold storage complexes and straining by warmth, grafting hall, agricultural machines and equipment, warehouses and materials storehouses), as well as the works carried out by third persons for

upturning soil preparation, preparing the land, planting and replanting with the exception of soil fertilizing;

- Investments in vegetal farms by modernization and extension of buildings and utilities (water and electric power supply, supply with thermal energy, draining off of wastes, sewerage, etc.), and the complementing with several buildings necessary for agricultural production (sorting and storage spaces, fuel storehouses, shelters for equipment, fence for limiting the concerned areas, etc.);
- Modernization and building up of new greenhouses, made of metal light structures, with own thermal units and irrigation equipment, including ensuring of utilities - water and electric power supply, drainage of water, sewage, waste water treatment, etc. - in order to respect the conditions of environmental protection.

2. Farms for animal and poultry breeding

To ensure the development of viable farms for animal and poultry breeding through:

- Procurement of animals (first acquisition - female) with high genetic potential, by mentioning the origin (pedigree) the source and the registering with the territorial units of the National Agency for Livestock Breeding Improvement, Reproduction and Selection¹, (excepting poultry) as well as purchasing of quality semen;
- Investments in tractors, equipment, machines, and installations for carrying out the activities in the farms of livestock breeding;
- Setting up of farms for animal and poultry breeding, modernizing of existing ones, as well as the completion with other buildings and utilities: paddocks, hay deposits, septic tanks, deposits for collecting liquid manure, platforms for manure, treatment stations, installations for producing and batching complex fodder, milking halls and halls for milk collection, heating stations, fuel storehouse, installations for water supply, sewage networks, electrical installations, enclosures, etc.

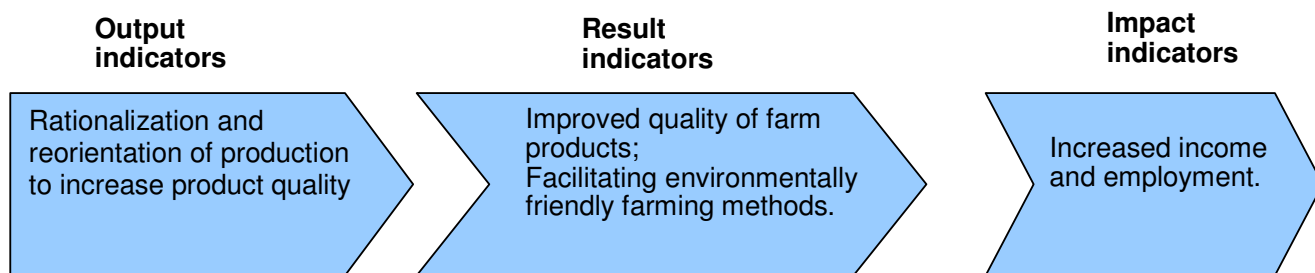
Sub-measures:

- Field crops
- Horticulture (of which flower growing 1.5%)
- Vineyard
- Fruit cultivation
- Greenhouses
- Dairy cows/buffaloes
- Cattle-rearing and fattening

¹The National Agency for Livestock Breeding Improvement, Reproduction and Selection ensures by its territorial units the natural reproduction and the compliance with the Improvement Plan at national level

- Sheep/goats farms
- Young muttons fattening farms
- Pig farms
- Poultry farms
- Other plant growing or livestock breeding and poultry farms specialized in the manufacture of products for human consumption.

The **intervention logic** a Measure 3.1 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 3.1:

Year	Financial plan ¹¹		Approved ¹²	Paid ¹³		c/a	b/a	c/b
	Total public expenditure	EU contribution		c	EU contribution			
	a		b			€	€	
	€	€	€	€	€	%	%	%
2000	0	0.00	0.00	0.00	0.00	-%	-%	-%
2001	0	0.00	0.00	0.00	0.00	-%	-%	-%
2002	53,489,248	40,116,936	0.00	0.00	0.00	-%	-%	-%
2003	52,088,236	39,066,177	205,271.60	0.00	0.00	-%	-%	-%
2004	51,563,708	38,672,781	21,685,941.27	3,157,641.04	2,368,230.75	6%	42%	15%
2005	47,202,268	36,135,200	56,867,388.03	25,662,576.60	19,246,932.43	54%	120%	45%
<i>affected by floods</i>	<i>7,334,988</i>	<i>6,234,740</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>-%</i>	<i>-%</i>	<i>-%</i>
2006	54,729,104	41,427,386	151,779,091.23	84,883,703.93	63,823,365.44	155%	277%	56%
<i>affected by floods</i>	<i>3,805,578</i>	<i>3,234,741</i>	<i>7,133,155.94</i>	<i>1,605,873.91</i>	<i>1,364,992.81</i>	<i>42%</i>	<i>187%</i>	<i>56%</i>
2007				84,955,011.59	64,272,498.47	-%	-%	-%
<i>affected by floods</i>				<i>5,562,397.29</i>	<i>4,728,037.70</i>	<i>-%</i>	<i>-%</i>	<i>-%</i>
2008				30,753,372.51	23,100,664.01	-%	-%	-%

¹¹ The amount of planned total public expenditure extracted from NPARD, page 373, differs by 0.45 euro from the amount in the Final Report on the Implementation of SAPARD Programme, page 159

¹² The amount of totals approved for projects affected by floods and not affected by floods, extracted from the Appendix 6 (centralizer) Excel tables no. 10 projects affected by floods, and no. 4 projects not affected by non-floods differs by 1.05 euro from the total expenditure amount approved under the Final Report on the Implementation of SAPARD Programme, page 159

¹³ The amount of totals paid for projects affected by floods and projects not affected by floods, extracted from Appendix 4 Excel table T03 differs by 0.24 euro from the paid total expenditure amount under the Final Report on the Implementation of SAPARD Programme, page 159

<i>affected by floods</i>				356,346.03	302,894.12	-%	-%	-%
2009				7,427,424.82	5,570,568.61	-%	-%	-%
<i>affected by floods</i>				0.00	0.00	-%	-%	-%
Total*	259,072,565	195,418,480	230,537,692.12	236,839,730.49	178,382,259.71	91%	89%	103%
not affected by floods	247,931,999	185,948,999	223,404,536.18	229,315,113.26	171,986,335.07	92%	90%	103%
<i>affected by floods</i>	11,140,566	9,469,481	7,133,155.94	7,524,617.23	6,395,924.64	68%	64%	105%

Sources: “Financial plan” Column: National Plan for Agriculture and Rural Development, 27.Dec.2006, page 377; “Approved” Column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel tables Appendix 6, Approved projects not affected by floods 3.1 and 3.4_Centralizer, Approved projects affected by floods 3.1 and 3.4_Centralizer; “Paid” Column: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel table PARDF - Payment SAPARD 2003-2009.

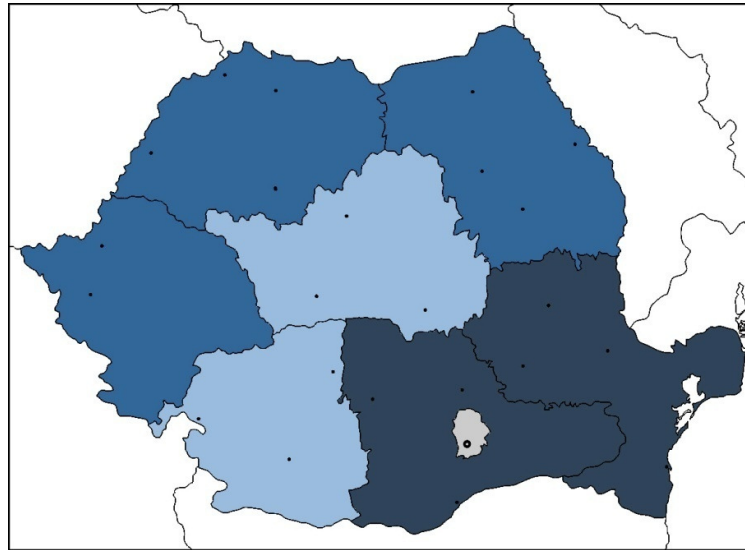
* **Note:** the inconsistencies between totals and totals amount are due to the fact that both the collection and the processing of the monitoring data were performed manually, working with a different number of decimals. Therefore, upon making calculations the amounts were automatically rounded up, having regard to the number of manually inputted decimals, which entails the occurrence of differences between 0.1 and 2 euro between the amounts including in the various reports of PARDF.

During the implementation years Measure 3.1 used 91% of its financial allocation, which indicates a high financial performance in pursuing the established objectives, beyond the general evolution of the Financial Plan of SAPARD Programme, which on the average was about 89%.

The first commitments were obtained in 2003, and the first payments were made in 2004. The largest part of the committed amounts was contracted in 2006 (66% of the total approved amounts). A variable evolution of expenditure can be noticed, with a special increase for the years 2006-2007, where over 72% of the payments made throughout the programming period are concentrated; almost equal amounts were paid during these two years.

The following map evidences the territorial distribution of the funds related to Measure 3.1.

The highest share of the payments made under Measure 3.1 was held by South Muntenia Region (22%), followed by South East Constanța Region (20%) and North-East Iași Region (15%). The Bucharest Ilfov Region benefitted from only 1% of the resources made available under the Programme, being an area with a lower agricultural potential.



Source: Prepared by Evaluator

Legend:



The analysis of resources by sub-measure (showed in the chart below) indicates the expenditure concentration on the basis of the payments made in relation to the reference sub-measure).

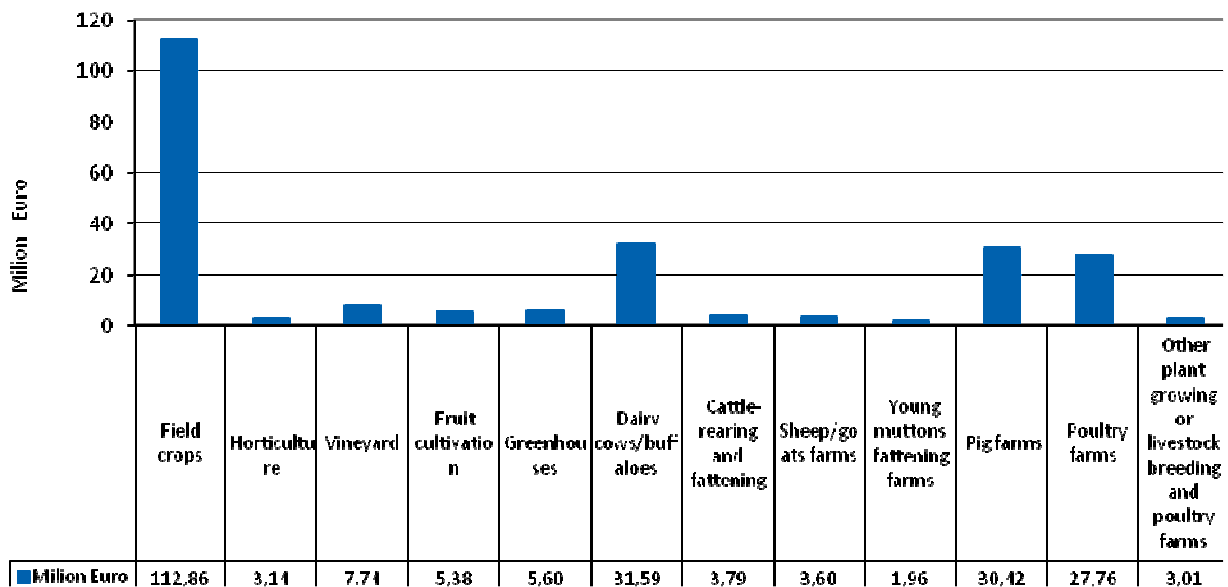
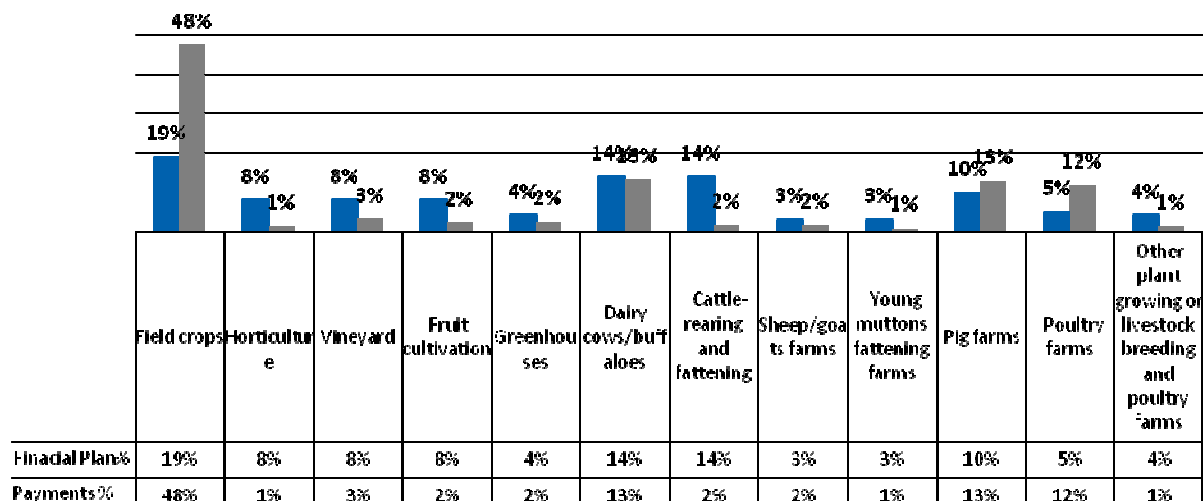


Figure: Field crops - Horticulture – Vineyard - Fruit cultivation – Greenhouses - Dairy cows/buffaloes - Cattle-rearing and fattening - Sheep/goats farms - Young muttons fattening farms - Pig farms - Poultry farms - Other plant growing or livestock breeding and poultry farms
Light blue: Million Euro

Sources: Final Report on the Implementation of SAPARD Programme in Romania, June 2010, page 212;
Excel table Appendix 5, e1.2, e1.1



Sources: National Plan for Agriculture and Rural development, 27.dec.2006, page 234; Final Report on the Implementation of SAPARD Programme in Romania, June 2010, Excel table Appendix 5, e1.2, e1.1

The majority of payments were directed towards the “Field crops” sub-measure (48%), exceeding two times the proportion foreseen by SAPARD Programme (19%). The payments related to the sub-measures “Dairy cows/buffaloes” (13%) and “Pig farms” (13%) reached similar proportions to those foreseen by the Programme (14%, respectively 10%), while the amount of payments related to “Poultry farms” sub-measure (12%) exceeded by far the planned values (5%). On the other hand, the other sub-measures have not reached the foreseen funding shares.

4. Results of Physical Evolution as of 31/12/2009

Measure 3.1 is highly consistent financially (the degree of absorption of allocated funds being 91%), but less in terms of number of projects (output capacity of proposed target being 18%). The table below presents the output and result indicator values for Measure 3.1 as of 31.12.2009, on the basis of the data extracted from the Final Report on the Implementation of SAPARD Programme in Romania, June 2010.

Output indicator (no. of projects)	UM	Target	Achieved			Output capacity
		(a)	Not affected by floods	Affected by floods	(b)	(b/a) %
TOTAL	N°	11,000	1,904	31	1,935	18%
Number of beneficiaries	N°	11,000	1,904	31	1,935	18%
<i>of which number of assisted young farmers</i>	N°	2400	580	14	594	25%
Field crops	N°	2,300	1,186	27	1,213	53%
Horticulture	N°	900	76	0	76	8%
Vineyards	N°	800	62	0	62	8%
Fruit growing	N°	800	71	0	71	9%

Greenhouses	N°	100	44	0	44	44%
Milking animals	N°	1,500	227	3	230	15%
Cattle rearing and fattening	N°	1,500	15	0	15	1%
Sheep/goats breeding	N°	400	28	0	28	7%
Young muttons fattening	N°	400	10	0	10	3%
Pigs		1,100	87	0	87	8%
Poultry	N°	600	81	0	81	14%
Other vegetal and animal poultry breeding farms	N°	600	17	1	18	3%

Sources: National Plan for Agriculture and Rural Development, page 235-236; Final Report on the Implementation of SAPARD Programme in Romania, June 2010, page 222; Appendix 5, Excel table e 1.1, e 3.1 floods

Breaking down by investment types

Output indicator	UM	Target	Achieved			Output capacity of the target	
		(a)	Not affected by floods	Affected by floods	(b)	(b/a) %	
Buildings							
of which:	livestock housing	pieces	1.000	312	1	313	31%
	Pig fattening houses	pieces	400	276	0	276	69%
	Poultry farms ¹⁴	pieces	n.d	179	0	179	n.d
	Other livestock buildings	pieces	800	67	1	68	9 %
	Greenhouses and related equipment	pieces	280	95	0	95	34%
	Other farm buildings	pieces	600	45	3	48	8%
Installation and independent equipment¹⁵							
of which:	Tractors	pieces	8.000	8.271	244	8.515	81%

¹⁴ In respect of sub-measure Constructions/ Poultry farms was not a target indicator in NPARD, however is included as output indicator in the Final Report on the Implementation of SAPARD Programme in Romania, June 2010.

¹⁵ In respect of sub-measure Machinery and equipment, the output capacity was calculated for the total value of the sub-units, since in the case of target indicators the planned value of the number of tractors, combine harvesters and other machinery is distinctly set out, while in the case of result indicators these classes are united and other additional sub-units are indicated (Irrigation installations, Installations for complex processing of animal fodder).

	Harvesters	pieces	600				
	Other equipment	pieces	2,000				
	Irrigation installations	pieces	n.d	75	0	75	
	Installations for complex processing of animal fodder	pieces	n.d	42	0	42	
Purchase of livestock with high genetic value							
of which:	cows/buffaloes	heads	15,000	724	0	724	5%
	Pigs	heads	23,000	170	0	170	1%
	Sheep/ goats	heads	50,000	9,000	0	9,000	18%
Agricultural plantations:							
of which:	Orchards	ha	1,300	725,003	0	725,003	56%
	Vineyards	ha	1,700	886,590	0	886,590	52%
Vineyards nurseries		ha	100	0	0	0	0%
Greenhouses	Newly built up surface	ha	60	20,299	0	20,299	34%
	Modernized surface	ha	200	1,432	0	1,432	1%
Other¹⁶		n.d	n.d	227	0	227	n.d

Sources: National Plan for Agriculture and Rural Development page 236; Final Report on the Implementation of SAPARD Programme in Romania, June 2010, page 229; Appendix 5, Excel table e 2.1, e 4.1 affected by natural floods

Considerations concerning the physical evolution situation

Measure 3.1 attained to a very low degree its target concerning the number of projects. The highest output capacity in terms of number of projects was recorded in respect of “Field crops” (53%) sub-measure, followed by the sub-measures “Greenhouses” (44%), “Milking animals” (15%) and “Poultry ” (14%). The highest number of projects implemented under this measure was recorded in respect of “Field crops” sub-measure (1,213 projects, 62.7% of the total projects funded under Measure 3.1). Only a small number of young farmers were assisted as compared to the proposed target, the output capacity of this indicator being only 25%.

Reviewing the output capacity broken down by investment types in respect of Measure 3.1, we may notice that the achievement capacity recorded in respect of “Installations and independent equipment” class was 81%. With reference to “Buildings” class, the highest output capacity was recorded by the “Pig fattening houses” (69%) sub-class, however the output capacity as regards the number of “Pig farms” related projects was only 8%. The number of cow/buffalo houses was the highest one (313 pieces).

¹⁶ There is no target indicator styled Others, but the result indicators include this indicator.

In the case of the class “Purchase of livestock of high genetic value” the output capacities were below the proposed target, the highest value being recorded in respect of “Sheep/goats” sub-class (18%). The output capacity in respect of “Agricultural plantations” was 56% for “Orchards” sub-class, respectively 52% for “Vineyards” sub-class.

5. Primary data collected

The inquiry activities were carried out in the period April – May 2011 and involved about 76 beneficiaries of Measure 3.1, being aimed at the preparation of an ad hoc questionnaire for the analysis of the results, and generally of the impact generated by the Programme on the beneficiaries.

6. Measure 3.1 sample selection criteria

With a view to selecting a representative sample of beneficiaries for this Measure, we make reference to the analysis performed on the sample of beneficiaries of the SAPARD Programme. In particular, it is deemed appropriate to present the factors taken into consideration for the estimation of a significant number from statistical viewpoint for analysis, as indicated in the table below.

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Measure 3.1	44.0%	18.1%	31.0%	30.2%	76

Measure 3.1 – Analysis of beneficiaries sample by sub-measures

The sample was divided into the sub-measures related to Measure 3.1, taking into account the importance of each sub-measure, as indicated in the table below.

Measure 3.1 – Investments in agricultural holdings

Sub-measure	Share of number factor	Share of financial factor	Average	Extraction units
Field crops	63.5%	47.7%	55.6%	42
Horticulture	3.9%	1.3%	2.6%	2
Vineyards	3.2%	3.3%	3.2%	2
Fruit cultivation	3.6%	2.3%	3.0%	2
Greenhouses	2.3%	2.4%	2.3%	2
Dairy cows and buffaloes	11.6%	13.3%	12.5%	9
Cattle rearing and fattening	0.8%	1.6%	1.2%	1
Sheep/goats farms	1.2%	1.5%	1.4%	1
Young muttons fattening farms	0.5%	0.8%	0.6%	1

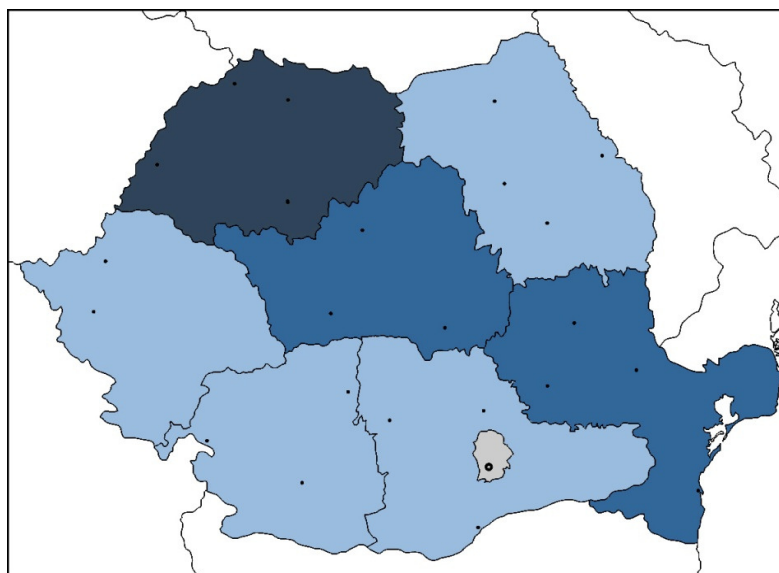
Pig farms	4.4%	12.8%	8.6%	7
Poultry farms	4.1%	11.7%	7.9%	6
Other types of plant growing, animal and poultry farms	0.9%	1.3%	1.1%	1
TOTAL	100%	100%	100%	76

The largest number of extracted units (55.6%) belong to the “Field crops” sub-measure, due to the fact that 47.7% of the payments made were allocated to this sub-measure, and 63.5% of the payments made were allocated to this sub-measure.

The interview sample accounts for 4% of the final beneficiaries of the Measure, and are located in the 8 development regions of Romania.

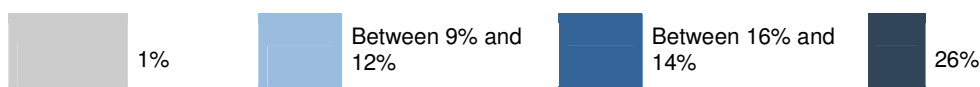
7. Answers map, research data analysis and comments

The following figure shows the geographic distribution of the respondents. The majority number of respondents is based in the North East Region.



Source: Prepared by Evaluator

Legend:



The number of respondents was 74, therefore the sample size accounts for 4% of the 1,935 enterprises whose projects have been approved under Measure 3.1. As regards the amount of payments made, 92% of the respondents used 5% of the total approved public value for this Measure.

The majority of the beneficiaries (70% of respondents) are trading companies (with privately owned capital of at least 75%), but funds under this measure were also accessed by family associations (15%), producer associations (7%), freelance professionals (PFA) (4%) and private agricultural enterprises (4%).

In most cases (66%), the applicant enterprise had already existed upon accessing the funding, and only 27% of the enterprises were newly established (7% did not provide an answer).

The action area/production sector of the most beneficiary enterprises is the vegetal sector (55% of respondents), 32% of the beneficiaries are active in the livestock sector, and 12% have mixed lines of businesses (vegetal production and livestock breeding).

Beneficiaries were entitled to be granted funds twice during the implementation period under Measure 3.1 (however without exceeding the limit of the maximum eligible amount under the Measure - 2 million EUR, for the entire Programme implementation period), and at the same time were able to receive funds under other measures of the SAPARD Programme as well.

The majority of the respondents (88%) applied for a single funding under SAPARD Programme (Measure 3.1), nine respondents (12%) submitted 2 projects under Measure 3.1, and other 5 enterprises (7%) submitted financing applications for other measures of the SAPARD Programme.

The average funding amount obtained by the trading companies for the projects included in the sample is 177 thousand euro, above the average value of all the projects approved under Measure 3.1 (119 thousand euro).

50% of the interviewed enterprises (37 enterprises) declared that the total volume of the investments made in the enterprise since establishment until today was between 100,000 Euro and 900,000 Euro, 5 enterprises (6.8%) invested below 100,000 Euro, 22 enterprises (29.7%) invested over 1 million Euro, and 10 respondents (13.5%) did not answer this question.

The share of interviewed enterprises which would have achieved the investment without the SAPARD funding as well (42%) is close to the share of those which would not have achieved the investment without the funding (41%); 17% did not answer this question.

In respect of 44 enterprises (59.5%) the investments achieved under SAPARD accounted for less than 50% of the total investments made since their establishment until today, and in respect of 24 enterprises (32.4%) these accounted for over 50%; 6 enterprises (8.1%) did not answer this question.

The majority of the interviewed beneficiaries (82%) had to a credit institution in order to be able to make the investment, and almost half of them managed to repay the loan. It is worth mentioning that 42% of the interviewed enterprise would have achieved the investment without the SAPARD funding as well, which indicates that the deadweight effect is at the limit.

The majority of the respondents (36 enterprises, 66%) believe that the modernization of the production conditions and related management procedures pursuant to the alignment to the European standards contributed to quite a lot or somewhat to an increased production of the holding, and 14% (10 enterprises) believe that these modernizations contributed just a little or did not contribute at all to an increased production of the holding. 20% of the interviewed enterprises did not answer this question.

In most cases (58%), the interviewed enterprises appraised as positive the fact that the investments made contributed to reduced production losses, and 14% of the holdings provided a negative answer (28% did not answer). Out of the 43 enterprises which appraised as positive this question, only 13 enterprises specified the share of the loss diminution (in respect of 2 holdings the losses diminished by less than 20%, in respect of 9 enterprises between 20 and 30%, and in respect of 2 enterprises by more than 30%), and 30 enterprises did not answer.

The investments made have not contributed to the diversification of the economic activities carried out in respect of 42% of the respondents, only 28% of the respondents appraising as positive the effect of investments on the diversification of activities, and 30% did not answer. The diversification directions mentioned include: service provision to third parties as well; diversification of production structure by introducing other crops as well; setting up new autumn and winter crops; growing fruit trees instead of field crops; initiating a swine breeding business; modernization and development of production conditioning and preservation capacities; cereal storage activity – obtaining quality goods by drying, cleaning; opening an outlet for the distribution of own products; developing certain distribution activities nationwide.

The investments made facilitated quite a lot or somewhat the adoption of environmentally friendly work methods in respect of 65% of the respondents, for 7% of the respondents such contribution was low, and in respect of 1% the investments made did not contribute at all to the adoption of environmentally friendly work methods (27% did not answer this question).

The investments made under Measure 3.1 facilitated the staff employment in respect of 44 of the interviewed holdings (59%), and the maintenance of jobs in better conditions in respect of 27 interviewed enterprises (36%), while 4% did not answer the question referring to the jobs.

According to the information available on the web page www.mfinante.ro, during the implementation period (between the submittal year and the project completion) the headcount decreased in total by 70, in the case of 65 enterprises included in the sample¹⁷. 279 jobs were created in total (resulting on the average 4.3 created jobs per project), and 2,094 jobs were maintained (on the average 32.2 jobs maintained per project), but in respect of 15 trading companies the headcount diminished during this period, 349 jobs being eliminated in total.

In order to follow the long term impact of the investments under Measure 3.1 on the creation and maintenance of jobs, we have as well studied the evolution of the headcount between the financing application submittal year (differentiate in respect of each individual project) and 2009. These data point to the fact that the headcount of the respondent trading companies increased on long term as well, in total by 446. 37 jobs were created in total, and 1,626 jobs were maintained, but at the same time 817 jobs were lost, of which 472 in respect of one trading company.

Having in view that the investments achieved from SAPARD funds accounted on the average for 33% of the total investments made by the beneficiary trading companies, we may assume that 33% of the total created, respectively maintained jobs are due to the SAPARD Programme, that is to say, 122 created jobs (on the average 1.88 created jobs per project, at a cost of 92,580.52 Euro per created job), and 537 maintained jobs (8.26 maintained jobs per project, 21,123.85 Euro per maintained job).

¹⁷ Family associations and Freelance professionals do not have employees, but were included with the value of approved projects. We could not find complete data referring to 9 enterprises included in the sample.

Extrapolating the results obtained by the trading companies including in the sample to all the projects funded under Measure 3.1, we may estimate the social impact of this measure. Having in view that the total public committed value of the agreements concluded in respect of the 1,935 assisted projects of Measure 3.1 was 230,537,693.17 Euro¹⁸, by applying the method of the amounts spend per created/maintained job calculated in respect of the project included in the sample, we may estimate that the investments funded under Measure 3.1 created 2,490 new jobs and contributed to maintaining a number of 10,914 jobs, the total created and maintained jobs being 13,404, 4.8% of the total headcount – 278,837 - at national economy level, in the following fields: “Agriculture, hunting and related services”, “Forestry and forest exploitation; “Fishing and aquaculture”, “Food industry” and “Production of beverages” (Caen rev. 2) in 2009.¹⁹

41% of the respondents reported an increased turnover by at least 50% between the financial year prior to obtaining the funding and after the project implementation completion, 14% declared an increase between 30 and 49%, 16% a smaller increase of 29%, and 3% declared a diminution, 8% were startups, 5% said they didn't know, 14% did not answer.

The holding income increased after the project completion by over 50% in respect of 38% of the respondents, between 30 and 50% in the case of 18% of them, and by less than 30% in the case of 22% of them; 3% declared that their income did not increase, and 20% did not answer.

It is worth noting that 30% of the beneficiaries believe that the increased financial indicators (turnover, income, profit) represent a positive direct or indirect effect of SAPARD funding.

We identified on the page of the Ministry of Public Finance (www.mfinante.ro) 68.92% of the agricultural holdings included in the sample (51 trading companies, the family associations and PFAs being not included in the database of the Ministry of Public Finance). According to the tax information, in the case of these trading companies, between the submittal of the financing application and 2009 their turnover increased on the average by 11.30%, and their income went up on the average by 16.88% (taking into account as well the inflation rates). The income increase was higher in the period between the financing application submittal year and the project completion year (40.4%), but this increase did not prove sustainable.

The majority of the respondents (76%) declared that the results obtained pursuant to the projects are not different from those defined upon their submittal, and in respect of 12% respondents the obtained results exceeded the projected ones in quantity or quality terms, 3% did not attain the defined results, and 9% did not answer.

¹⁸According to the Final Report on Implementation of SAPARD Programme in Romania, page 159, the committed amount as of 31.12.2009 for the 1,935 projects funded under Measure 1.1 was 230,537,693.17 Euro. For extrapolation purposes, the committed amount was used, and not the paid amount (236,839,730.49 Euro), since in the case of the projects included in the sample we have available only the contracted public value, according to the Excel document *List of beneficiaries of SAPARD Programme under Measure Measure 3.1* (<http://www.PARDF.ro/content.aspx?item=1999&lang=RO>), and we have no data referring to the paid amounts.

¹⁹ Source: INS: TEMPO_FOM104G_6_6_2011

8. Final considerations on the results of the Measure 3.1

The financial performance of Measure 3.1 was high, 91% of the forecasted public expenditure being achieved, above the general evolution of the Financial Plan of SAPARD Programme (89%). The largest part of the committed amounts was contracted rather late (66% of the total approved amounts were contracted only in 2006), and the largest part of the payments were made in the period 2006-2007 (72% of the payments made throughout the programming period). This indicates a late commencement of the implementation of Measure 3.1, the direct effect being the impossibility to expend in full the amount forecasted for 2006.

The largest share of the payments made under Measure 3.1 is held by South Muntenia Region (22%), followed by South East Constanța Region (20%), Bucharest Ilfov Region benefitted by only 1% of payments, being an area with a lower agricultural potential.

The majority of payments were directed towards the “Field crops” sub-measure (48%), exceeding 2.5 times the proportion foreseen by SAPARD Programme (19%), this sub-measure being the most efficient one in terms of number of projects (53% of target). In terms of output indicators the “Greenhouses” sub-measure ranks second as efficiency: an output capacity of 44% was recorded from the viewpoint of the number of projects, and the output capacity of the constructions related to “Greenhouses and related equipment”, respectively the output capacity in respect of the area of the newly built up greenhouses is 34% (at the same time the target foreseen for modernized areas was attained only in proportion of 1%). At the same time we notice the lack of interest of the potential beneficiaries for investments in „Cattle breeding and fattening” (only 1% of the revised number of projects was achieved), and with reference to “Grape vine nurseries” sub-measure, where the output capacity in respect of the number of projects was 8%, but their area was not extended.

Both the low degree of achievement of the output indicators (number of projects), and the low degree of achievement of the result indicators indicate that the Measure 3.1 has not attained its established targets; in this case, the expenditure of 91% of the foreseen funding indicates a low efficiency/effectiveness in using these funds.

MEASURE 3.2

Setting up of the producers' groups

Axis 3	Development of rural economy		
Intervention typology	Assistance to enterprises	X	
Beneficiaries	Agricultural, fisheries and forestry producer groups legally set up and recognized by the Ministry of Agriculture, Forests and Rural Development after 1 January 2004.		
Localization	Entire territory of Romania		
Project selection method	At Ministry level	Announcement	At the counter
		X	

1. Objectives and Description of the Measure

Financial support for the setting up of producers groups via free initiative affiliation by the agriculture, forestry and fishery producers.

- Focusing, specialization and efficiency of marketing for agriculture, forestry and fishery products from the economic point of view as well as with reference to the quality of products provided on the market;
- Promoting transparency on market;
- Adoption of standards specific for each product;
- Adaptation by mutual consent of unitary rules regarding the production, its preparation and distribution on market, and rules concerning the preservation of biodiversity and environment protection in rural areas.

Operational objectives:

Encouraging by financial support the setting up and functioning of producer groups in view of joint marketing the agriculture, forestry and fishery products.

2. Fields of Action of the Measure

Encouraging the setting up of producers groups, by granting a flat financial aid for setting up and functioning of producers groups recognized according to the national laws.

The intervention sectors of this Measure refer to:

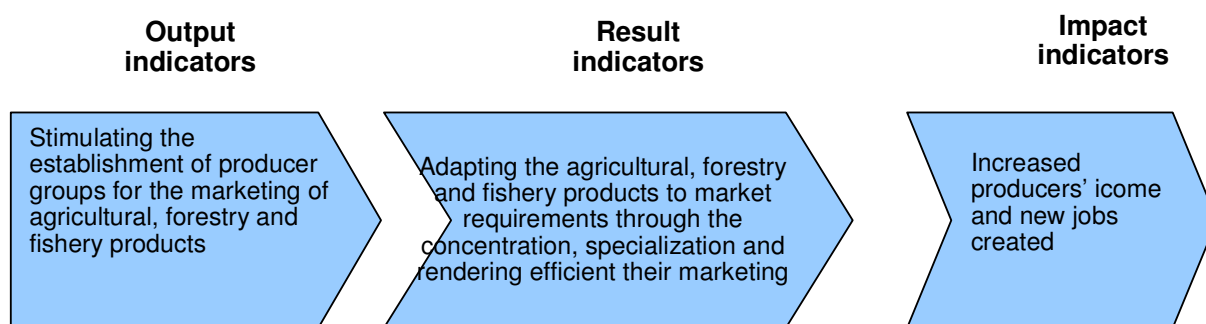
- vegetal products;

- animal products;
- fishery products;
- forestry products.

Minimum production values were identified in respect of each sector, in order to support the producer organizations with an already existing capacity to be able to enter in the market with their own production. These thresholds allow totaling the supply of basic agricultural products, and thus improving the selling conditions in respect of the managed production.

This Measure thus aims to support the establishment of producer groups by granting a contribution of capital for the group management and organization activities.

The **intervention logic** of Measure 3.2 may be described as follows:



3. Financial results at 31/12/2009

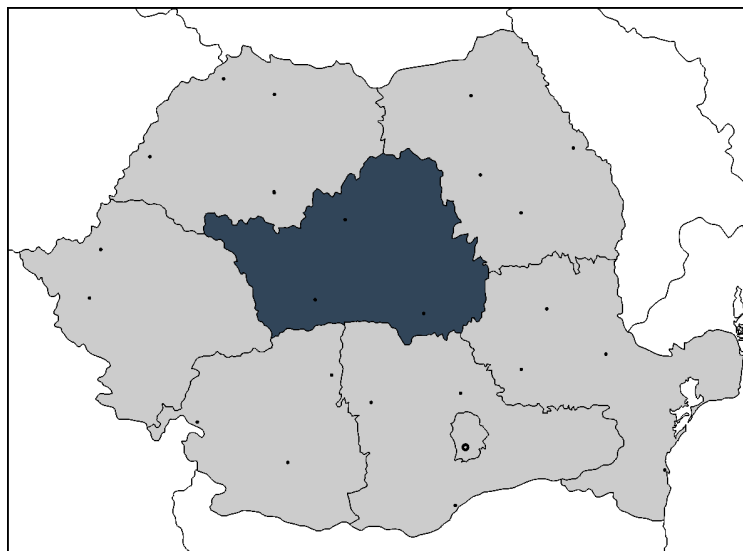
The following table summarizes the expenditure in relation to Measure 3.2:

Financial achievement of Measure 3.2 as of 31.12.2009

Year	Financial plan		Approved	Paid		%	%	%
	Total public expenditure	EU contribution		c	EU contribution			
	a		b	€				
	€							
2000	0	0						
2001	0	0						
2002	0	0						
2003	0	0						
2004	0	0						
2005	666,667	500,000						
2006	333,333	250,000						
2007			85,896			-%	-%	-%
2008				29,000	21,750	-%	-%	-%
2009				28,200	21,150	-%	-%	-%
Total	1,000,000	750,000	85,896	57,200	42,900	6%	9%	67%

The data included in the table above indicate a limited evolution of the expenditure related to Measure 3.2, actually only 6% of the resources available for the entire programming period having been paid, mainly due to certain procedural problems. Practically only three projects were assisted, all in the dairy sector, and only one application related to the establishment of a honey producer group was turned down.

The limited participation, since only four applications were submitted for the 2006 announcement, may be first of all due to a mentality factor. Nowadays the Romanian farmers are hostile to the forms of supply totaling forms which may limit their own entrepreneurial capacity. Therefore, the evaluator believes that it is essential for the initiation of such measure to promote an adequate technical assistance/ training system, in order to boost and stimulate the establishment and supporting of producer groups. Moreover, the supply totaling, especially in the sensitive sectors, such as fruit and vegetables, is today more than ever a component of the community and reform process of CMO, currently subject of discussions at Bruxelles. This aspect has been taken into account under the new NRDP 2007-2013, which provided for the Measure 142 “Setting up producer groups”, with the same objectives as those of Measure 3.2 SAPARD.

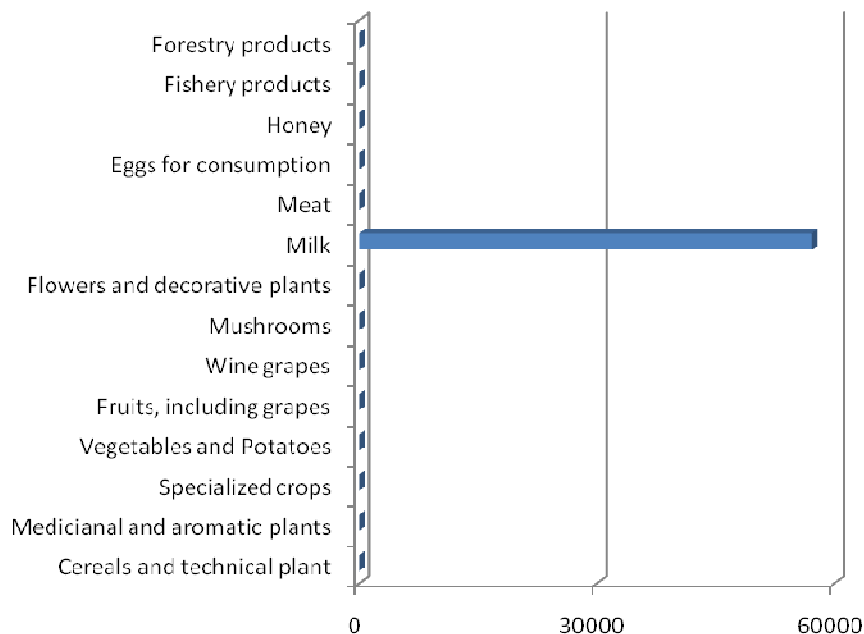


Source: Prepared by Evaluator

Legend:



The regional distribution of resources does not reveal any special information, actually Central Alba Iulia Region is the main and sole beneficiary of the funding under Measure 3.2, with 100% of the available resources. This is a region with a high production potential as regards the dairy and cattle breeding sectors.



The analysis by sub-measure also does not reveal any special trends, actually 100% of the funding was granted to Milk sector, that is to say, three dairy producer associations in Central Alba Iulia Region were funded. At the same time, minimum allocations were foreseen in the programming phase per production chain (sub-measure), therefore the evaluator cannot perform a comparison between the foreseen expenditure mode and the actually achieved one, as in the case of other Measures.

4. Results of Physical Evolution at 31/12/2009

The two tables below show the situation of the output and result indicators for the Measure 3.2 as of 31.12.2009, as indicated under the Final Report SAPARD Romania of June 2010.

Table - Output indicators in respect of Measure 3.2

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
Number of assisted producer groups	N°	700	3	0%
<u>A. of which care Vegetal products</u>	<u>N°</u>	<u>600</u>		
<i>Cereals and technical plants</i>	<i>N°</i>	<i>330</i>		
<i>Medicinal and aromatic plants</i>	<i>N°</i>	<i>10</i>		

<i>Specialized crops</i>	N°	2		
<i>Vegetables and potatoes</i>	N°	170		
<i>Fruit including table grapes</i>	N°	50		
<i>Wine grapes</i>	N°	30		
<i>Mushrooms</i>	N°	5		
<i>Ornamental flowers and plants</i>	N°	3		
<u>B. Animal products</u>	<u>N</u>	<u>85</u>		
<i>Milk</i>	N°	45	3	7%
<i>Meat</i>	N°	20		
<i>Eggs</i>	N°	3		
<i>Honey</i>	N°	17		
<u>C. Fishery products</u>	<u>N°</u>	<u>5</u>		
<u>D. Forestry products</u>	<u>N°</u>	<u>10</u>		
Number of producer group members	N°	22,950	415	2%

The output indicators of Measure 3.2 indicate an obvious difference from the preset targets: only 2% of the farms in the Dairy sector benefitted from funding, 3 dairy producer groups being assisted only in 2006, via the commitment in total of 415 producers, of which 98, and namely 24% of the total producers affiliated to the group, are young producers.

Table. Result indicators in respect of Measure 3.2

Result indicators	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a)
Volume of minimum primary production marketed by the producer groups per year				
<i>Cereals and technical plants</i>	Ton/year	330,000		
<i>Medicinal and aromatic plants</i>	Ton/year	750		
<i>Specialized crops</i>	Ton/year	40		
<i>Vegetables and potatoes</i>	Ton/year	102,000		
<i>Fruit including table grapes</i>	Ton/year	20,000		

<i>Wine grape</i>	Ton/year	17,400		
<i>Mushrooms</i>	Ton/year	600		
<i>Ornamental flowers and plants</i>	Ton/year	1,590		
<i>Milk</i>	Ton/year	55,125	27,060	49%
<i>Meat</i>	Ton/year	3,200		
<i>Eggs</i>	Ton/year	7,050		
<i>Honey</i>	Ton/year	1,258		
<i>Fishery products</i>	Ton/year	3,000		
<i>Forestry products</i>	M ³ /year	73,000		
Ratio of primary agricultural products marketed by the producer groups to total agricultural products marketed is minimum 70%	%	70 for each chain	49 for the Dairy chain	70% for Dairy

Considerations concerning the physical evolution situation:

With reference to the Measure 3.2, having regard to the financial situation, the physical achievement indicators also appear to be affected. In particular, the table above presents merely the situation in respect of the setting up of the three dairy producer associations, which corresponds to 7% of the estimated value under the Programme. 415 associates joined these three associations, about 2% of the total beneficiaries of the Measure defined by the target value. The associations thus consolidated are able to produce about 27,000 milk tons/year, in other words each associate holds houses for 120 heads for milk, which is a high value as against the national average, in question are therefore large production capacities which have been aggregated with a view to improving the farmers' own position on the market.

This dairy sector related value accounts for about 5% of the national production (2002 Programme data). The initiatives supported by this Measure concentrated on an average to large target of beneficiaries with good capacities to improve their own production and organization system.

5. Final considerations on the results of the Measure 3.2

Unfortunately, the evolution of Measure 3.2 was much below expectations, all the indicators evidencing the poor adhesion and limited expenditure in respect of this initiative. Several factors contributed to the limited success of the announcements, although the Programme review pointed to the need to aggregate in an organized manner the supply of basic agricultural products. Today, in the context of the Europe-27an Union, it becomes ever more important for the individual farmers to increase the added value of their production. The difficulties of entering the markets, the more and more segmented sectors and the large number of current operators limit the increase in the value added of the basic agricultural production. Nowadays more than ever in the EU-15 countries

the farmers set up organizations in order to downsize the chain and find new forms of access to the end market of their own productions.

Totaling the supply constitutes a paramount step in maintaining farming income and improving the capacity of agricultural production on the market. For this reason, in the evaluator's opinion the situation of this measure adversely contributes to the evaluation of the impact indicators, especially of those referring to job creation and income conditions improvement.

Mention should be made that the NRDP 2007-2013 activated Measure 142. At present (29.06.2011) 16 financing agreements were signed with various beneficiaries.

The evaluator deems appropriate the development of animation and facilitation methods, having regard to the strategic importance of this Measure, even through that a producer organization can offer the producers in respect to placing the farming raw materials in the market. The challenge of the Europe-27, the main global agricultural market, requires a change of the producers' mentality, they being on the other hand assisted furthering their own primary activity, and on the other hand having to find innovative and advantageous forms of positioning themselves in the market.

MEASURE 3.3

Agricultural production methods designed to protect the environment and to maintain the countryside

Priority axis	Development of rural economy		
Intervention type	Assistance to enterprises	X	
Beneficiaries	Individual producers – freelance professionals (PFA), individual producers, Family associations with legal status, Agricultural enterprises / agricultural associations without legal status, Producer groups with legal status, Private trading companies with private capital at least equal to/more than 75%.		
Localization	Selected pilot zones, as indicated under the Programme Measure fiches		
Project selection method	At Ministry level	Announcement	
		X	

1. Objectives and Description of the Measure

The general objectives of the measure are to:

- Promote and introduce good agricultural practices into the Romanian agricultural system;
- Develop practical, technical experiences and capacity for implementing agri-environmental measures, at both administrative and farmers level;
- Enhance the environmental awareness of farmers.

This intervention specifically promotes the following:

- Reduction of water and air pollution that results from certain agricultural practices;
- Guaranteeing the conservation of soil in those areas affected by erosion;
- Creating conditions for the preservation of biodiversity and semi-natural habitat, through promoting traditional agriculture practices;
- Increasing the land areas where organic farming standards are complied with.

These initiatives will be promoted through the assistance granted to beneficiaries in order to initiate: pilot actions in the field of organic farming, soil preservation, protection against erosion and preservation of biodiversity through traditional practices.

2. Fields of Action of the Measure

The measure consists of a number of voluntary, pilot activities that farmers will be invited to participate in return for annual payments for a period of 5 years. The resulted agreement will take the form of a contract signed by the farmer with the Rural Development and Fishery Payment Agency. Each agreement with the Rural Development and Fishery Agency will be specific for each individual farmer.

3 pilot sub-measures will be offered/made available to farmers:

A: preservation of soil and protection against erosion;

- A1. Transformation of arable land into pastures (grassland)
- A2. Establishment of grass strips
- A3. Establishment of green cover crop on arable land after harvesting

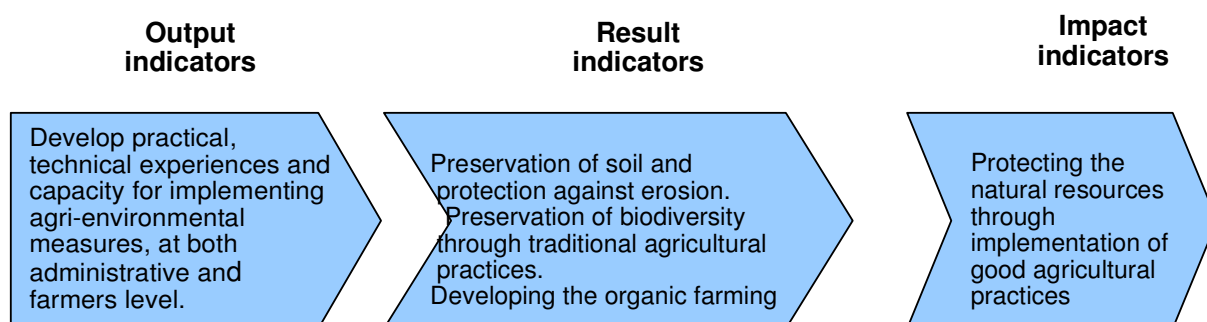
B: preservation of biodiversity through traditional agricultural practices;

- B1. Maintenance of temporary flooded areas by the traditional cultivation of rice
- B2. Preservation of mountain and intra-Carpathian hills pastures and meadows

C: organic farming with the following eligible actions:

- conversion to organic farming production methods;
- ongoing maintenance of existing organic farming production methods.

The **intervention logic** of Measure 3.3 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure in relation to Measure 3.3:

Table. Financial achievement of Measure 3.3 as of 31.12.2009

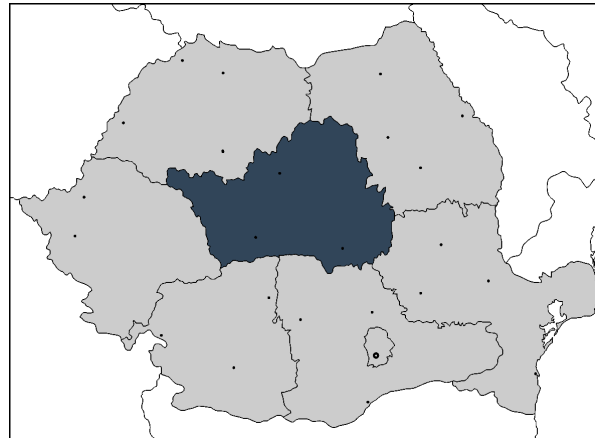
Financial plan Total public expenditure		Approved*	Paid		%	%	%	
a	EU contribution		b	c	c/a	b/a	c/b	
Year	€		€	EU contribution				
2000								
2001								
2002								
2003								
2004								
2005	1,182,837	887,128						
2006	666,667	500,000						
2007			869,644*	182,209	136,656	-%	-%	21%
2008			216,864*	4,511	3,383	-%	-%	2%
2009			n,d,	3,961	2,971	-%	-%	-%
Total	1,849,504	1,387,128	216,864**	190,681	143,011	10%	15.6%	87.9%

* These amounts are taken over from the Annual Reports SAPARD (see the 2007 Annual Report, p. 53, and 2008 Annual Report, p. 55). The amount of 869.644 euro represents the cumulated sum of approved projects until 2007.

* It does not represent the sum of the amounts of approved projects in 2007 and 2008.

Considerations concerning the evolution of financial situation:

The financial data collected and presented on the basis of the information included in the annual reports and final report, June 2010, as well as in the monitoring tables may seem contradictory. Nevertheless, the review of such data indicates on the one hand the very limited expenditure capacity in respect of this Measure, of about 10% from the total financial allocation. On the other hand, an irregular evolution of the values is noticeable as against the commitments column. In 2006, after the session opening, more than 47 applications were submitted, however only one beneficiary continued the commitments assumed towards SAPARD, while the others accessed NRDP 2007-2013. Therefore, in 2007 all the beneficiaries were paid, but in the following years only one beneficiary continued the agri-environmental commitment under SAPARD agreement; this dynamics considerably conditioned the good development of this Measure, as against the present target and the performance of established objectives. The evaluator believes that one of the factors which limited the good development of the Measure was also the deficient communication between the persons in charge of the Measure and the end beneficiaries, clarifying from the very beginning the modalities of the contribution provision pursuant to the commitment made by the producer. In this respect, the Measure did not allow the implementation of the *acquis communautaire* necessary for managing agri-environmental measures, both in relation to the managing authority and to the end beneficiaries.



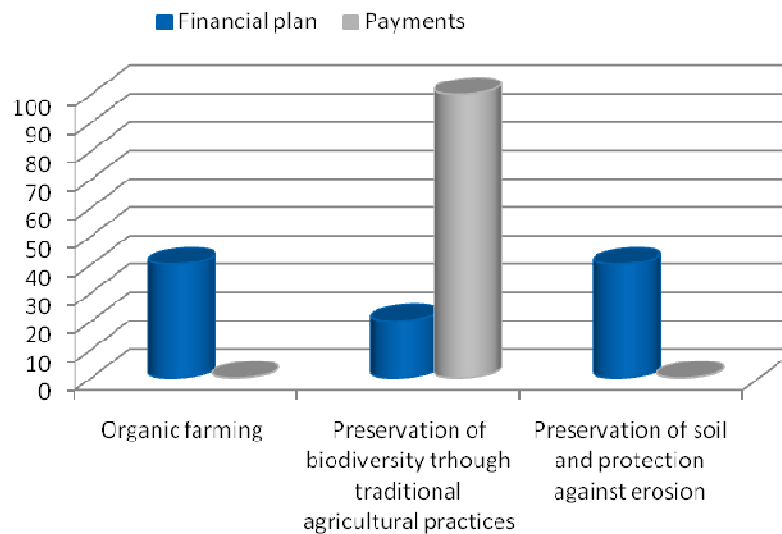
Source: Prepared by Evaluator

Legend:



The map above indicates the Central Alba Iulia Region as the main beneficiary of the funding under Measure 3.3, having in view that the sole beneficiary which continued the commitment belongs to this region. Mention should be made that the pilot zones identified under SAPARD Programme were two: Central Alba Iulia Region and South West Oltenia Region. The positive result obtained in the Central Region is due, as mentioned as well by the persons in charge of this Measure, to the presence of an NGO having the task of drawing attention to the importance of the agri-environmental measures and on the modalities of participating to funding, through a commitment from the producers to change certain agricultural practices. It is precisely due to the intervention of this external subject to animate the area that 47 applications were submitted on the occasion of the 2006 session, in relation to sub-measure B “Preserving biodiversity through traditional agricultural practices”, all the applicants belong to the 7 Central Alba Iulia Region.

As regards the analysis by sub-measure, the following chart evidences the difference between the percentage of resource distribution amongst the various sub-measures in the programming phase, and the actually provided percentage.



The fact can be noticed that all the payments were made in respect of sub-measure B, “Preservation of biodiversity through traditional agricultural practices”, which limited the real capacity of this initiative to attain the objectives established for the pilot areas and for the defined sub-measures, as initially foreseen.

4. Results of Physical Evolution at 31/12/2009

The two tables below show the situation of the output and result indicators for the Measure 3.3 as of 31.12.2009, as indicated under the Final Report SAPARD Romania of June 2010.

Table - Output indicators in respect of Measure 3.3

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
Total number of agri-environmental projects	N°	600		
<u>of which sub-measure A: Preservation of soil and protection against erosion</u>	N°	250		
<u>of which sub-measure B: Preservation of biodiversity through traditional agricultural practices</u>	N°	100	1	1.00%
<u>of which sub-measure C: Organic farming</u>	N°	250		
Total area (ha) covered by agri-environmental projects	Ha	19,100		
<u>of which sub-measure A: Preservation of soil and protection against erosion</u>	Ha	7,000		

<u>of which sub-measure B: Preservation of biodiversity through traditional agricultural practices</u>	Ha	3,500	50	1.40%
<u>of which sub-measure C: Organic farming</u>	Ha	8,600		
<i>Vegetables</i>	Ha	1,500		
<i>Fruit</i>	Ha	600		
<i>Aromatic and medicinal plants</i>	Ha	300		
<i>Fodder crops (fodder barley)</i>	Ha	2,000		
<i>Natural pastures</i>	Ha	4,200		

With reference to the output indicators for Measure 3.3, only 1% of the established target as regards the number of beneficiaries for the sub-measure B was achieved, and only 1.4% as regards the covered area. This Measure may be deemed activated, and recorded an expenditure of 10%. Therefore, the impact indicators analysis is valid only provided that the beneficiaries maintain the agri-environmental commitment throughout the agreement term, and namely for at least 5 years. This aspect is achieved under NRDP 2007-2013, however not under SAPARD Programme as well.

Table - Result indicators in respect of Measure 3.3

Result indicators	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a)
Sub-measure A: Preservation of soil and protection against erosion				
<u>Share of land benefitting from the agri-environment sub-measure, as % from the total land in the pilot areas vulnerable to erosion</u>	%	Unavailable	0	
Sub-measure B: Preservation of biodiversity through traditional agricultural practices				
<u>Share of provisionally flooded land benefitting from the agri-environment sub-measure, as % from the total area of pilot zones optimal for rice growing</u>	%	Unavailable	0	
<u>Share la land for meadow administration benefitting from the agri-environmental measure, as % from the total area of alpine meadows in the pilot area*</u>	%	Unavailable	50* ha	
Sub-measure C: Organic farming				

<u>Increased total number of farmers with certified organic productions</u>	%	Unavailable	0	
<u>Increased land area tilled according to the organic farming model out of total area (%)</u>	%	Unavailable	0	
<u>Number of farmers converting to the production methods of the organic farming</u>	%	Unavailable	0	

* the total area of eligible pilot area does not result very clearly

Considerations concerning the physical evolution stage

The limited financial evolution and the highly limited attainment of the related output indicators reduce the relevance of the analysis of the physical evolution of this Measure and its related sub-measures. Having regard to this fact, a subsequent analysis of the objectives attained under this initiative is not appropriate.

5. Final considerations on the results of Measure 3.3

In general, the activities related to Measure 3.3 have not generated any special impact, and had not particularly contributed to improving the implementation of the acquis communautaire in respect of the agri-environmental measures management, as foreseen by the operational objectives of this initiative.

The particulars of the agri-environmental mechanisms (commitments over several years) and also the deficient knowledge about the implementation modalities probably limited to a great extent the evolution of this Measure.

The evaluator regards this as a lost opportunity, especially in respect of the organic farming, “Sub-measure C: Organic farming”. Practically, in the other European countries these initiatives represented an incredible stimulus for the affirmation of the production methods compatible with the environment, and for boosting the income of the agricultural producers.

It is a known fact that in Romania, as well as in the other European countries, the areas cultivated according to organic farming methods, as defined under the (EC) Regulation no. 834/2007 of Council of European Union o 28 July 2007 are increasing. The following table presents a few values with reference to this trend.

Table. Agricultural area certified as cultivated according to organic farming methods in hectares (Eurostat)

	2009	2008	2007	2006	2005	2004
European Union (27 countries)	8,600,911	7,785,291	7,265,902	6,881,674	6,475,828	:
European Union (25 countries)	8,420,302	7,628,496	7,120,800	6,769,401	6,363,555	5,923,300
European Union (15 countries)	6,966,403	6,327,320	5,933,271	5,733,240	5,460,172	5,250,036
Romania	168,288	140,132	131,456	107,582	:	:

Source: Eurostat

The interesting thing about the data above is that they indicate the trend of increased areas certified as cultivated according to organic farming methods. The boom period underwent by Romania over the last years for which the data are available occurred even in the absence of specific contributions, precisely due to the increased market demand at Community-level. Practically, between 2006 and 2009 the areas allocated to organic farming increased by more than 36% as compared to an average 20% increase at Europe-27.

In conclusion, it can be stated that during the SAPARD Programme period the Measure 3.3 has not attained the preset objectives, both in quantity and quality terms. The limited 10% financial evolution, due to the weak adhesion to it by the beneficiaries, also caused by the deficient information about the agri-environmental payment mode has considerably limited the implementation of this initiative. According to the persons in charge of this Measure, the largest part of the beneficiaries involved in 2008 give up their applications for SAPARD in order to be able to access NRDP 2007-2013, practically for the same types of commitments, but with higher premiums in the case of this programme. Therefore, a considerable continuity exists in respect of the agri-environmental commitments assumed during the SAPARD period, however their effects and general impact are neither relevant, nor appraisable at this time.

MEASURE 3.4***Development and diversification of economic activities generating multiple activities and alternative income***

Axis 3	Development of rural economy		
Intervention typology	Assistance to enterprises	X	
Beneficiaries	Natural persons, family associations and producer associations, NGOs, companies with private capital at least equal/more than 75%, cooperative companies, handicraft companies		
Localization	Rural area of Romania, defined according to the applicable national laws		
Project selection method	At Ministry level	Announcement	At the counter
		X	

1. Objectives and description of the Measure

The objective of this Measure is to support creation and/or maintenance of employment and to generate alternative incomes by diversifying rural activities related to agriculture and forestry. All these through the following:

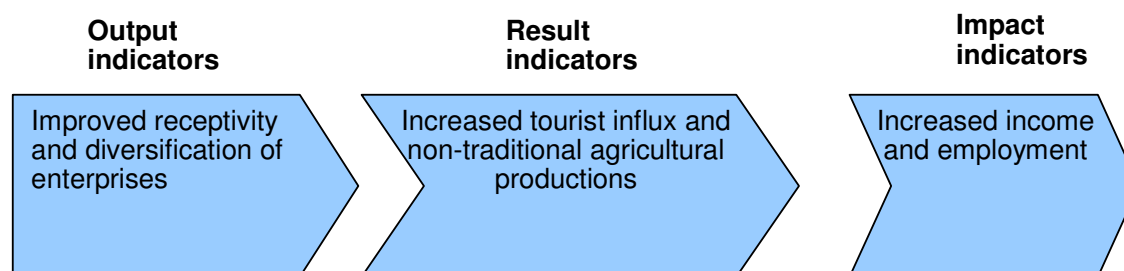
- Supporting agricultural activities in the rural area through assistance for specific services;
- Supporting the activities which are specific to the rural tourism, forest tourism and ecological tourism;
- Preserving and developing traditional handicraft and craftsmanship activities;
- Promoting niche sectors of agricultural production with high added value amongst, such as aquaculture, beekeeping, mushroom growing, fruit trees, aromatic and medicinal plants, frogs and snails;
- Support for the certification of organic products.

2. Field of action of the Measure

- Agricultural services: support for setting up nonprofit associations, created on voluntary basis, for the purpose of helping the agricultural entrepreneurs through the supply of services and facilitation of using acquired agricultural machinery.
- Rural tourism: Financial support for tourism in the rural areas, increasing investments and development of services in the leisure field (camping areas, sports and entertainment grounds, horsemanship, mountain bicycling, etc.).

- Other types of tourism activities:: Financial support will be granted for mountain tourism, tourism for fishing, equestrian tourism, bicycling tourism, farms breeding game in semi-freedom in view of repopulating, for hunting parks and other activities connected to this field, respecting the environmental protection and hygiene norms regarding the life environment of the population.
- Handicraft: Assistance for the organization of handicraft processing units: wood, ceramics, leather, musical instruments, etc.
- Aquaculture: Financial support to develop and modernize aquaculture activities, investments for setting up aquaculture farms and mechanization of processes.
- Other activities: such as beekeeping, growing mushrooms, fruit trees, aromatic plants, breeding snails and frogs are assisted by means of dedicated funding.
- Processing, at farm level, traditional products certified and/or certified as organic: assistance for the acquisition of equipment and modernization of existing one, adequate for the storage, processing of organic products. Investments to improve product quality and environmental protection.

The **intervention logic** of Measure 3.4 may be described as follows :



3. Financial results at 31/12/2009

The following table summarizes the expenditure in relation to Measure 3.4:

Table. Financial achievement of Measure 3.4 as of 31.12.2009

Financial plan Total public expenditure			Approved *	Paid		%	%	%
a	EU contribution	b		c	EU contribution			
Year	€			€		c/a	b/a	c/b
2000	0							
2001	0							
2002	31,682,667	23,762,000						
2003	13,470,675	10,103,006		0				
2004	13,682,667	10,262,000	8,826,244	221,533	166,150	2%	65%	3%
2005	13,593,843	10,262,000	27,730,838	4,888,645	3,666,484	36%	204%	18%
Affected	666,175	566,249	0	0				

<i>by floods</i>								
2006	11,790,682	8,866,541	25,503,894	14,945,112	11,208,834	127%	216%	59%
<i>affected by floods</i>	235,294	200,000	150,000	0				
2007			7,549,084	30,254,778	22,691,084	-%	-%	401%
<i>affected by floods</i>			300,000	248,795	211,476			
2008			69,610,000*	14,102,219	10,576,665	-%	-%	-%
<i>affected by floods</i>			450000	171,195	145,515			
2009				3,339,300	2,504,475	-%	-%	-%
<i>affected by floods</i>				24,501	20,826			
Total	84,220,533	63,255,547	66,768,023**	68,196,079	51,191,509	81%	79%	102%
<i>affected by floods</i>	901,469	766,249	432000	444,491	377,817	49%	48%	103%

* This sum does not refer only to 2008, but it is cumulated with previous years.

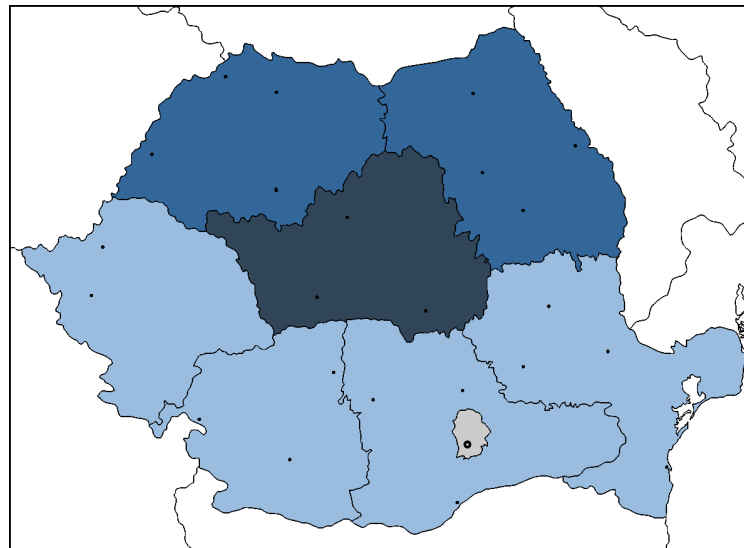
** This value does not correspond to the sum of values by year, data per year were taken from Annual Reports on SAPARD Programme implementation.

The data in the table above indicate a variable evolution of the expenditure, with a special increase in 2006 and 2007, the payments made in these years concentrating more than 65% of the payments made throughout the programming period. At the same time, the public expenditure during the years of implementation was 81% as against the projected expenditure, which indicates a financial evolution performance favorable for the attainment of the established objectives, and consistent with the general evolution of SAPARD Financial Plan, which on the average was about 89%.

More detailed, the commitments covered the years 2005 and 2006, and in the following years increasing payments were pursued, pursuant to the achievement of funded structures. This dynamics was achieved in a similar form in respect of the other SAPARD Measures.

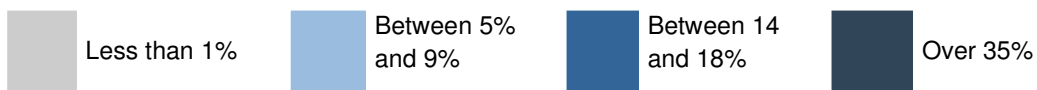
The evaluator emphasizes the considerable effort of the Managing Authority to liquidate in only three years (2006/2007/2008) the largest part of the concerned amounts, evidencing a very good system of management and organization of the procedural system instituted for managing the Measure.

Another interesting analysis refers to the territorial distribution of resources; the following chart shows the territorial distribution of the resources related to Measure 3.4.



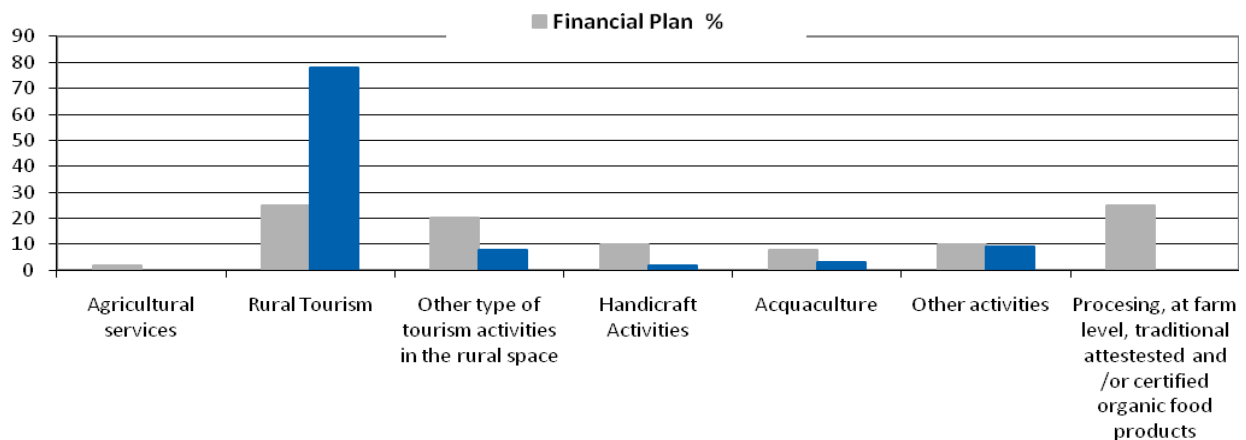
Source: Prepared by Evaluator

Legend:



This chart indicates that Alba Iulia central area is the main beneficiary of the funding under Measure 3.4, with 36% of the total resources made available. This is one of the areas of great tourist potential of Romania, and needs a strong stimulus in terms of investments, in order to compete on the rural tourism market. The following beneficiaries are two areas with inclination for the agricultural production, North West Satu Mare and North East Iasi, which with 14% and 18% of the resources are ranked second and third amongst the beneficiary regions. Here the diversification of the agricultural production is a must, especially in order not to remain tied up to the production of goods, and to guarantee income conditions to the beneficiary enterprises. Mention should be made that, in accordance with the objectives of SAPARD Programme, Bucharest area benefitted from only 1% of the resources made available by the Programme, as an area with almost zero agritourism potential.

The analysis of resources by sub-measure (presented in the chart below) indicates the expenditure concentration on the basis of the payments made in relation to the reference sub-measure.



The above chart indicates a considerable concentration of the financial resources allocated under Measure 3.4 also as against the initial foreseen allocation, where more than 80% of payments, amounting to about 53 million euro, were made for the “Rural tourism” sub-measure, in relation to the tourist accommodation facilities in rural areas, other 8% of the available resources financed initiatives related to the rural tourism promotion under the sub-measure “Other types of tourist activities in the rural area”, consistently to those foreseen in the initial phase of the Programme. Therefore, the new income opportunities were directed towards promoting the diversity at enterprise level, through creating services in the rural area of Romania. Consistently with the income diversification objectives, the focus was on the services sector, which seems to offer in Romania as well higher economic satisfactions.

It is also worth mentioning the promotion of the beekeeping activities, under the related sub-measure, which represents, though to a limited extent, a very good income diversification opportunity, and obtained about 4% of the total available resources.

This excessive expenditure concentration on the “Rural tourism” sub-measure, of about 78% of payments, even as against the foreseen 25%, has inevitably limited the attainment of the targeted operational objectives. Notwithstanding that, the Managing Authority has observed the exigencies of the beneficiaries, which preferred to promote the diversification of their own enterprises by increasing the tourist activities more than other initiatives, such as processing at farm level. The expenditure related to the sub-measure concerning the promotion of diversification of the farm production, “Other types of activities” was consistent with the initial projected value.

4. Results of Physical Evolution at 31/12/2009

The two tables below show the situation of the output and result indicators for the Measure 3.4 as of 31.12.2009, as indicated under the Final Report SAPARD Romania of June 2010.

Table - Output indicators in respect of Measure 3.4

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
Number of projects	N°	7,150	1,058	15%
Number of beneficiaries	N°	7,150	1,058	15%
<u>Agricultural services</u>				
Number of projects	N°	1,000	2	0.20%
Number of beneficiaries	N°	1,000	2	0.20%
<i>New investments</i>	N°	900	n.d.	-
<i>Modernizations</i>	N°	100	n.d.	-
<u>Rural tourism</u>				
Number of projects	N°	2,200	628	29%
Number of beneficiaries	N°	2,200	628	29%
<i>New investments</i>	N	660	n.d.	-
<i>Number of rooms</i>	N°	1,900	n.d.	-
<i>Number of beds</i>	N°	3,800	1,258	33%
<i>Modernizations</i>	N°	1,540	n.d.	-
<i>Number of rooms</i>	N°	4,700	n.d.	-
<i>Number of beds</i>	N°	9,400	9,944	106%
<u>Other types of tourism activities</u>				
Number of projects	N°	1,500	63	4%
Number of beneficiaries	N°	1,500	63	4%
<i>New investments</i>	N°	900	n.d.	-
<i>Modernizations</i>	N°	600	n.d.	-
<u>Handicraft</u>				
Number of projects	N°	1,300	18	1%
Number of beneficiaries	N°	1,300	18	1%

<i>New investments</i>	<i>N°</i>	<i>780</i>	<i>n.d.</i>	<i>-</i>
<i>Modernizations</i>	<i>N°</i>	<i>520</i>	<i>n.d.</i>	<i>-</i>
<u>Aquaculture</u>				
Number of projects	N°	400	16	4%
Number of beneficiaries	N°	400	16	4%
<i>New investments</i>	<i>N°</i>	<i>280</i>	<i>n.d.</i>	<i>-</i>
<i>Modernizations</i>	<i>N°</i>	<i>120</i>	<i>n.d.</i>	<i>-</i>
<u>Other activities</u>				
Number of projects	N°	600	330	55%
Number of beneficiaries	N°	600	330	55%
<i>New investments</i>	<i>N°</i>	<i>360</i>	<i>n.d.</i>	<i>-</i>
<i>Modernizations</i>	<i>N°</i>	<i>240</i>	<i>n.d.</i>	<i>-</i>
<u>Processing, at farm level, traditional products certified and/or certified as organic</u>				
Number of projects	N°	150	1	1%
Number of beneficiaries	N°	150	1	1%
<i>New investments</i>	<i>N°</i>	<i>105</i>	<i>n.d.</i>	<i>-</i>
<i>Modernizations</i>	<i>N°</i>	<i>45</i>	<i>n.d.</i>	<i>-</i>

The result indicators for Measure 3.4 indicate a slight progress of the activities as compared to the target set upon the Programme commencement, although the number of co-financed projects reached only 15% of the total foreseen projects. Apparently this points to a weak attainment of the objectives, although for the mere 15% of projects under Measure 3.4 there were paid over 80% of the available resource. More detailed, we notice a weak interest of the beneficiaries for the agricultural services activities and the processing of organic products. This while the “Rural tourism” and “Other activities” were successful also in terms of outputs, such as, for example, the creation of over 10,000 accommodation seats (beds) in the rural areas of Romania, which today represent a first network for agritourism accommodation and are of paramount importance for the development of this sector. In respect of the “Other activities” sub-measure, the majority of the initiatives concerned improving the beekeeping related production processes referring not only to honey but also to its by-products. Another successful sector was that of snails and frogs breeding, with over 85 projects funded in respect of this production sector. The attainment of the established objectives seems particularly low. It is worth noting the preference for those sub-measures that may represent concrete income opportunities in relation to the diversification of agricultural production.

Table. Result indicators in respect of Measure 3.4

Result indicators	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a)
Fish production	Tons/year	250	1.009	404%
Frogs/snails production	Tons/year	15	511	3.407%
Crabs production	Tons/year	3	n.d.	-
Oysters production	Tons/year	2	n.d.	-
Scallops production	Tons/year	3	n.d.	-
Honey and other beekeeping production	Tons/year	150	1.364	909%
Silkworms production	Tons/year	0,5	2,2	440%
Mushrooms production	Tons/year	30	3.706	12.353%
Facilities for wild berries processing	N°	45	6	13%
Facilities for aromatic plants processing	N°	30	2	6%

Considerations concerning the physical evolution situation

With reference to the result indicators, Measure 3.4 has fully exceeded the projections for the assistance for the production of farming products and diversification of enterprise activities. The results obtained in the production sector and mushrooms growing sector are notably a very good signal; this is a short production cycle, which can be performed in almost any climate conditions on an ongoing basis, throughout the year, guaranteeing a constant alternative income source. Even the growing of frogs and snails was a very good answer to increase productivity, satisfying the increasing local demand. Results below expectations were recorded in the sectors concerning the growing of fruit trees and aromatic plants; in these cases, an increased technical assistance and assistance for the promotion of these interesting niche sectors of the European markets will probably help new initiatives in these domains.

5. Primary data collected

The inquiry activities were developed during April - May 2011, and involved 35 beneficiaries of the Measure 3.4, who were invited to answer an ad hoc questionnaire about the project results, as well as generally about the impact generated by the Programme on the beneficiaries. In particular, these referred to the jobs and income increase, as main objectives of this Measure.

6. Sample selection criteria for Measure 3.4

With a view to selecting a representative sample of beneficiaries for this Measure, we make reference to the analysis performed on the sample of beneficiaries of the SAPARD Programme. In particular, it is deemed appropriate to present the factors taken into consideration for the estimation of a significant number from statistical viewpoint for analysis, as indicated in the table below.

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Measure 3.4	23.4%	5.3%	14.3%	13.8%	35

At the same time, the sample was divided according to the sub-measures under Measure 3.4, as emphasized in the section describing this Measure. Especially the identification of the final beneficiaries was made on the basis of the following tiering up of the reference pool of beneficiaries.

Measure 3.4 – Analysis of beneficiaries sample by sub-measures

It is obvious that the sub-measure concerning the rural tourism, which recorded the largest amount of participations and funding, also recorded the largest number of beneficiary interviewees.

Sub-measure	Share of number factor	Share of financial factor	Average	Extraction units
Rural tourism	59.4%	78.9%	69.1%	24
Other types of tourism activities	6.0%	7.7%	6.8%	2
Handicraft	1.7%	1.7%	1.7%	1
Aquaculture	1.5%	2.7%	2.1%	1
Others	31.4%	9.0%	20.3%	7
TOTAL	100%	100%	100%	35

As mentioned several times in the course of the analysis referring to this Measure, this tourism related sub-measure scored the largest volume of adhesions and expenditure, and the highest number of beneficiary interviewees, however the other activities also provided a considerable number of participants, therefore seven interviews targeted the beneficiaries of this sub-measure.

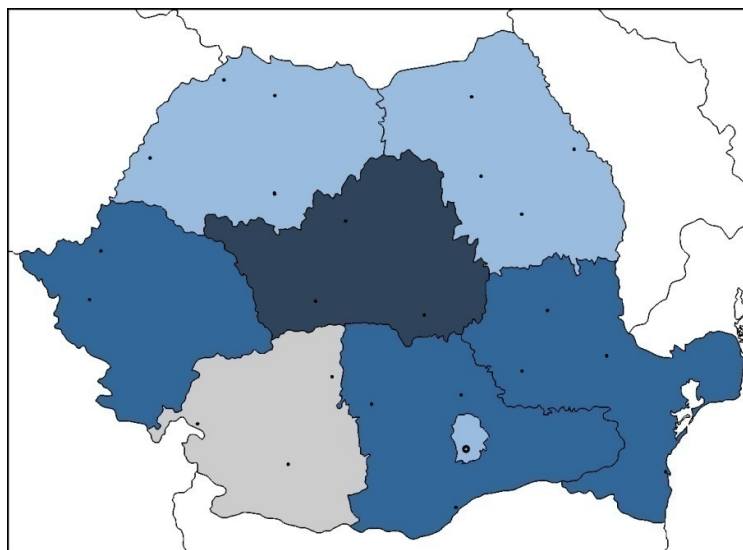
7. Map of interviewees distribution and analysis of data collected through direct inquiry

From the viewpoint of the structure of the beneficiary interviewees group, this is composed entirely of “**Trading companies**”, therefore their main economic activity is not solely farming. Only 1 beneficiary (corresponding to 3% of sample) is represented by freelance professionals (PFAs) in the beekeeping sector, thus indicating a productive vocation focused on a very precise agricultural diversification sector. All the beneficiaries have access to Internet and use it regularly.

66% of the commercial activities were setup thanks to the assistance, and thus represented a new initiative in their sector, precisely due to SAPARD. In 23% of the cases these activities are managed directly by the family or with family member workforce, and in the remaining 77% of cases the trading companies use employees for the development of their activity.

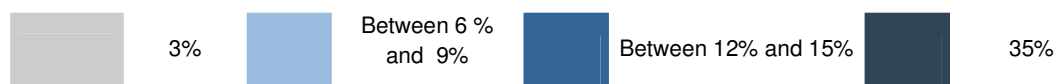
At the same time, the **average age** of the entrepreneurs is **43 years**, and **54% of them are women**, which represents a rather high value, considering the context of this sector.

The geographic distribution of the interviewees is partly consistent with the respective pool, especially the largest part of the beneficiaries, about 35%, commenced initiatives in 7 Alba Iulia Region, as indicated by the map below.



Source: Prepared by Evaluator

Legend:



Another interesting comparison is that referring to the average amount for each sub-measure between the pool and interviewed sample, the amounts show in the following table highlighting the euro figures of the committed amounts, and not the actually paid ones.

Sub measure	Project average value (pool) (€)	Project average value (sample) (€)
1	101.607	
2	90.393	96,461
3	83.337	90,000
4	68.850	96,000
5	114.375	250,000
6	18.278	45,000
7	36.468	
Total	66.990*	99,531**

* Total amount of payments made broken down by the number of implemented projects

** Total amount of the expenditure broken down by the number of interviewed persons

In order to access the financing, 25% of interviewees submitted their application individually, without resorting to any assistance, and the remaining 75% of the beneficiaries resorted to a consulting company.

90% of the beneficiaries hold less than one hectare, and carry out a very limited agricultural activity, their main line of business being tourism and tourism promotion. Over 75% of the beneficiaries of this measure declared that they developed rural tourism activity. The other beneficiaries carry out as prevailing activities mushrooms growing, beekeeping or small handicraft activities such as ceramic processing.

An interesting aspect is the impact on the income of the investment made, practically for over 80% of the beneficiaries the income was significant, even though in most cases these started a new activity, and after two years they state that it was a good entrepreneurial initiative, and in the other cases, where an existing activity was extended, the funding generated an income increase of about 38%, which represents a rather significant value. This positive impact is generated notwithstanding the fact the over 99% of the production is sold without quality mark, defined according to the EU regulations. The inquiry pointed to the fact that only one beneficiary is in process of certification, and another one has half of its production certified as community brand.

With reference to the deadweight effect, it clearly follows that only 30% of the interviewees would have made the investment anyway, while the remaining 70% would not have achieved this expenditure but for SAPARD contribution. This confirms the usefulness of the Programme, and the consistency of the Measure with the needs of the Romanian rural areas. On the average, the funding contributed to covering only 25% of the costs incurred upon launching the new initiatives. The problem of the funding difficulty still remains, having in view that over 60% of the participants resorted to a credit institution in order to finance their investments, 50% of the project total. Practically, for the largest part of the beneficiaries the contribution into the capital account represented a grant for the purposes of commencing a new entrepreneurial activity, and thus limited the exposure of the individual initiatives, which pose a certain risk in respect of the possible economic gain.

Another significant aspect is the employment related result, practically in 100% of the cases the employment increased thanks to the funding, contingent upon the type of initiative launched, all the beneficiaries declaring that after funding they employed workforce, both family members and non-family employees; for a more detailed quantification of the impact, see the answers to the Common Evaluation Questionnaire.

8. Final considerations on the results of the Measure 3.4

Measure 3.4 indicates a variable evolution as against the target values, notably in respect of the physical evolution (output indicators); the attained values are rather limited as against the initial projections, nevertheless this concentration of resources favoured other level of indicators, the result ones. The new funded enterprises have indicated production capacities much beyond expectations, thus guaranteeing very good achievements of the funded initiatives. It is important to mention that the target values were not always coherently quantified, and this is valid with reference to all the Measures SAPARD, therefore it is not easy to appraise the Measure's capacity to achieve the preset objectives.

The fact should be highlighted that during the Programme implementation there existed a trend to concentrate investments in little projects but with a financial share higher than the planned one in the course of programming. This resulted in an average funding per project of about 67,000 €/project as compared to the initially estimated amount of about 11,800 €/project. This generated a high impact of the funded investments, limiting the excessive fragmentation of the resources and favouring projects of broad scope and with a concrete capacity to support the diversification of the agricultural activities. These considerations are confirmed by the more than positive evolution of the result indicators.

The diversification of the agricultural activities into collateral initiatives such as beekeeping or mushrooms growing, silk production and frogs and snails growing allows diversified productions, enabling the beneficiary agricultural enterprises to segment their own reference market, offering new services for an increased local demand. From the results attained in these years of the Programme, the creation of over 10,000 accommodation seats (beds) in the rural areas of Romania will contribute to creating a system of access to the tourist valorification of the Romanian rural territory. This Measure laid the foundation, in the period 2000-2009, for using the Romanian rural area for tourist purposes, the bed seats being a first requirement, while in order to ensure the accessibility it will also be necessary to supply the required services in order to ensure the attractiveness of the rural area and guarantee a higher competitiveness as against other community regions with a similar potential.

Another important aspect is the integration of the training activities, one of the requirements provided for in order to access the funding being the successful participation of training courses organized by ANCA (National Agency for Agricultural Consultancy) or other institutions approved under the respective initiative (e.g. rural tourism or aquaculture, etc.). It is precisely this synergy between the system of training in agriculture and the diversification initiatives at enterprise level that appears to be a very good line of interpretation for the successful promotion of the generation continuity and creation of services for population through the network of existing agricultural enterprises.

Finally, one of the relevant aspects resulted from the interviews was the positive contribution of the Measure to the job creation, income improvement and establishment of enterprises in the rural areas, however in question was not always the diversification of the farming activity, but rather new entrepreneurs who initiated new projects of services for the rural population.

MEASURE 3.5

Forestry

Priority axis 3	Development of rural economy		
Intervention typology	Assistance to enterprises	X	
	Road infrastructure	X	
Beneficiaries	Natural persons, Owners of forests – freelance professionals, Freelance professionals, Religious units, Education units, Family associations, Associative forms, Private forest owners associations, Trading companies with fully private capital, Local Councils, Associations of Local Councils		
Localization	Rural area of Romania, defined according to the applicable national laws.		
Project selection method	At Ministry level	Announcement	
		X	

1. Objectives and Description of the Measure

The general objective of this Measure is promoting the sustainable forest management and development of forestry, maintenance of forest resources.

At the same time, the Measure aims at:

- Increasing the accessibility of forests within the existing forest fund;
- Enlarging the afforested area, increasing the added value for forestry products;
- Increasing the role of forests in environmental amelioration, diminishing the effects of drought through the setting up of forest shelter-belts.

2. Fields of Action of the Measure

Afforestation

Investments for afforestation of productive and non productive agricultural lands and also creating the forest shelter belts (on any type of agricultural land) owned or legally used by natural persons, their associations and communes and their associations.

The support will be provided under the following limitations, to:

- private beneficiaries for setting up new plantations and maintenance works for a period of maximum 5 years;

- public beneficiaries, only for plantation;

Nurseries

- Investments for creating new nurseries and/or modernization of the existing nurseries including endowment with specific equipment and machineries.

Investments for the improvement of primary wood processing and marketing of forest products

Construction and/ or modernization of operational buildings for processing and offices.

Modernizations or new investments in machineries, equipment and installations for: primary processing of wood, storing and marketing of the forestry products and using/processing of the wood wastes, made by forests owners and private enterprises.

Forest roads

Investments for: construction and/or modernization of private and/or public forestry roads, including art works (bridges, footbridges, ditches, etc.) and primary storage areas, construction of marking systems, signalization and warning horizontal and vertical systems.

Forest administration

Investments for protection of forests against fire (belts, basins and equipment);

Investments in operational buildings, computers, software, communication means, special machineries and equipment, specialized transportation means, made by forest owners associations in order to support their members to improve the sustainable and efficient management of their forests.

For wood harvesting:

- endowment with equipment, machineries and installations for wood handling and transportation;
- construction and/or modernization of the sheds for machineries and equipment and repair workshops.

The **intervention logic** of Measure 3.5 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 3.5:

Table – Financial achievement of Measure 3.5 as of 31.12.2009

Year	Financial plan public expenditure		Approved	Paid		% c/a	% b/a	% c/b
	a	EU share		b	c			
2000	0	0						
2001	0	0						
2002	0	0						
2003	11,287,455	8,465,591						
2004	9,330,667	6,998,000						
2005	10,997,333	8,248,000						
2006	42,835,552	32,126,664	4,504,934				11%	
2007			58,581,156	6,820,000	5,115,000	-%	-%	12%
2008				35,728,000	26,796,000	-%	-%	-%
2009				15,051,444	11,288,583	-%	-%	-%
Total	74,451,007	55,838,255	63,086,090	57,599,444	43,199,583	77%	85%	91%

The data in the table above indicate a variable evolution of the expenditure with a certain increase in payments in the last SAPARD implementation phase, and namely 2008 and 2009, when over 80% of the payments made throughout the Programme period were concentrated.

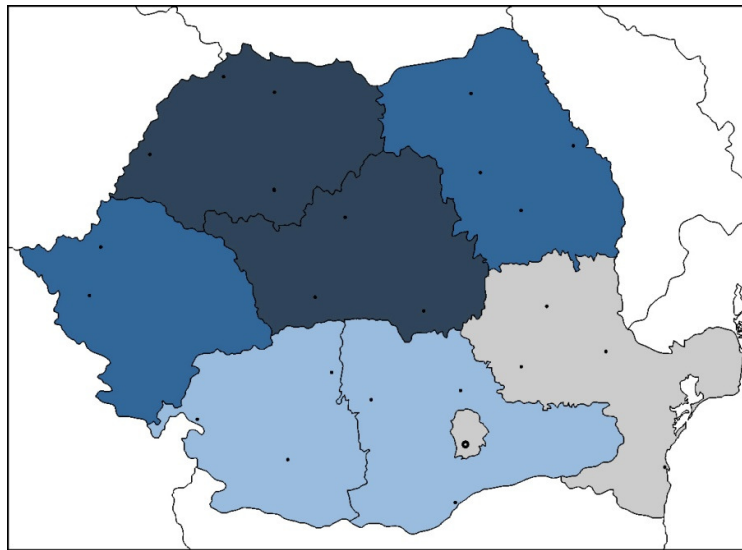
Mention should be made in particular that 2007 was the year when financing applications were submitted for the Measure 3.5. In this context, the financial flow indicators per year do not allow evidencing the links between financial projection, commitments assumed and payments made. Practically, these three Measure implementation phases occurred in different years. The expenditure was foreseen until 2006, the commitments were made in 2007, and the largest part of payments was made in 2008 and 2009. This financial low limits an accurate financial analysis of this Measure.

Notwithstanding that, an interpretation of the indicators at the overall Programme level indicates a slight performance of the financial evolution, with 77% of the total available resources provided. This evidences the fact that over 85% of the financial available resources were committed for the entire period of the Programme, and over 90% of the committed resources were actually provided to the end beneficiaries, according to the reports on the actually incurred costs.

As in the case of other SAPARD Measures as well, the fact is reminded that the payment system operates contingent upon the project phase, therefore after the approval of the financing application the beneficiaries commence the funded activities, in this case in question is roads in forest areas to the largest extent, and after incurring the assisted costs the beneficiaries obtained their settlement. This mechanism inevitably involves a time gap between the announcement issuance, approval and payment.

At the same time, it is important to mention that, notwithstanding the accumulated delay of this Measure, the first payments were made in 2007, the responsible authorities managing thus to make up for this difference, guaranteeing a significant expenditure level, and thus evidencing a good level of organization and management of the funding management procedures.

Another interesting analysis refers to the territorial distribution of resources, the map below



showing the distribution by areas of the fundings related to Measure 3.5.

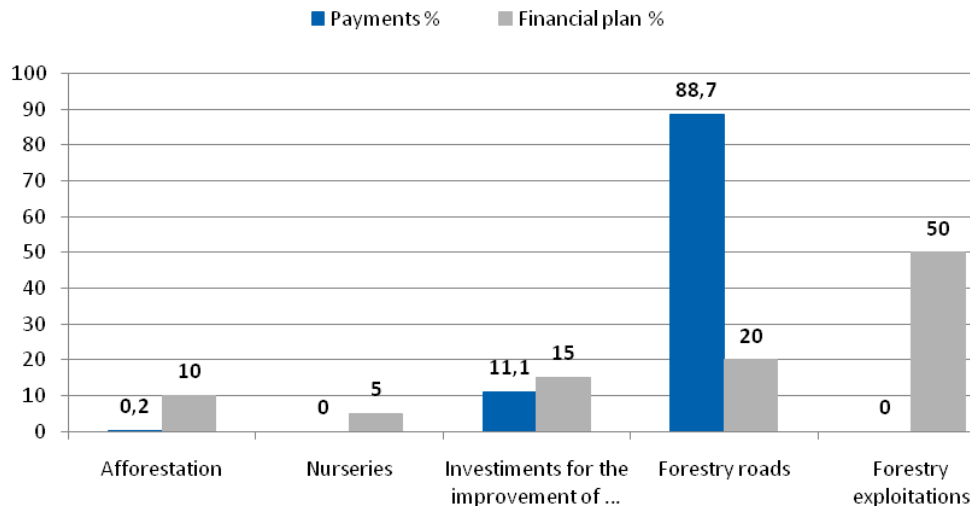
Source: Prepared by Evaluator

Legend:



The map above indicates the regions Central Alba Iulia and North West Satu Mare as the being beneficiaries of the contributions under this Measure, with over 65% of the provided public expenditure. The next beneficiary of the resources under Measure 3.5 is West Timișoara Region. These three regions received in total over 85% of the provided contributions. It is a known fact that these regions concentrate the largest forest areas of Romania. The regional distribution is thus consistent with the reference context.

The analysis of resources by sub-measure (presented in the chart below) indicates the expenditure concentration on the basis of the payments made in relation to the reference sub-measure).



This chart above indicates a concentration of the resources for the initiatives concerning “Forest roads”; this sub-measure concentrates over 89% of the payments made for the Measure 3.5, in question being necessary and paramount investments for an adequate forest management. The access to the mountain areas is a preliminary requirement for a sustainable management of the wood resources. The remaining 11% of the total resources under Measure 3.5 were allocated to the sub-measure referring to investments and improvement of machinery of forest farms, this value being equivalent to about 6.5 million Euro for the entire Programme period, with an average investment of about 19,000 € per project.

Anyway, the two sub-measures referring to the forest administration absorbed over 99% of the resources provided under the assistance for the forestry sector. More detailed, the sub-measure concerning the forestry sustainability totalized an expenditure of 51 million euro, equivalent to 89% of the total provided. A large concentration of beneficiaries was recorded in this case as well, but only 75 of these, as against 200 foreseen, received contributions for improving the forest sustainability, on the average each beneficiary having received about 680,000 €. The trend of concentrating the expenditure on less but significant projects is thus confirmed, as in the case of other SAPARD Romania Measures.

In the case of the sub-measure referring to investments in the 34 beneficiary forest farms, the average value of the contribution was about 190.000 € per project.

The payments thus made are only partially consistent with those foreseen in the course of programming. What worries the SAPARD representatives with reference to the attainment of the forestry objectives is the total cancellation of the “Forest administration” sub-measure, as its related initiatives could have increased the competitiveness of the Romanian forestry sector and farms, which was only partly ensured through the sub-measure “Investments to improve the primary wood processing and marketing of forestry products”.

4. Results of Physical Evolution at 31/12/2009

The two tables below show the situation of the output and result indicators for the Measure 3.5 as of 31.12.2009, as indicated under the Final Report SAPARD Romania of June 2010.

Table - Output indicators in respect of Measure 3.5

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
Number of projects	N°	2,400	113	5%
Number of beneficiaries	N°	2,400	113	5%
<u>Afforestation</u>				
Number of hectares	Ha	40,000	115	0.29%
Number of beneficiaries	N°	1,290	3	0.23%
<i>private</i>	N°	860	3	0.35%
<i>public</i>	N°	430	0	0%
Number of projects	N°	1.290	3	0.23%
<u>Nurseries</u>				
Number of hectares	Ha	60	4,50	7.50%
Number of projects	N°	40	1	2.50%
Number of beneficiaries	N°	40	1	2.50%
<u>Investments for the improvement of primary wood processing and marketing of forest products</u>				
Number of projects	N°	400	34	8.50%
Number of beneficiaries	N°	400	34	8.50%
<u>Forest roads</u>				
Number of km	Kilometri	450	604	134%
Number of projects	N°	200	75	37.50%
Number of beneficiaries	N°	200	75	37.50%
<u>Forest administration</u>				
Number of projects	N°	470	0	0%
Number de associated owners	N°	2,000	0	0%

With reference to the output indicators for Measure 3.5, a variable evolution may be ascertained as against the target established upon the commencement of the Programme, precisely due to the evolution differences in respect of each sub-measure, with a number of co-funded reaching only 5% of the total foreseen projects. A **very high concentration of resources** is clearly evident, these being allocated to only 113 beneficiaries as against the 2,400 foreseen in the course of the programming.

More detailed, a fluctuating course can be noticed, contingent of each sub-measure concerned. The afforestation activities involved only 115 ha and only 3 beneficiaries, these values accounting for less than 1% of the initiatives foreseen upon the Programme commencement. In the case of nurseries as well, the achieved values are not encouraging, with less than 10% of the area involved through one end beneficiary, which received about 200,000 €.

Highly successful were two sub-measures concerning the forest administration, notably the sub-measure concerning Forest roads attained over 130% of the established target in terms of km of roads in forest areas, and namely more than 604 km, of which the majority (about 583 km) are connected to the public property roads, while the remaining ones referred to the private property roads reconstruction. In this case, the cost per achieved km was about 84,500 €. This apparently high value is justified by the fact that the forest roads funded by SAPARD must be of public access, and thus a road rehabilitated under community assistance has special safety and accessibility characteristics. As a consequence, this public access requirement directly increased the achievement costs.

Further on the **result indicators** for the Measure 3.5 are shown, with the values consolidated as of 31.12.2009

Table. Result indicators in respect of Measure 3.5

Result indicators	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a)
Increased area of afforested agricultural land	Ha	40,000	115	0.29%
Increased number of seedlings obtained in ow nurseries	N°	8,000,000	2,700,000*	34.00%
Increased capacity of primary wood processing compliant with the technical environmental protection condition	%	20 (2,6 Million M3)	5* (736,251 M3)	28%
Increased length of forest roads	%	5 (2,080 km)	1,5* (604) km	30%
Increased forest areas managed by forest	%	10	0	0.00%
Increased number of forest owners	%	20	0	0.00%

* data estimated by evaluator

Considerations concerning the physical evolution situation

The physical evolution of Measure 3.5 in respect of the result indicators does not appear to be satisfactory as against the target level defined in the Programme approval phase. T

The 3 indicators that reached acceptable levels (about 30%) refer to the sub-measures concerning forest roads, improving the structures of forest farming farms and nurseries. The evaluator relied, in estimating the result indicators, the data under the Programme documents, which refer on the one hand to the size of the Romania forest fund (about 6.5 Million hectares), and on the other hand to the annual wood mass harvested from the Romanian forests (about 13 Million cubic meters). Both data refer to 2002. At the same time, as regards the number of seedlings available for the rehabilitated nurseries, a capacity of at least 600,000 seedlings per forest nursery hectare was estimated.

With reference to the presented values the evaluator highlights in respect of the forest accessibility in Romania that the results are rather limited. Practically, as mentioned as well under NRDP, about 2 million hectares of forest are completely inaccessible in Romania. For this reason the related sub-measure had a good evolution, and captured the beneficiaries' attention. Although the expenditure related to this sub-measure exceeded by far the foreseen expectations, the funded initiatives achieved only 30% of the foreseen forest km. As already mentioned, the high cost per forest road kilometer (about 85,000/km) (representing the ratio of total expenditure made for the Forest roads sub-measure to achieved road km) obviously limited the capacity of this sub-measure to generate satisfactory results, as against the projection made in the course of programming.

As regards the other indicator concerning the competitiveness and environmental compliance by forest farms, the results obtained are below expectations, having in view the good development of the expenditure for the sub-measure "Investments to improve the primary wood processing and marketing of forestry products", which solely contributed to the valorification of this indicator.

With reference to the other indicators, these have not attained sufficient levels to justify a detailed analysis.

5. Primary data collected

The inquiry activities were developed during April - May 2011, and involved 12 final beneficiaries of the Measure 3.5. Prior to the interviewing by phone phase, an ad hoc questionnaire was prepared for the analysis of the results, but generally the impact generated by the Programme on the beneficiaries; notably, the forest growing stock preservation and wood processing productivity increase are the main objectives of the respective Measure.

6. Measure Sample Selection Criteria

With a view to selecting a representative sample of beneficiaries for this Measure, we make reference to the analysis performed on the sample of beneficiaries of the SAPARD Programme. In particular, it is deemed appropriate to present the factors taken into consideration for the estimation of a significant number from statistical viewpoint for analysis, as indicated in the table below, making reference to the representativeness of the Measure in respect of the entire pool of SAPARD beneficiaries had in view.

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Measure 3.5	2.6%	4.5%	3.6%	4.1%	10

At the time time, for the purposes of a higher representativeness the sample was increased to 12 units, and divided according to payments made in respect of each sub-measure, as emphasized in the section describing this Measure. Especially the inquired sample was tiered up according to the following method, in order to have an ever more representative overview of the reference pool.

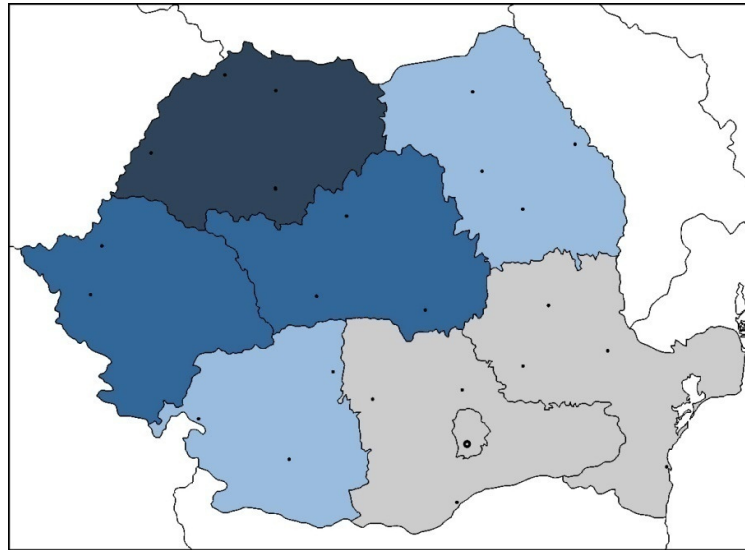
Measure 3.5 – Analysis of beneficiaries sample by sub-measures

Sub-measure	Share of number factor	Share of financial factor	Average	Extraction units
Forest roads	66.4%	88.7%	77.5%	10
Other activities	33.6%	11.3%	22.5%	2
TOTAL	100%	100%	100%	12

It is obvious that, as already reminded in the phase of analysis of forest initiative, the sub-measure concerning the construction of forest roads recorded the largest number of projects and the expenditure, therefore the highest number of beneficiary interviewees. For this reason, the evaluator deemed useful to increase the number of beneficiaries of the “Forest roads” sub-measure, precisely for the purposes of a higher representativeness of the inquiry. In percentage terms, 10 beneficiaries of the “Forest roads” sub-measure account for about 13% of the entire reference pool, which in itself is a high statistically representative value, especially since the beneficiaries are similar (and namely local councils owners of forest areas).

7. Answers map, research data analysis and comments

As afore-mentioned, according to the assisted financial expenditure the 16% of the interviewed beneficiaries are private entities with contributions referring to sub-measure 3 „investments in forest farms”, and remaining 84% are public institutions (communal councils), holders of forests, which participate to sub-measure 4, “Forest roads”. As regards the geographic distribution of the beneficiaries, this one is presented in the following figure, being consistent with the geographic distribution of the resources of this Measure, as indicated by the previously commented map.



Source: Prepared by Evaluator

Legend:



The largest part of the interviewed subjects belongs to Region 6, one of the most wooded regions of Romania, comprising the chain of Carpathian Mountains. No beneficiaries from the South-Eastern regions of the country were interviewed, since there are no mountains there and, therefore, no significant forest areas.

As afore-mentioned, on the occasion of the Measure presentation, all the beneficiaries submitted their application on the occasion of the single session opened by administration, and namely in May 2006. The following table presents the **average amounts** requested, evidencing on the one hand the average values resulted from the analysis of the monitoring system on the basis of the information included in the payment lists made available by the Management Authority. The second column shows the average values of the amounts requested by the beneficiaries included in the sample.

Table. **Average amounts** in Euro of the projects by sub-measure

Sub-measure	Project average value (pool) (€)	Project average value (sample) (€)
01	33,577	n.d.
02	23,892	n.d.
03	176,177	375,000
4	744,178	800,000

About 30% of the beneficiaries resorted to an external entity or consulting company in order to submit the financing application, and 70% managed to prepare the necessary documentation themselves. In this case, the high presence of public institutions amongst the beneficiaries emphasizes the fact that these are capable of identifying at internal level the appropriate human resources in order to prepare this type of documentation.

In general, the beneficiaries considered very good the information regarding the Programme provided by the Management Authority, and only 15% indicated as scarce the information referring to the initiative and communication modalities from the local persons in charge. Nevertheless, the largest part of the beneficiaries complained about rigid regulatory systems that delayed the works execution.

In the case of the beneficiary enterprises of **sub-measure 3**, and namely medium sized enterprises dealing with wood processing, these have incomes of over 200,000 euro, and the **income increase** pursuant to the funding was 10% on the average. The fact that such contribution improved at least the first phase of their relate activity is also confirmed by the percentage of 100% of the beneficiaries of this sub-measure, which would have made the investment anyway, which evidences a **deadweight** effect of 100%, also due to the fact that the assistance covered not more than 50% of the total eligible costs, and in quantity terms was not determinant for the investment making. 100% of interviewees confirm that they did not resort to any loan to make the investment, using their own resources and waiting thereafter the deadlines for refunding by SAPARD.

The **positive effects** of the funding mainly refer to the equipment modernization, which enabled an improved processing productivity, more specifically for interviewees the productivity increase was due to a better water management and work organization.

In half of the cases the intervention generated a positive effect regarding the **jobs**, through the employment of better qualified staff. It is worth noting the positive effect of the increased **value of the sold products**. This increase was estimated to 25% annually, the investments achieved enabling an improved quality of processed wood products, which guaranteed a higher yield for beneficiaries. This was also due to a better market positioning of the new products thus achieved.

With reference to the public entities, the beneficiaries of the **sub-measure 4** are mainly represented by the local councils owners of wooded areas. On the average there are beneficiaries which hold over 200 ha forest, but the variability of this information is high. The direct inquiry highlighted the fact that the assistance has not have a direct effect on the income, and since in question are local councils could not have had any direct effect on the employees of these structures. All the beneficiaries confirmed an increased income from the sustainable administration of forests, on the average of 15% thanks to the improved access to the wooded areas.

At the same time, the analysis concerning the **deadweight** effect indicates that this is null, since all the interviewed respondents confirmed that in the absence of the SAPARD assistance, which covered 100% of the intervention costs, these initiatives for the modernization of the access ways to the wooded area **would not have been undertaken**. About 70% of the beneficiaries declared that they resorted to some form of loan (e.g. bank loan) in order to be able to fund the foreseen works, however at present (May 2011) the financing is terminated, thus confirming the public entities' need of liquidity, but also their capacity to limit indebtedness risks.

In general, the **positive effects** generated by this sub-measure mainly refer to a better administration of the forest growing stock. The improved sustainability of the wooded area entailed

in respect of many beneficiaries holding wooded areas the use the more efficient mechanical means for the administration of the respective area. Certainly, in the beneficiaries' opinion, there are other positive indirect effects as well, referring to tourism and, generally, the simpler valorification of the natural resources.

As afore-mentioned, in neither case have the interventions had any direct effects on the **creation of job**, practically no end beneficiary made any reference to any positive effects in this respect, except for the staff involved in the performance of the funded works.

8. Final considerations on the results of the Measure 3.5

The Measure 3.5 contributed in the period 2000-2009 to the improvement of the sustainable administration of the Romanian wooded areas, notably the resources being concentrated on two sub-measures concerning both the initiatives regarding the forest sustainability and other resources, about 6.5 Million Euro, allocated for the acquisition of machinery and devices to improve wood processing.

A requirement for maintaining an adequate system of forest balance is the road system, which perfectly functions as well as a fire protection system, and thus contributes to the forest stock preservation. Therefore, the concentration of resources on these initiatives is also consistent with, and effective, with reference to the attainment of the operational objectives of this Measure.

On the other hand, the resources available to this initiative limited the general impact on the Romania forest system. If we take into account that the total available funding was 75 million euro, to cover over 6.2 million forest hectares of Romania, it goes without saying that the allocated funding is limited as against the vastness of the existing forest system.

Practically, out of the 113 beneficiaries of Measure 3.5, 74 are public subjects administering wooded areas, while other 34 benefitted from equipment and mechanical machinery for wood processing, and thus for an improved added value resulted from the processing of this product. Thus, the limited capacity of this Measure to cover the entire forest sector can be noticed, however this initiative was a first steps, which continues with the implementation of the forestry measures under NRDP 2007-2013, that is to say, measure 125 "Improvement and development of the infrastructure related to agriculture and forestry development and adaptation"; therefore, this initiative certainly had a determinant contribution to the implementation of the acquis communautaire upon Romania's accession to the European Union and entering into the European Funds administration system.

MEASURE 4.1***Improvement of vocational training***

Axis 4	Development of human resources		
Intervention typology	Other (specify)	X	Professional training
Beneficiaries	Ministry of Agriculture and Rural Development		
Localization	Entire territory of Romania		
Project selection method	At Ministry level	Announcement	At the counter
	X		

1. Objectives and description of the Measure

As follows from the description of Measure 4.1 under the National Programme for Agriculture and Rural Development, and in accordance with Article no. 2 of the Council Regulation (EC) no. 1268/1999, and with the provisions of the Chapter III, Title II of the Council Regulation (EC) no. 1257/1999, the general objective of this Measure is to assist the professional training in order to contribute to the improvement of knowledge and professional competencies of the farmers and other persons involved in agricultural and in forestry, fishery and aquaculture activities, processing of agricultural, fishery and aquaculture products, as well as to their conversion towards non-agricultural activities.

The specific objectives of this Measure include the following:

- Improving the vocational training of the agricultural and forestry, fishery and aquaculture producers as well as of employees of agricultural and fish processing units for the quality reorientation of production;
- Improving the vocational training of the agricultural, forestry, fishery and aquaculture producers for applying the production methods complying with the conservation and improvement of the countryside;
- Improving the vocational training of the agricultural and forestry and fishery producers for applying the methods of environmental protection and the norms regarding the hygiene and welfare of animals;
- Improvement of the vocational training of the agricultural producers and private forest owners as well as of the heads of agricultural and forestry, fishery and aquaculture holdings, to increase the level of their management and marketing knowledge needed for the management of a holding viable from the economic, social and environmental view point;

- Training the private forest owners and other persons involved in forestry activities for applying the practices of forestry management enabling the improvement of the economic, ecological and social functions of the forest.
- Training of agricultural producers and of private owners of forest, fishermen in view of diversifying or re-conversion of their basic agricultural or forestry activities in order to practice other occupations and/or jobs (agritourism, handicraft, bee keeping, aquaculture etc.).
- Training of agricultural producers, fishermen and forest owners, in order to stimulate setting up producer groups and the improvement of the knowledge of the members of existing producer groups as well as the training of the members in order to their official recognition.
- Training of agricultural producers in order to stimulate setting up of water users associations and the improvement of knowledge of the members of existing water users associations to ensure a sustainable management of agricultural water resources, in correlation with the restoring and conservation of environmental quality in the rural areas.

Finally, the following are the operational objectives of this Measure:

- Quality reorientation of production, including setting-up producer groups;
- Good production practices consistent with countryside preservation, protection of the environment, hygiene standards and animal welfare, including the training of farmers implementing agro-environmental measure;
- Economically sustainable management of agricultural and aquaculture farms;
- Management of irrigation networks by the members of the Water Users Association;
- Other vocational training activities: forestry and diversification of rural activities in relation to farmers and fishermen, as well as forest owners.

This Measure will focus on short term training related to sectors linked to the acquis communautaire: environmental protection, hygiene and quality, animal welfare, as well as increased economic sustainability of agricultural and fishing farm.

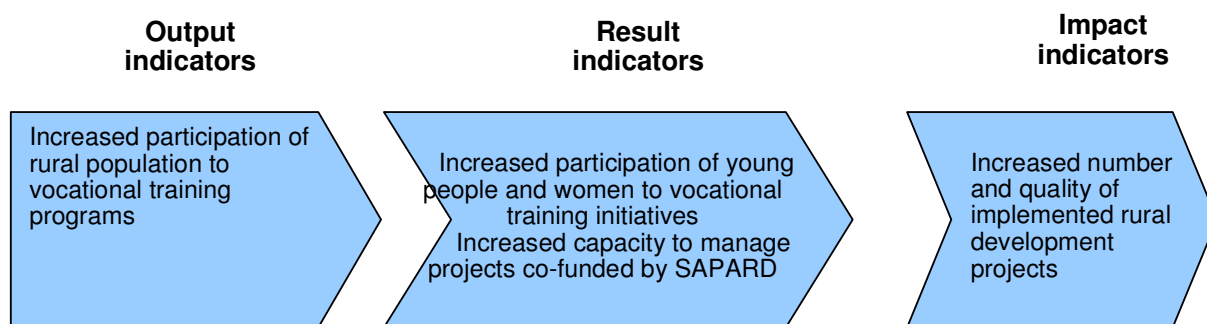
2. Fields of Action of the Measure

Consistently with the above-referred specific and operational objectives, the following main fields of action are identified in respect of Measure 4.1, concerning vocational training interventions:

- Production practices (in the agricultural, vegetal, forestry and fishery fields);
- Training of the managers/owners of agricultural and forestry holdings in the following fields: economic, technical, legal, tax;
- Diversification or reconversion of various activities in rural area, of which: rural tourism, handicraft activities, aquaculture, other activities;
- Setting up associations of water users and improving the knowledge of the members of existing water users, in order to ensure a sustainable management of water resources;

- Processing and marketing of agricultural and fishery products in accordance with the specific technologies;
- Environmental protection;
- Training for compliance with hygiene, animal welfare and plant-health regulations;
- Setting up producer groups and promoting their objectives, principles and operation modalities, as well as training the recognized groups of producers in order to improve their activity.

The **intervention logic** of Measure 4.1 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 4.1:

Table. Financial achievement of Measure 4.1 as of 31.12.2009

	Financial plan		Approved	Payments		%		
	Total public expenditure	EU share		Total payments	EU share			
	a			b	c	d	c/a	b/a
2000								
2001								
2002	916,340	687255				0.00	0.00	n.c.
2003	2,042,700	1532025				0.00	0.00	n.c.
2004	990,199	742649				0.00	0.00	n.c.
2005	0		2,901,044					n.c.

2006	0							n.c.
2007	0			1,800,441	1350331			n.c.
2008	0			1,228,052	921039			n.c.
2009	0							n.c.
total	3,949,239	2,961,929	2,901,044	3,028,493	2,271,370	77	73	104

This table indicates that the revised financial plan projected the concentration of over 51% of the amounts allocated in 2003, the balance being almost equally distributed to 2002 and 2004. As a matter of fact, the late accreditation of this Measure (the five projects, amounting to 3.65 million euro, being approved only in 2005), resulted in the project completion after 2006 and the concentration of related payments, amounting in total to 3.028 million euro, in 2007 and 2008. The EU funding share for this Measure was 75%, the total amount of the planned funding totaling about 2.962 million euro. The total value of the payments made as of 31.12.2009 accounted for about 77% of the total committed value, and 104% of the approved project amount (the difference being probably due to the rate of exchange fluctuation); the EU share of payments made amounted to 2.271 million euro.

No analysis on the territorial distribution of funding can be achieved in respect of Measure 4.1, since its only beneficiary was the Ministry of Agriculture and Rural Development.

4. Results of Physical Evolution as of 31/12/2009

The three tables below indicate the evolution of output and result indicators for Measure 4.1 as of 31.12.2009, as follows pursuant to comparing the projections under the National Plan for Agriculture and Rural Development 2000-2006 with the data under Final Report SAPARD Romania of June 2010.

The table below indicates that Measure 4.1 attained to a small extent only the targets established under NPARD 2000-2006. In particular, out of the 305 vocational training courses planned to be achieved under Measure 4.1, only 60 courses were organized, totaling 2,354 trainees, accounting for about 7% of the target referring to the number of participants (35,000), and about 20% of the target concerning the number of courses. Nevertheless, it is worth noting that the objective regarding the participation of young people and women to the vocational training was fully achieved, having in view that these two classes of beneficiaries together account for over 84% of the total trainees (the target being 20%), and the capacity to achieve the target established under NPARD was over 28%. The average duration of courses was 11 days, accounting for a slightly lower value (73%) as target (15 days).

Table - Output indicators in respect of Measure 4.1

Output indicator	Measurement unit	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
no. of training actions	n.	305	60	19.67
no. de trainees, of which:	n.	35,000	2,354	6.73
Young people and women	n.	7,000	1,980	28.29
Average number of training days/trainee*	days	15	11	73.33

* The output indicators foreseen under NPARD referred to short term and long term courses, however did not include a definition of "short/long term". According to the CNCFPFA methodology, there are deemed short term courses the initiation, development and specialization courses, and long term courses the qualification and requalification courses. Having in view this definition, only short term courses were organized under SAPARD.

The detailing of the number of typology of trainees by type of training action indicates that the largest share (67%) of young trainees was recorded under the training actions concerning production practices (same level for the vegetal and animal sector), followed by the training concerning the diversification or reconversion of various activities in the rural areas, where high shares of young people (56% of the total trainees) and women (51%) were recorded. The training actions concerning the diversification of activities in the rural area targeted only the rural tourism. A high level of women attendance (40% of the total trainees) was recorded as well in respect of the training actions concerning the processing and marketing of farming and fishery products in compliance with specific technologies, while the lowest women attendance was recorded at the courses concerning the training of managers/owners of agricultural and forestry holdings in the fields: economic, technical, legal, tax (18% of total trainees), and environmental protection (21% of the total trainees).

Table. Number and typologies of trainees by types of actions

Purpose			Number of courses	Number of trainees			%	
				Total	of which:		of which:	
					Women	Young people	Women	Young people
Improved vocational training concerning:								
Production practices			23	911	220	611	24	67
of which:	farming	Vegetal sector	14	527	121	352	23	67
		Animal sector	9	384	99	259	26	67

	forestry	0	0	0	0	0	0
	fishery	0	0	0	0	0	0
Training of managers/owners of agricultural and forestry holdings in the fields: economic, technical, legal, tax		12	578	104	314	18	54
of which:	farming	4	166	46	104	28	63
	forestry	8	412	58	210	14	51
	fishery	0	0	0	0	0	0
Diversification or reconversion of various activities in the rural area		2	86	44	48	51	56
of which:	rural tourism	2	86	44	48	51	56
	handicraft activities	0	0	0	0	0	0
	aquaculture	0	0	0	0	0	0
	other activities	0	0	0	0	0	0
Setting up associations of water users and improving the knowledge of the members of existing water users, in order to ensure a sustainable management of water resources		0	0	0	0	0	0
Processing and marketing of agricultural and fishery products in accordance with the specific technologies		7	342	137	181	40	53
Environmental protection		16	437	91	230	21	53
Training for compliance with hygiene, animal welfare and plant-health regulations		0	0	0	0	0	0
Setting up producer groups and promoting their objectives, principles and operation modalities, as well as training the recognized groups of producers in order to improve their activity		0	0	0	0	0	0
Other		0	0	0	0	0	0
TOTAL¹		60	2,354	596	1,384	25	59

The fact can be noticed that the largest number of courses and trainees was recorded by the action concerning the vocational training concerning production practices (over 38% of the total courses and trainees), while no courses were organized in respect of the following actions: Setting up associations of water users and improving the knowledge of the members of existing water users, in order to ensure a sustainable management of water resources; Training for compliance with hygiene, animal welfare and plant-health regulations; Setting up producer groups and promoting their objectives, principles and operation modalities, as well as training the recognized groups of producers in order to improve their activity.

Over 20% of the total courses and trainees was recorded in respect of the action concerning the training of managers/owners of agricultural and forestry holdings in the fields: economic, technical, legal, tax. At the same time, the environmental protection training actions totaled over 26% of the number of organized courses, and about 18% of the total number of trainees.

A few courses were also organized with reference to the training actions concerning the processing and marketing of agricultural and fishery products in compliance with specific technologies (about 12% of the total number of courses, and 15% of total trainees), and in respect of the domain concerning the diversification or reconversion of various activities in the rural area (about 3% of the total courses and trainees).

With reference to attaining the targets related to the promoted training actions at the level of Measure 4.1, the following table indicates that the result referring to the young people participation to vocational training courses was fully attained, their attendance being 59%, while the target had been set to minimum 30%. On the other hand, the result referring to the participation of women to vocational training courses was not fully achieved, the women share of the total trainees being 25% (as against the minimum target of 30%), which is nevertheless a good result.

At the same time, the result referring to the valorification of the participation to training courses through the submittal of projects under SAPARD Programme by the graduates was not fully achieved: the share of graduates with SAPARD projects in progress or completed, out of a sample of 761 trainees (in respect of training projects where such information was available), accounting for over 32% of the total beneficiaries of measure 4.1, the number of projects in progress or completed being 322, meaning 42% of the number of trainees.

Table. Result indicators in respect of Measure 4.1

Result indicators	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a)
Share of young farmers out of the total number of trainees	%	over 30%	59%	197
Share of women out of the total number of trainees	%	over 30%	25%	83
Share of trainees with projects funded under SAPARD out of the total number of trainees	%	over 70%	42%	60

Considerations concerning the physical evolution situation

The most remarkable thing about the achievement of Measure 4.1 consists in the surpassing of projections related to the participation of young people to this Measure, which is an important element of added value of the intervention from the perspective of the increased involvement of young people in agricultural production activities adapted to the EU standards requirements UE. At the same time, it is worth noting the participation of women to training activities concerning the diversification of activities in rural area, in particular in the rural tourism field, also from the perspective of an increased involvement of women in non-farming activities of high strategic value for increasing the attractiveness of rural areas.

5. Final considerations on the results of the Measure 4.1

Having in view the delayed accreditation of Measure 4.1 and the rather low absorption of available funds, the attained results were nevertheless good, notably due to the fact that the training actions involved the participation of a rather important number of young people, which represented one of the main targeted results.

Moreover, having in view that the average of trainees was 39 persons/course (maximum 49 persons being recorded in respect of the action „Processing and marketing of agricultural and fishery products in compliance with specific technologies”, and minimum de 27 persons being recorded in respect of the training actions concerning the environmental protection, it can be said that the courses, organized in classes not very crowded, offered a high level of teaching and education quality.

With reference to the achieved costs, these were on the average 50,475 euro per course, that is to say, 1,286.5 euro per trainee, which represents a value almost double than the planned amount of about 25,297 euro per course, and almost six times higher than the amount foreseen to be spent by trainees, totaling 220 euro. This highly significant difference between the planned and spent amounts may be due first of all to the evolution of the vacationing training market over the last 10 years, which was characterized by a significant increase in the prices of vocational training services (especially in respect of the remuneration to trainers) and related services (including transport, accommodation and meals for trainees).

Given the acknowledged importance of the farmers' training for several domains related to farming, forestry and food industry, in relation to the future programming period the National Rural Development Programme 2007-2013 foreseen the activation of a measure concerning the vocational training, information actions and diffusion of knowledge, and namely measure 111.

The objective of this measure is to improve competitiveness in the farming, fisher and foodstuffs sectors, sustainable use of agricultural lands and environmental protection, through vocational, information and innovative knowledge diffusion actions, addressed to adults active in the aforementioned sectors. In particular, this measures has the following specific objectives:

- To acquire relevant information and knowledge that will ensure the sustainable management of both agricultural and forestry land, will improve management quality at farm level, restructuring and modernization of the processing sectors and in commercializing agricultural and forestry products, and of the social conversions thus contributing to the improvement of living conditions and decrease of unemployment in rural areas.

➤ To improve and develop the necessary competencies for persons involved or that will be involved in forestry activities to practice a sustainable management of forests in order to increase the forestry surfaces, wood processing and efficient capitalization of forestry products.

The final beneficiaries of this Measure are adults active in the farming, forestry (including forest owners) and agri-food industry domains.

The direct beneficiaries of the Measure are providers of vocational training, information and knowledge diffusion: public or private entities active in the domain of the vocational training of adults and/or information and knowledge diffusion, who meet the eligibility and selection criteria.

10 agreements amounting to 11.69 mil euro were executed under the NRDP Measure 111.

MEASURE 4.2***Technical assistance***

Axis 4	Development of human resources		
Intervention typology	Other (specify)	X	Communication, refresher, vocational training, studies
Beneficiaries	Ministry of Agriculture and Rural Development		
Localization	Entire territory of Romania		
Project method selection	At Ministry level	Announcement	At the counter
	X		

1. Objectives and description of the Measure

The aim of this measure is to assist in particular in implementation and monitoring of the Programme and its possible subsequent modification. In support of this aim, the objectives include:

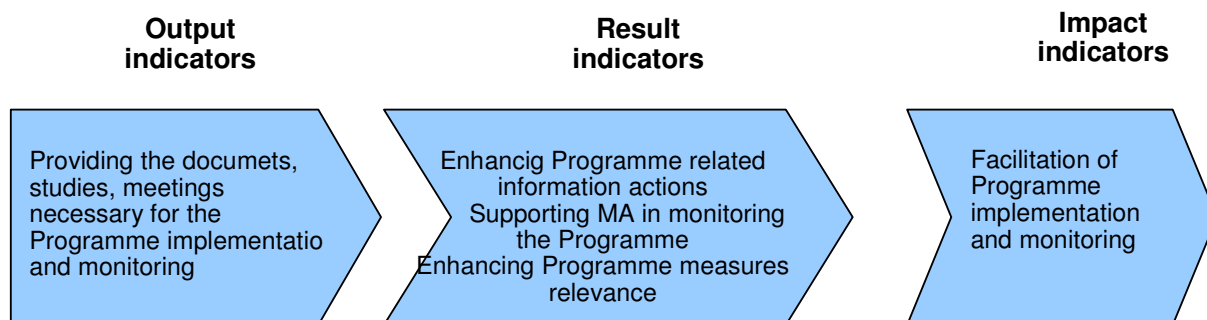
- To provide support for monitoring
- To ensure an adequate flow of information and publicity
- To support studies, visits, seminars
- To provide support for external expertise
- provide support for the assessment of the Programme

2. Fields of Action of the Measure

In accordance with the description of this Measure under NPARD 2000-2006, the technical assistance may be granted for the following typologies of interventions:

- Meetings of the Monitoring Commission
- Assistance granted by experts to the Monitoring Commission with reference to the performance of its tasks, including analysis and revision of the Programme indicators, and the implementation/operation of the monitoring system;
- Assistance for meetings and implementation of auxiliary tasks of work groups
- Seminars
- Information and publicity campaigns
- Printing and distribution of documents
- Translation and interpretation
- Visits and seminars not at the Commission's initiative
- Visits and seminars at the Commission's initiative
- Preparatory studies for other measures, to improve their effectiveness
- Midterm evaluation of programme

The **intervention logic** of Measure 4.2 may be described as follows:



3. Financial results at 31/12/2009

The following table summarizes the expenditure mode in relation to Measure 4.2:

Table. Financial achievement of Measure 4.2 as of 31.12.2009

	Financial plan		Contracted*	Payments **		%		
	Total public expenditure	EU share		Total payments	EU share			
	a		b	c	d	c/a	b/a	c/b
2000	761,250	609,000						
2001	271,406	217,125						
2002	136,250	109,000						
2003	136,250	109,000						
2004	136,250	109,000	1,164,500	240,182.29	192,145.84	176.28	854.68	20.63
2005				426,263.94	341,011.14			
2006			209,998	691,198.54	552,958.83			329.15
2007				50,554.35	40,443.48			
2008				15,817.35	12,653.88			
total	1,441,406	1,153,125	1,374,498	1,424,016	1,139,213	98.79	95.36	103.6

*The total amount is taken over from the Final Report of SAPARD Programme. The amount mentioned for 2006 was calculated as difference between the total amount and the amount mentioned under SAPARD Report for 2005.

** data provided by beneficiary.

The data in the table above indicate that the revised financial plan projected for this Measure a decreasing financial allocation, with a concentration of resources in the first two years, over 70% of resources being allocated to 2000-2001. As a matter of fact, a concentration of the expenditure related to Measure 4.2 in 2004, 2005 and 2006 was noticed, these totaling over 95% of the payments made until 31.12.2009. In particular, 2006 totaled almost half of the total amount of the expenditure related to this Measure, while over 84% of the approved project amount was recorded in 2004, when the payments made accounted for about 20% of the approved project value, and 176% of the amount allocated to the respective year.

The EU assistance for this Measure was 80% throughout its implementation.

As against the revised financial plan, the Measure 4.2 fully achieved the target concerning the committed expenditure, as of 31.12.2009, about 99% of the allocated resources being spent. The EU share from the paid amounts totaled about 1.14 million euro.

The difference between the paid and contracted amounts derives from the application of a different rate of exchange.

No analysis on the territorial distribution of funding can be achieved in respect of Measure 4.2, since its only beneficiary was the Ministry of Agriculture and Rural Development.

4. Results of Physical Evolution at 31/12/2009

The table below indicates the value of the output indicators foreseen for Measure 4.2 under PNADR, as of 31.12.2009, as follows from the Final Report SAPARD, as well as from support documents prepared during the Programme implementation. These indicators were not quantified under PNADR, for which reason it is not possible to achieve an accurate appraisal of the output capacity from physical viewpoint in respect of this Measure. Notwithstanding that, detailed notes could be made in the following paragraphs.

Table - Output indicators in respect of Measure 4.2

Output indicator	UM	Target	Achieved	Output capacity
		(a)	(b)	(b/a) %
n. promotional materials for general information of all parties (booklets, brochures, etc.)	number	n.d.	458,334	n.d.
n. publicity campaigns	number	n.d.	2	n.d.
n. meetings of experts	number	n.d.	0	n.d.
n. seminars, conferences, workshops	number	n.d.	182	n.d.
n. sessions of the Steering Committee	number	n.d.	5	n.d.
n. studies on the Programme measures preparation and implementation	number	n.d.	3	n.d.
n. Programme evaluation reports	number	n.d.	2	n.d.

Considerations concerning the physical evolution situation

Due to the fact that the expected results for this Measure were not quantified under PNADR, it is not possible to accurately evaluate the degree of attainment of this Measure. Nevertheless, the quantification of the indicators proposed under PNARD points to the following aspects:

- The number of promotional materials prepared and distributed may be deemed sufficient as against the Programme needs. These materials include: general information and guidance brochures, applicant's guide (and related CDs, where applicable), materials for written press, booklets, posters, other promotional materials (such as: banners, caps, T-shirts, folders, bags, purses, and others).
- The number of publicity campaigns is deemed sufficient by the evaluator, having in view that these only came to support an intense activity of information and promotion achieved by the Directorate for Promotion, Communication and Relations with Media (subsequently the Public Relations Directorate) of SAPARD Agency, in collaboration with its regional structures, ANCA (National Agency for Agricultural Consultancy) and other organizations involved in the implementation of SAPARD Programme, including local public administration organizations. The current information and promotion activities of SAPARD Agency, also with TA, have helped informing and assisting hundreds of thousands of potential beneficiaries, thanks to the selected communication instruments, based on the capillarity of initiatives of territorial level (inclusive caravan and mobile infocenters), and on information and broadcasting means characterized by high visibility, such as: advertising the Programme on the occasion of local public events; TV sports and radio broadcasting; articles in the national and local written press.
- Since this sub-measure was not used, it is obvious a major drawback for the assistance, having in view the assistance that could have been provided by the summoning of experts,

especially for the purposes of supporting the actions for the implementation and revision of the monitoring system of the Programme, with a view to enhancing its internal coherence.

On the other hand, the non-using of this sub-measure with reference to several implementation aspects of the Programme, including the assistance to beneficiaries in the preparation and implementation of the projects, may be justified by the fact that such assistance was provided under other TA projects funded by PHARE (e.g. under the TA project funded by PHARE 2002/000-586.03.05) and, respectively, via the territorial structures of ANCA. In this respect, the fact should be mentioned that certainly many technical assistance projects funded by PHARE during the implementation period of SAPARD Programme conditioned the concept of Technical Assistance under Measure 4.2, in the sense that this was focused more on specific assistance actions provided to the Managing Authority for the Programme (such as the organization of the Monitoring Commissions or the preparation of the functional studies for other measures of the Programme), rather than represent an instrument of cross-assistance provided to all the actors involved in the Programme implementation. The following paragraphs sets presents the list of TA projects funded by PHARE, intended for the institutions involved in the SAPARD implementation.

- The following were taken into account for the purposes of quantifying the indicator concerning the number of organized seminars: the two national seminars organized on the topic of the measures 4.1 and 3.5 of the SAPARD Programme; the 77 activities of the Mobile Infocenter and the 103 specific events for the promotion of SAPARD Programme organized under one of the information campaigns.
- The number of meetings of the monitoring commissions organized in the period 2005-2007 is deemed sufficient by the evaluator.
- At the same time, the number of projects dedicated to the Programme evaluation is deemed sufficient for the compliance with the EU Regulations nos. 1268/1999 and 2759/1999.

5. Final considerations on the results of the Measure 4.2

At a first glance, the number of projects funded during the Programme development (10) appears to be sufficient, however the non-using of the sub-measure regarding the summoning of experts could have affected the capacity of the TA projects funded under Measure 4.2 to effectively contribute to the efficient and efficacious implementation of NPARD, the funded interventions aiming more at supporting certain specific aspects related to the MA's tasks, rather than the cross-assistance of the Programme development.

As a matter of fact, as afore-mentioned, the common role of the TA interventions with reference to the appropriation of the procedures of implementation of measures co-funded from funds made available by the EC for rural development, in relation to all the institutions/ actors involved in the implementation of the SAPARD Programme, was rather performed by other TA projects funded by PHARE.

In particular, worth mentioning are the following technical assistance projects provided with a view to preparing and accompanying the institutions involved in the implementation of the SAPARD Programme, including with reference to the general monitoring of the Programme (including the audit function), for the provision of information and consulting to the applicants for SAPARD projects, for the management of the IT system necessary for the Programme implementation, as

well as in the perspective of the management of the rural development and fishery programmes co-funded by EC after the accession to EU, that is to say:

- PHARE 2001 RO 0106.07 – Consolidation of institutional capacity of Romania to implement NPARD measures, amounting to 1.963.347 Euro; Beneficiary: SAPARD Agency.
- PHARE projects of technical assistance for the implementation of the Audit activity at the level of several institutions involved in the development of Programme, and namely:

Internal Audit Directorate of SAPARD Agency RO 01.06.07.01; National Fund RO 01.06.07.05; Court of Accounts of Romania RO 01.06.07.08.

- Specialized vocational training for the staff of SAPARD Agency and of other persons involved in the SAPARD Programme (Managing Authority) for an efficient implementation of the Programme and for strengthening the Managing Authority's capacity to monitor SAPARD Programme RO 01.06.07.02.

- RO 2002/000-586.03.05 – Technical assistance for strengthening the administrative capacity of the public institutions - e.g. National Agency for Agricultural Consulting – for the purposes of providing information and consulting to the applicants of SAPARD projects (25.11.2004 – 25.09.2005).

- RO 2002/000-586.03.05 – Technical Assistance and for preparation and implementation of PNADR measures, Through SAPARD Programme (29.11.2004 – 15.12.2005).

- RO 2004/016-772.03. 02.01.02 EuropeAid/122610/D/SER/RO – Training for the staff of the Managing Authority and for the bodies involved in the programming process and the setting up of the implementation system.

- Framework Contract ROSU 41-RO 2004/016-772.03.02.02.13.03 – Elaboration of Technical Specifications for Task 4 in the MAP (01.08.2006 – 1.12.2006).

RO 2005/017-553.03.02.01 - Training the staff of the institutions involved in designing and implementation of the Rural Development Programme and the Fishery Operational Programme 2007 – 2013 and communication activities of the bodies responsible for the implementation of the programmes

- Technical assistance in the field of IT services and applications necessary for the Programme implementation:

RO 01.06.07.04; RO 2002/000-586.03.05 – Consolidation and extension of the application of Information and Communication Technology in the management of SAPARD Programme (software) (29.11.2004 – 15.03.2006); RO 2002/000-586.03.05 - Technical assistance for strengthening and extension of ICT-Information and Communication Technology in managing SAPARD Programme (29.11.2004 – 15.03.2006); RO 2005/017-553.03.02.03 - Technical assistance for the preparation of the software necessary for the implementation of rural development and fishery funds (31.11.2007 – 31.09.2008).

At the same time, the following Twinning projects funded by PHARE are worth mentioning:

- PHARE 2004/016-772.03.02 - EU PHARE Twinning Project – Strengthening of the institutional capacity of SAPARD Agency at central and regional level to up-grade professional competence in

implementing rural development programmes financed by European Union - RO04-IBAG-12 (8.12.2005 - 8.06.2007);

- EU PHARE Twinning Project RO 2004/IB/AG-16 TL PHARE 2004/016 772.03.02 – Provision of support for the preparation of procedures for the Coordinating Body of the Paying Agencies (January 2007 – July 2007);
- PHARE Twinning Project RO 2006/IB/AG/02 – Set-up of adequate structures assuring the absorption of EU Rural Development and Fishery funds after Accession (10.10.2007 – 10.01.2009).

Moreover, the contribution of the technical assistance to the provision of a correct information and publicity on the Programme can be accurately appraised only by taking into account the number of beneficiaries reached by the information events, including at regional and local level. It is at the same time essential for an accurate appraisal of this measure to have regard to the number of beneficiaries of the technical assistance amongst officials, in their capacity of potential beneficiaries of the Programme, especially with reference to acquis communautaire topics.

Measure 4.2 was reactivated within the programming period 2007-2013 through the NRDP 2007-2013 Measure 511.

More detailed, NRDP 2007-2013 specifies that the general objective of this measure is to provide support for the coordination and implementation of the rural development policy in Romania, laid down by the NRDP, in a most efficient, correct and transparent manner. The funds assigned to the Technical Assistance measure are intended to finance activities which shall ensure the carrying out of this measure's major objectives, such as:

- Ensuring a good management and use of the resources assigned regarding the efficient development of the NRDPs;
- Improving and maximizing the impact of the NRDP;
- Ensuring the transparency, information, communication and promotion of the NRDP and of the Community support offered for its development;
- Ensuring a good cooperation with the European Commission and the social and economic partners;
- Setting up and the functioning of the National Rural Development Network.

At the same time, NRDP specifies that to ensure an effective, efficient, correct and transparent development of NRDP, the beneficiaries of the technical assistance operations shall require support regarding the carrying on of the following types of activities:

- Preparation of the programme by drafting studies, documentations and research etc.;
- Management of the programme by training the staff involved in the NRDP development, supporting the audit activities of the EAFRD funds assigned to Romania, setting up and updating the software, ensuring the technical support necessary for the development of NRDP etc.;
- Monitoring and evaluation of the programme by supporting the Monitoring Committee and Managing Authority's activities and the on – going evaluation activities;
- Information and publicity through information, communication and promotion actions in order to maximize the NRDP's impact at national, regional, county and local level;

- Control of the programme by supporting the control activities of NRDP's implementation, carried out by the bodies within the Managing Authority and Paying Agencies, with specifically defined attributions in this field, and by other bodies with control attributions assigned by the first. Performing studies, specific technical expert appraisals, etc., in order to avoid any deviation from legitimacy, regularity and conformity, as well as to prevent the incorrect using of the Community funds from the general budget of the European Communities.

30 projects were contracted under Measure 311 until 11.02.2011, totaling 11,804,119 euro, and payments amounting to 7,257632 euro were made.