

**1) Case study – Measure 1.2 Sub-measure 01 – Extension and Modernization of a State Sanitary Veterinary Laboratory belonging to DSVSA Alba Iulia**

In May 2006, the “*Extension and Modernization of a State Sanitary Veterinary Laboratory*” project of Alba Veterinary Sanitary Directorate was approved, and 2,000,000 Euro (1,953,446.13 €) were allocated from SAPARD to finance this project. The investment started in 2005 with the preparation of the documentation, and in September 2006 the financing agreement with SAPARD Agency was signed. After the preparation of the technical Project, the tenders were organized for the execution of works, procurement of the laboratory equipment and services, the total amount of the investment exceeding 93.6 billion RON, the 2 million euro difference being covered from the state budget, as non-eligible expenses under SAPARD Programme. Out of the eligible expenses (7,119,818.83 RON), 100% represented European funding, the remaining 776,600.25 RON representing non-eligible expenses. Out of this amount, 1,000,000 euro was invested for the laboratory extension, and 1,000,000 for the equipment acquisition. The extension and modernization for the Alba laboratory were completed in July 2009.

The purpose of these investments was to improve the activity and achieve the alignment with the EU standards through the acquisition of new equipment for the food safety and sanitary veterinary control sector. Thus, the number of analyses performed in the laboratory increased by 50%, and the examination standard of the analyzed samples enabled the implementation of certain programs ensuring a traceability and security comparable to the EU standards. An accurate traceability of the received sample was implemented, a waste control section was set up, and conditions were created for the development of the methods provided for by the OIE standards. The Sanitary Veterinary and Food Safety Laboratory (LSVSA) of Alba Sanitary Veterinary and Food Safety Directorate is the state sanitary veterinary authority in respect of veterinary diagnostic and expert appraisal of products of animal and non-animal origin, and applies homologated and standardized methods of laboratory supervision and diagnosis.

The investments made over these three years, consisted in building up of new facilities, acquisition of devices for the newly implemented methods, and staff training in relation to the new methods and devices. The field of activity of this state institution is to prevent and suppress epizootic diseases and eradicate chronic diseases in animals, in order to avoid losses and transmission of diseases from animals to humans; provide specialized technical assistance in all the sectors in order to prevent sickness, treat and heal animals; authorize the operations of enterprises processing, storing, transporting and harnessing products of animal origin; ascertain and penalize the misdemeanors against sanitary veterinary rules.

Thus, pursuant to this European funding it can be stated that all the general and special objectives have been attained, thus all the inhabitants of Alba and neighboring counties may benefit from a laboratory endowed at European standards, one of the most modern laboratories nationwide.

**2) Measure 2.1 – Sub-measure 01 – Roads in Rural Areas – Asău Commune – Bacău County**

Road infrastructure works were executed in the period September 2002 – February 2005, investment funded by SAPARD under the project “*Consolidation, Refurbishment of Footbridges and Development of Communal Road DC 146 Asău - Apa Asău - Păltiniș, Asău commune, Bacău county*”, amounting 982,073.77 €. However, in Bacău, pursuant to the rainfalls and high waters in 2005, the objectives achieved with SAPARD funding were destroyed in 15 communes, which included parts of Asău Commune. The most affected where the facilities in the localities in Trotusului Valley. The investment was achieved with 1 million Euro from SAPARD funds, and the

Asău - Apa Asău – Pălteniș road was destroyed in proportion of 80-90%, and also two footbridges and the shore embankments.

In 2006, a new financing application was approved under the Master Agreement No. C2. 112510400071 of 13/09/2006 for the refurbishment of the destroyed road and shore embankments developed under the project “Consolidation, refurbishment of footbridges and development of communal road DC 146 Asău - Apa Asău - Pălteniș 0+000km 6+000 in Asău commune – project impaired by floods”. This work developed during June 2006 – October 2008, the project being allocated an eligible amount of 999,961.39 € out of the requested 1,216,377.19 €. Therefore, each financing application amounted to about 1,000,000 €, the SAPARD assistance accounting for 100%. The destructions in relation to this project funded by SAPARD were of mass proportions, and the city hall had failed to procure insurance for the respective achieved investments, nevertheless the European Community allowing the remaking of the facilities also under SAPARD projects.

The road asphaltting ensured the fluidization of the passenger and freight transport between the two villages, that is to say, Apa Asău and Pălteniș, inhabited by 2,367 people, and in the other parts of the commune. This achieved investment helped the respective area hugely, there being no other access way there. Thus, the achievement of this projects enabled the population of the two villages to further develop their daily activities, and also provided an improved the quality of life of the populating living in this area, having regard to the fact that the main activity in this area is the wood exploitation and processing and livestock breeding and dairying. Taking as benchmark the result indicator “reducing travel time between commune and municipality” of 80%, it may be said that this investment represented a priority for the respective area.

### **3) Measure 2.1 – Sub-measure 04 – Project of the National Administration for Land Reclamation (ANIF) RA Northern Moldavia Territorial Branch**

The Measure 2.1 had another sub-measure, and namely 04, besides the sub-measures referring to the roads in rural areas, centralized water supply in rural areas and centralized sewage in rural areas, where European funds could be accessed for projects aimed at works to prevent and fight natural calamities, the beneficiaries of this sub-measure being the National Administrations for Land Reclamation.

The project “Works of Landslide Prevention and Fighting in Rediu – Aldei Area, Iasi County” for the Northern Moldavia region accessed SAPARD funds for the investment achieved there under in the period August 2006 – November 2008.

The total amount of this project was 865,583.22 €, and SAPARD declared eligible the amount of 724,081.31 €, the public assistance for this project amounting to 424,222.04 €. The National Administration for Land Reclamation (ANIF) RA Northern Moldavia Territorial Branch declared that the investments funded by SAPARD accounted for 22% of the total invested amount, the other financing sources being the Local Budgets or other programmes.

Slipped land development works were performed over 166 ha in order to prevent and fight landslides, consisting in interceptor – catchment, for the discharge of groundwater and removal of excess moisture in the soil, spring catchment, channels for the interception and direction of the surface runoffs, and forest plantations for erosion control, development of valleys and ravines along 10.5 km, as well as transverse works comprising consolidated earth dams, concrete walls and high performance channels, including footbridges across technological roads and protection forest plantations, all converging towards the same effect, the achievement of a sewage system of ditches and footbridges. The effect of this investment is more that beneficial for the respective area, and the achieved infrastructure may be maintained with minimum costs.

#### **4) Measure 2.1 – Sub-measure 01 – Roads in Rural Areas – Chichiş Commune, Covasna County**

In Covasna county the project “Europa Street – Street Modernization in Chichiş Commune, Covasna County” was able to access nonrefundable SAPARD funds, the public assistance amounting to 922,006.51 €. This investment was achieved between April 2006 and December 2009. The road and communication infrastructure setting up represents a national priority, aimed at creating attractive life conditions in the rural area, and constitutes the foundation of the future projects.

The street modernization helped reduce the air pollution sources, created a healthier and cleaner environment for the inhabitants of the commune, solve the issue of wastewater through the building up of ditches, increased the attractiveness of the locality for investors, and directly contributed to increased employment due to the increase economic efficiency of the local enterprises, increased the prices of the local real estates. The quality of the life of the population living in these areas improved precisely through the creation of new jobs, a healthier, cleaner environment due to the elimination of the main air pollution source, an improved appearance of the locality, also supplemented by private investments for fence modernization, building façades renewal, all these representing only part of the positive effects of the achieved investment.

One of the indicators that might point to an increased attractiveness of the area for the population and for investors is the increased price of the real estates. Besides the obvious adverse effect (impossibility for a large category of young people to purchase real estates), this also entails positive effects. The improved life conditions stopped the migration of certain social classes, new investment being achieved in the private domain, and this trend still continues nowadays. Notwithstanding the fact that the post-investment period was affected by the economic crisis, no companies have been deregistered, and the local unemployment has not increased significantly.

However, as regards the quantification of the indicator “reducing travel time between commune and municipality”, in question being an investment aimed at modernizing the local streets, and not at building new roads or routes, it can be said that the relevant considerations refer to the harmonization and increased economic efficiency of the transport means and economic activities developing in this area.

#### **5) Measure 2.1 – Sub-measure 01 – Development and Improvement of Rural Infrastructure – Vulpeni Commune, Olt**

The project “Modernization of Communal Road DC 5°, Vulpeni Commune, Olt County, km 0 - 2+156 Groşani-Mardale” funded by SAPARD was achieved in the period April 2006 – May 2008, the public assistance amounting to 504,889.02 €.

One of the objectives of the SAPARD Programme was to reduce the urban-rural disparities through investments in infrastructure, thus attracting investors and automatically investments to boost economic growth.

Some of the direct and indirect effects of this investment for the modernization of D5 communal road are without limitation: ensuring the connection to the county roads network and taking out of isolation certain areas with a deficient structural development; enhancing contacts between enterprises and the volume of performed transactions by facilitating the access of enterprises to the county roads network; offering faster and safer travel alternatives. This achieved infrastructure certainly meets the primary needs of the areas, being correlated with the development projects of the local community, with a view to increasing attractiveness of area and boosting economic

development. The improved mobility of population, goods and services, the extension of commercial exchanges and productive investments, the increased competitiveness of the enterprise and workforce mobility, and the reorientation of the unemployed people from the urban area towards the rural workforce market, the provisional and in many cases permanent settlement of the migrated population from the urban area are just a few reasons evidencing the improvement of the quality of life of the population living in this area, thus the general and special objectives indicated under the financial application of this project having been attained.

**6) Measure 2.1 – Sub-measure 01 – Rural roads – Slobozia Bradului Commune, Vrancea County**

In 2002 Slobozia Bradului Commune submitted a financial application under SAPARD for the project “Modernization of Slobozia Bradului Communal Road – Modernization of 34,700 sq m of Communal Roads”, and between September 2002 and June 2005 achieved the works of modernization of the existing infrastructure. The public assistance for this investment amounted to 958,875.44 €. 100% of the total declared expenses were eligible under the SAPARD Program, the Local Council stating that SAPARD contribution was about 80% of the total amount invested for the rural infrastructure of the commune

34,700 sq m of street infrastructure were rehabilitated through the achievement of these investments, the average amount spent for the modernization of the communal road being 33.14 € /square meter. Some of the positive effects generated by these performed investments are without limitation: facilitating the access of the population (5,200 inhabitants in 2002) in optimal conditions to the premises of the city hall, police station, human and veterinary medical center, up to DN2 and towards other localities, facilitating the access to attractions catalogued as historical monuments (Church in Slobozia Bradului, built up in 1808, Church in Coroteni – 1853 and Rogozu Monastery – 1780), facilitating the access to the agricultural lands, meadows and forests.

It may be said that all these achieved infrastructure investments helped boosting the economic development, notably of the agricultural, commercial and transport sectors, and the actual travel time on the roads targeted by the project was reduced by about 80%, while the travel time between the respective locality and municipality was reduced by about 40%.

The roads targeted by the project were impracticable and today, 7 years after the project implementation, these roads are in very good condition, thanks to the optimal quality of the executed works, thereby all the 6 villages part of the commune having access to the achieved street infrastructure. Some of the indirect positive effects are without limitation: reduced fuel consumption (of about 40% on the target road routes) and reduced costs for maintaining the transport means, thereby the locality becoming economically more attractive, with the trade and transport services boosting. Many locals returned home, built up new homes and helped in the economic revival of the commune.

**7) Measure 2.1 – Sub-measure 01 – Rural Roads – Panaci Commune, Suceava County**

This project funded from European funds was submitted in August 2002 and completed in February 2007 (100% SAPARD contribution out of eligible expenses – 95% SAPARD from total achieved investments), the public assistance for the investment amounting to 841,968.51 €. The project “Modernization of Communal Roads in Panaci Commune – Modernization of Nemțeni, Chirileni, Buciniș Communal Roads” aimed at refurbishing and improving the street infrastructure, some of the direct and indirect effects thereof being without limitation: the reduced fuel consumption, reduced travel time, intensified agri-tourism, building up of vacation homes, reduced pollution (dust, noise), increased price of local lands. The quality of the life of population has

improved first of all thanks to the traffic safety, through the reduced flooding risk due to the shore embankments built along the communal roads. One major effect of these infrastructure investments was the setting up of a mineral water plant in this area, which improved the quality of life of the local inhabitants through the creation of jobs. The travel time between the respective locality and municipality was reduced by about 70%, which evidences without doubt the usefulness of this achieved investment. The investment has improved to a great extent rural population's access to basic services, has contributed to the economic development of the area and to an increased standard of living. Panaci Commune has 65 km of public roads, of which 4 km modernized roads, 51 km stone-paved roads and 10 km earth roads, which indicates that this is only a beginning towards a total necessary modernization of the local infrastructure.

**8) Measure 2.1 – Sub-measure 01 – Rural Roads – Călinești Commune, Văleni Locality, Maramureș County**

The project “Building a New Road of Local Interest Văleni-Secarure km 0+000 – 3+000 in Călinești” executed with European funding over four years, between October 2002 and July 2006, aimed at building 3 km of communal roads, benefitting from a public assistance of 845,076.14, actually representing a new investment in this sector, with a cost per square meter of about 280 €.

Nevertheless, Călinești Commune benefitted from yet another European funding during the same period, also under SASPARD Programme, Measure 3.5, related to the forest road infrastructure, the public assistance amounting to 1,000,000 €, 100% SAPARD contribution.

This SAPARD investment represented first of all the building of the road communal road at European standards, improving the population access to properties; the interest for the local tourism in this area has increased, also to a large extent thanks to the modern road infrastructure. The asphalted road network of the commune has 21.5 km, of which 18 km county roads, 3.5 km communal road (road achieved under SAPARD Project), 25 km stone-paved roads and 38 km earth roads.

The increased traffic capacity through the road modernization, kerb installation, earth works, achievement of an asphalted road system represented one of the strategic objectives pursued. Thus, the improved network and traffic system has helped reduce pollution with suspended particulate matter, this being one of the factors which has entailed an increased standard of living for the commune inhabitants. The harnessing of the natural landscape and architectural patrimony of the commune are potential attractions and constitute a future alternative for the tourism development, which would have been impossible without an amended street infrastructure.

Thus, it can be said that the financial assistance provided under SAPARD Programme contributed in proportion of 80% to improving the rural infrastructure as against other funding sources, reducing the travel time between Călinești locality and the municipality by 30%.

**9) Measure 2.1 – Sub-measure 02 – Centralized Water Supply System – Tg. Trotuș Commune**

The public assistance for this investment was 309,080.03 €, and aimed at achieving a centralized water supply system in Tg. Trotuș Locality, Bacău County, new works developed between October 2002 and September 2006.

This investment represented a priority for the respective area, having in view that the access to utilities (water, power supply networks) is the first step towards an increased standard of living of the population living in such areas. A direct positive effect noticeable forthwith after the completion of these works was, first of all, the diminution of sickness due to the quality of the street well water.

The water level in the street wells had lowered, and the water was insufficient to answer the population's needs, and was not compliant with the sanitary chemical and bacteriological standards.

Thus, it can be said that this achieved investment has increased the standard of living of the population, has satisfied the water needs of the inhabitants, has boosted the real estate market precisely thanks to the extension of the utilities. The population's hygiene has improved, and the necessary water for animals and poultry has been provided.

The centralized water supply system has enhanced the development of the locality. Currently, 80% of the commune population benefits from this investment funded by SAPARD, one of the future basic priorities of the Local Council of Tg. Trotuș Commune being the achievement of a centralized sewage system.

The commune has an agro-industrial profile, the farming sector prevailing. The agropedological and microclimate conditions, as well as the share of agricultural area of 85.63% of the total administrative area, have enabled the prevailing development of the farming. A number of private trading companies were established over the last years, at the same time with the modernization and improvement of the hygiene sanitary conditions, having as line of business food services, trade and supply of services such as: bakery, milling, auto repairs and logging, metal structures, all these having increased the standard of living of the commune inhabitants.

**10) Measure 2.1 – Sub-measure 02 – Development and Improvement of Road Infrastructure – Berzasca Commune – Water Supply Berzasca, Caraș Severin County – New Works**

The project of Berzasca Local Council, achieved with SAPARD funds, developed during August 2002 and February 2005, with a public assistance of € 735,740.58. The phone interviews conducted indicated a total volume of the investments since the onset of the initiative until today of 1,191,171 €, which means that actually the SAPARD funding accounting for about 60% of the total investments made.

The purpose of this project was to improve the life conditions of the community by reducing the sickness risks and the population's hygiene through the achievement of a centralized water supply system. A direct positive effect noticed forthwith after the completion of this investment was the increased number of foreign investors in the area, thanks to the increased standard of living. The achievement water supply system was stringently needed in order to ensure the public health and socio-economic development of the commune. The standard of living has improved especially amongst the unprivileged inhabitants who had no access to water supply in the absence of a centralized system. The water supply system is an essential factor for the rural tourism development – 100% of population benefitting from the investment thus achieved.

**11) Measure 2.1 – Sub-measure 03 – Băcia Commune, Hunedoara County – Sewage System Construction in Băcia, Petreni and Tîmpa Villages, Băcia, Hunedoara county**

Between September 2002 and December 2004 Bacia Commune benefited from nonrefundable European SAPARD funds for the local sewage system project, the public assistance for this investment amounting to 991,671.37 €, accounting for 100% of the expenses declared eligible. The financial assistance provided under the SAPARD Programme has contributed in proportion of 40% to the improvement of the rural infrastructure, as compared to other funding sources.

The household wastewater is thus collected by the sewage network and directed towards the treatment plant in Tîmpa village, and the household waste is collected by a specialized company.

The sewage network includes a separate system for the household wastewater and serves Băcia, Petreni and Timpa villages, the connection being achieved at reduced costs, therefore 80% of the population benefits from this investment.

The investment has increased the standard of living of the local population, reduced the inhabitants' costs by eliminating the septic tanks with refuse disposal, enabled foreign investments, also encouraged by the existence of the sewage system.

The economy is supported by private commercial or production companies. The prevailing sector is farming, organized on the private property of individual peasant households or farming associations, however an important role is played as well by the trading company active in various economic sectors such as, for example, railway transport via CFR Simeria Triaj Railway Station, freight transport, industrial constructions, logging, metal structures and carpentry, marble processing, construction materials processing, tourism via the two Motels Băcia village and Groza house, leatherwear, fodder mill, food services and trade, production processing and supply of natural aggregates. At the same time, works are in progress for the construction of a meat processing plant, a slaughter house and a dairy factory.

***12) Measure 3.5 – Sub-measure 04 – Construction of Forest Road in Hobița, Sarmizegetusa Commune, Hunedoara County***

Sarmizegetusa Commune achieved a road infrastructure investment between May 200 and December 2008 for the construction of a forest road with a length of about 8.2 km. SC Viva Construct SRL won the tender for the construction of this forest road in Hobița, km 0+000 – 8+120, Sarmizegetusa Commune, investment achieved with SAPARD funding. All the expenses declared eligible have been borne from European funds, the public assistance amounting to 745,991.97 €. The area that has benefitted from these investment was prior to the granted funding an all along inaccessible road.

Since 2007 and until today, the entire Hunedoara county attracted as well other funds amounting to 40 million euro for 13 communes, 34 million euro being declared nonrefundable, which speaks greatly about the entrepreneur spirit of the respective region.

This investment aimed at increasing the number of localities with access to forest roads.

The facilitated access to the area of the landowners, increased attractiveness of the area for tourist investments, construction of a windmill park have been only some of the positive effects of this achieved investment. The forest road has enabled the access to the area for the maintenance, exploitation and development of the forest growing stock, while the interest for the construction of a windmill park in this area may increase the standard of living of the population through the possible electrification of the area, but also the creation of new jobs.

This past of this commune makes it a historic attraction, a strong point that has to be harnessed: it is part of an area where the tourism develops faster and easier than elsewhere, precisely due to the history of these places, therefore the inhabitants are more and more interested in establishing tourism businesses considering the local potential, for the setting up tourist and forest routes, in order to help developing the tourism and enable forest fans to admire the beauty thereof.

***13) Measure 3.5 – Sub-measure 04 – Valea Rea Forest Road and Road Leg from Valea Orăștiei Forest Administration, Hunedoara County***

This project developed between June 2006 and November 2008, has had an unexpectedly great impact and proved useful not as much to Orăștie Local Council but to the forest administration by enabling the forest road maintenance and operation, to the inhabitants of Ciungi hamlet, and for

the local tourism. The achieved investment has proved highly important both for the commercial businesses and for the access to the state institutions, hospital, etc., as well as for the tourist development of the area.

The public assistance for this project amounted to 558,377.27 €, and accounted for 100% nonrefundable SAPARD contribution from the expenses declared eligible.

The main objective of this project was to build a forest road with a length of 4.5 km.

This European investment has helped maintaining and developing the forest growing stock, since without this road the forest maintenance and exploitation would have been entirely compromise, there being no other access way, therefore the quality of the forest product has improved, which included afforestations and forest fruit harvesting.

**14) Measure 3.5 – Sub-measure 04 – Repairing and Improving Forest Roads in Remetea Commune, Harghita County**

Forest road repair and improvement works were executed between May 2006 and August 2009 in Remetea Commune. The public assistance for this project amounted to 978,906.56 € - 100% SAPARD contribution out of the eligible expenses, and 200,000 € investments in this project from the local council.

The modernization of a forest road has been achieved under this project, which has enabled the access to the forest areas, and therefore an increased harnessing of the wood stock, benefitting the local public institutions and other associations (Remetea Internal Compossessorate, Association of Forest and Wooded Meadow Owners) and increasing the quality of the exploitation businesses.

The wood material exploitation and transportation is achieved in better conditions, the related transport costs have been reduced, and the forest fruit harvesting can also be achieved, all these effects being beneficial for the local inhabitants, this investment having indirectly increased the number of jobs and, implicitly, the standard of living of the local population.

**15) Measure 3.1 – Sub-measure 01 – I.F. Marinache I. Costel – 2 Investments with European Financing under the same Measure 3.1**

The first project, “Acquisition of New Agricultural Machinery and Equipment for Marinache I. Costel Agromar Călărași Family Association, work point in Cuza-Vodă Commune, Călărași County”, developed between October 2004 and September 2006, the requested financing being of 217,762.50 €. The approved eligible amount was 198,700 €, of which 50% (99, 350 €) private contribution, and 50% nonrefundable European co-financing.

The second project, “Modernization of Farming Holding in Cuza-Vodă Commune, Călărași County, owned by A.F. Marinache I. Costel via the Acquisition of New Agricultural Machine and Equipment” developed during April 2006 – December 2006, the requested funding being 117,165 €; the approved eligible amount was 98,163 €, of which 49,081.33 (50%) nonrefundable European co-financing, and 50% own contribution.

Agricultural machinery and equipment were acquired under these two projects, enabling in time increased tilled area, turnover and implicitly profit, improved work conditions and work quality.



The holding held 160 ha prior to the project implementation, area extended to 207 ha thereafter. As regards the holding's income, it can be said that this doubled; previously this income was up to 25,000 €, and after the project implementation exceeded 50,000 €, while the turnover tripled.

Pursuant to the SAPARD funding the quantity of the products manufactured and marketed has increased by 30%, and the acquired machinery has enabled the production diversification, by setting up a new fall and winter crop, and also has amended the quality of the obtained products.

As regards the number of employees, this remained the same, the workforce being composed of family members only, the company's status at that time didn't allowed to employ external workforce.

### **16) Measure 3.1 – Sub-measure 01 – SC Agrind SA Tășnad**

SC AGRIND SA Tășnad accessed two times European funds under SAPARD Programme, having submitted financing applications for the measure measure 3.1, sub-measure 01 – acquisition of agricultural machinery and equipment.

The first project, "Acquisition of High-End Equipment for the Vegetal Farm in Eriu Sâncrai Village, Craidorolt Commune, Satu Mare County" developed during February – December 2004. The requested funding was 236,992.47 €, the approved eligible amount being 216,431 €, of which public assistance – 101,239.44 € (48% SAPARD contribution and 52% own contribution), while the public assistance for the second project, developed during August 2005 – July 2006 was 132,463.99 €.

Eriu Sâncrai vegetal farm held prior to the project implementation 230 ha, area which increased to 560 ha after the implementation of the project under the SAPARD Programme.

The prior and post implementation income exceeded 75,000 €, and the turnover tripled.

The company invested between 2004 and 2010 over 5 million €.

The turnover increased every year after the implementation of the projects funded by SAPARD. The company scored profit during and after the implementation, the headcount increased, the company diversified the crop structure and improved the product quality indicators, which enabled imposing higher prices to the processing enterprises.

Thanks to this SAPARD funding, the quantity of marketed products increased by 40%.

The increased product quality has enabled their selling to processing units of tradition in the local area and in the region, on the basis of firm supply agreements, at higher prices as compared to other farming enterprises in the area.

The agricultural machinery and equipment acquired under the two SAPARD projects have enabled the company to apply crop related technologies that reduce the number of land preparation works, avoid the soil compaction, and reduce fuel consumption by 15-30%. The acquired high-end machinery and equipment have also reduced harvesting related losses by 10-15%, and sowing, fertilizing and herbicide spreading works related losses by 10-20%. The acquired machinery and equipment have enabled performing several works on a single route, achieving specific works during the optimal periods, and shortening the seeding and harvesting time, at the same time avoiding soil compaction.

Thanks to the implementation of these projects the company has diversified its production structure with other crops as well (canola, soya). The harvest conditioning and storage capacities have been

modernized and developed, the headcount has increased, and subsequently a bakery and pastry business was initiated.

**17) Measure 3.1 – Sub-measure 03 — SC Cramele Recaş Prod SRL – Investments in Framing Holdings**

The company submitted a financing application in March 2004 for the project “Rehabilitation of 50 ha Grape Wine Plantation in Recaş Locality, Timiș County”, amounting to 624,539.12 €. The approved eligible value of the project was 499,264 €, of which the public assistance amounted to 218,119.89 €. The investment was developed between March 2004 and October 2006, and has enabled a 5% increase in production volume and gross profit.

SC Cramele Recaş is an example of successful business from the business world in the Western part of the country, its grape vine plantations stretching over 668 hectares, and for the over two hundred employees of the group the two watchwords are investment and efficiency. Cramele Recaş Group invested over the last years about eight million euro, in all lines of business.

**18) Measure 3.1 – Sub-measure 04 – SC Multiprior SRL - 2 Investments under the same Measure**

The first project, “Orchard Set up, Tg. Frumos Commune, Iași County” had a proposed value of 77,335 €, however the amount declared eligible was 46,358 €, of which the public assistance amounted to 22,387.59 €, the remaining amount being own contribution. The project developed between February 2004 and January 2005.

For the second project, “Orchard Enclosure and Drip Irrigation Installation, Bals Commune, Iași County”, the requested funding was 100,464.93 €, the amount declared eligible was 78,624.29 €, of which the public assistance amounted to 36,075.52 €, this project developing between September 2005 and November 2006.

The area of the holding remained the same, 30.32 hectares, however before the project implementation that was tillable and, and thereafter became an orchard. After the tree plantation the agricultural works are performed solely on the level lines, and mostly on terraces, thus preventing the soil erosion, with beneficial effects on the environment and production.

As regards the turnover, before the project implementation this was 14,000 € (in relation to the field crops line of business), and after the investment achieved has reached 96,666 €. The company’s products are marketed 100%, the marketing market being national and extra-European, and the increased quality is evidenced precisely by the shifting from products for industry to fresh products for consumption. These investments have contributed to an increased headcount, 60% thereof being young workforce. It can be said that all the objectives, general and special, have been attained, this project under European funding being a success for the Romanian agriculture.

**19) Measure 3.1 – Sub-measure 06 – SC Agro Solomonescu SRL Botoșani**

For the project “Set up of Modern Milk Cow Breeding Farm”, SC Agro Solomonescu benefitted from nonrefundable European funds of 231,525.97 €, accounting for 50% of the eligible project value. The financing requested upon the application submittal was 562,809.73 €, and the assessment commission approved as eligible the amount of 494,734 €. This project developed between September 2004 and December 2009. Notwithstanding the fact that the representatives of this company declare that the company was newly established upon accessing the funds, the

same persons stated that the income of their holding prior and after implementation was over 75,000 €.

The total area of the holdings was 179,74 ha prior, and 539.15 ha after the project implementation.

After reviewing the table below regarding the turnover, gross profit and headcount over the implementation years, but also having regard to the economic crisis that hit Romania in 2009, it can be said that this investment is a success.

	2004	2005	2006	2007	2008	2009
Turnover	91,399	169,884	335,360	524,301	519,735	491,459
Gross profit	55,229	82,667	113,923	169,548	189,230	31,210
Headcount	12	15	18	18	20	20

The total amount invested since the project onset until today was over 1,278,604 €, the SAPARD contribution accounting for about 20% of the total investment, nevertheless the funding thus granted has helped them grow economically, the representatives stating that without this co-financing they don't know whether they would have made the respective investments.

The basic marketed product has remained the same (raw cow milk or processing), however the work conditions have improved considerably, the product quality and quantity have significantly increased, and the headcount has almost doubled.

All the investments were made in agricultural buildings and lands, machinery and equipment, and the changes in the quality and quantity structure of the staff were due to the automation / mechanization of the processes, as well as to the holding growth (quantity of produced and marketed products increased by 400%).

### **20) Measure 3.1 – Sub-measure 10 –SC Ceragrim SRL Mureş**

The project “Modernization of Swine Farm in Coroi Locality, Coroi-San Martin Commune, Mureş County” co-financed from SAPARD funds was implemented between February 2004 and March 2006. The initially requested funding for this project was 554,917.50 €, the approved eligible amount being 492,160 €, of which public assistance amounting to 223,979.33 €.

The same company implemented another investment project under SAPARD Programme, measure 1.1, resulting in the modernization of the combined fodder plant, project for which they benefitted from a public co-financing of 463,838.18 €.

The total area of the holding prior and after the project implementation is over 100 hectares, the holding's income prior and after exceeds 75,000 €, and the turnover increased from 1,956,705 Ron in 2003 to 5,211,292 Ron in 2006.

The investment consisted in construction works for the modernization of the cattle farm and swine farm houses, accounting for 13.7% of the total project amount, acquisition of machinery for the vegetal sector (tractors and equipment), machinery and equipment for the cattle farm (milking room and cooling tank, cattle house metal frame), machinery and equipment for the achievement of the swine houses, accounting for 72% of the investment, consulting services (1.25%) and purchase of live stock (13.05%).

The turnover has increased thanks to the production diversification, the swine breeding business having been initiated.

The profit has increased pursuant to the reduced expenditure, increased productivity, production diversification, increased production capacity.

The headcount has increased thanks to the acquisition of new machinery and the development of new production capacities.

The quantity of manufactured products has increased by 30%

The project achievement has helped implementing changes regarding the development of the holding activity (manure management at farm level) and reducing the environmental impact.

### ***21) Measure 3.4 – Sub-measure 02 – SC FILDOL TURISM SRL***

The project “Construction of the «Codrii de Aramă» Tourist Guest House in Văratec Village, Agapia Commune, Neamț County” was implemented between April 2005 and February 2007, benefitting from European nonrefundable co-financing of 89,032.84 €, accounting for 50% of the eligible project amount, the remaining 50% being borne by the beneficiary. The total area of the holding is 1,800 sq m, and the guest house has 180 sq m, with 29 accommodation seats, 40 restaurant seats.

This activity was newly setup upon accessing the fund, and currently yields an annual income between 35,000 and 50,000 Intre aprilie 2005 si februarie 2007 €.

About 300,000 € have been invested in this initiative since its onset until today, the SAPARD contribution out of the total investment accounting for 30%.

The headcount has increased along over the years, currently the company having 9 employees.

This type of investment has two important effects. Obviously, first of all the areas where guest houses are set up undergo a real, visible progress. Secondly, the construction of a guest house may be regarded as an opportunity by the remaining population as well, who might be willing to establish their own business.

Even though the achieved investments have not yet been amortized, it can be said that this business is a success, and indeed guarantees alternative revenues to its owner over the time.

### ***22) Measure 3.4 – Sub-measure 02 – SC BIANET SRL***

The project “Transformation of Existing Building, Construction of Attic and Extension for «Beatrice» Guest House – Rm. Vâlcea” pursued to trigger a business likely to bring an alternative income to its owners, and succeeded doing so.

The implementation works for this project developed between July 2005 and February 2007, the related public assistance amounting to 96,891.44 €, accounting for 50% of the SAPARD nonrefundable co-financing, out of the total eligible project amount.

The owners invested in time about 300,000 € in this project, the nonrefundable contribution accounting for 33% of the total investment.

The holding has a total area of 1,500 sq m, and the facility has 7 rooms, restaurant, conference hall, pool, fitness room and sauna.

It can be said that the company scored a turnover increase in time, currently the company's income falling between 50,000 and 75,000 €, and has a headcount of 3 individuals. The objectives pursued under this project have been attained, indeed these investments achieved for the purposes of developing and diversifying the economic activities, likely to generate multiple businesses and alternative revenues, have been a real success.

### **23) SC Bendearcris Procom SRL**

Measure 1.1., Sub-measure 1, Beneficiary Bendearcris Procom SRL , 202/A Principală St., Miceștii de Câmpie, Bistrița Năsăud County, phone 0742882700, fax 0263356596

Title: **Setup of Milk Processing Plant 15,000 l/day**

Main objective of the project: a cattle slaughter house has been set up with a capacity of 15,000 liters, in an area with a very high potential for the milk cattle breeding, and namely Bistrița Năsăud county. This is a new investment, achieved entirely with Community assistance, comprising the following:

- Milk Processing Plant Building
- Offices + Gate House
- Power unit and air compressor station
- Water station
- Garbage bin platform
- Milk / dairy products transport motor vehicle washing station
- Hygienization solutions preparation station
- Machinery maintenance workshop
- Warehouse
- Treatment plant
- Car parking
- Concrete platforms and roads
- Green zones

Special objectives of the project: increasing competitiveness through enlarging the range of products and increasing the market share. Thus, upon submitting its financing application in May 2006 Bendearcris Procom SRL had a small-sized factory (4,000-5,000 liters/day processing), in Miceștii de Câmpie commune, Bistrița county. The facility was on the list of plants to be modernized or closed, and under a compliance program. Since the site had no modernization prospects, due to its central location, the beneficiary decided to invest in a new capacity, having in mind the milk collection chain. The new investment was located in Șieu Măgheruș, Bistrița county, and actually tripled the processing capacity existing at that time. The raw material used for the manufacture process comes from centers collecting the milk from peasant households in Bistrița Năsăud county area. The collection has been organized by the investor with the required logistics, so as to ensure that the fresh collected milk preserves its adequate nutritive and physical chemical properties, as premise absolutely necessary for the organization of the technological process, in order to obtain finished products of high quality, with the smallest manufacture losses possible.

Economic resources used

- SAPARD public funding 645,860 euro
- Private co-financing – 740,000 euro (the initially proposed budget being exceeded by about 15% )

## Output and result indicators

A. Turnover – increased by 60.1%

B. Net profit diminished, due to the financial costs and amortization. Thus, the non-current assets value increased 4 times, and implicitly the amortization costs.

C. Although new jobs were created, the closing of the old plant reduced the headcount from 51 to 40.

D. The labor productivity per employee increased 3.8 times, from 98 processed liters/ day/ employee to 375 processed liters/ day/employee.

E. The range of products was enlarged by about 38%.

F. Increased processing capacity, from 5,000 liters/day in a little production plant under compliance program to 15,000 liters/day in a modern plant, certified for intracommunity exchanges.

Table of financial indicators for BENDEARCRIS PRODCOM SRL

Year	Turnover	Liabilities	Stocks	Income	Expenditure	Net Profit/ Net/ Loss	Gross Profit/ Gross Loss	Non-current assets	Current Assets	Headcount	Capitals
2009	5,705,685	7,132,206	276,055	6,401,437	6,322,484	62,042	78,953	8,634,388	1,037,979	40	606,364
2008	5,180,537	6,675,676	269,362	5,447,645	5,344,977	82,899	102,668	8,994,298	699,946	39	544,322
2007	4,384,388	7,555,902	335,481	4,933,327	4,817,590	92,980	115,737	6,792,736	1,224,590	54	461,424
2006	3,544,046	2,512,825	365,882	3,986,227	3,756,365	192,218	229,862	2,312,213	570,939	51	368,444
2005	3,153,511	2,475,802	305,398	3,229,825	3,159,865	52,910	69,960	2,321,319	405,982	46	176,226
2004	3,553,118	3,953,273	906,141	3,762,864	3,724,332	20,778	38,532	3,093,590	1,065,621	46	123,316
2003	2,694,013	2,922,416	1,180,723	3,274,726	3,216,817	23,639	57,909	1,761,729	1,324,908	45	72,538
2002	1,947,541	1,162,773	323,017	1,999,229	1,967,744	23,082	31,485	770,935	555,993	38	48,899
2001	1,001,584	390,159	201,893	1,165,321	1,154,856	7,179	10,465	539,526	357,104	35	506,471
2000	603,611	148,958	59,592	725,530	705,090	15,013	20,440	184,196	81,401	10	116,640
1999	230,401	50,274	1,959	230,556	223,472	4,387	7,084	37,134	16,767	3	3,627

## Investment achievement term – 2 years

Inconveniences encountered during the project implementation:

- Rampant increase in the prices of construction materials, notably: metal and concrete, due to the real estate boom led to budget overstepping
- Reduced milk processing technology related expert knowledge at that time, even at the level of local authorities
- Absence of milk collection infrastructure. Practically this has been achieved by the investor
- Absence of large-sized farms offering large quantities of compliant milk
- Absence of rural infrastructure, which hinders the collection of the raw material

## Conclusions

This project is undoubtedly a success, implemented by a beneficiary with relevant exposure to this sector. The “Farmer” programme was a real help, providing the co-financing source. The Bendearcris products have exceeded the regional distribution, and today can be found in all the large cities, covering a niche in the marketing of traditional dairy products.

### **24) SC Canah International SRL**

Measure 1.1., Sub-measure 9, Beneficiary Canah International SRL , 22 Iosif Vulcan St., 415500 Salonta, Bihor County, Romania, phone: 0259 373 336 , fax: 0259 370 023, e-mail: [office@canah.com](mailto:office@canah.com)

#### **Title: Hemp Processing Factory**

Main objective of the project: a hemp processing factory has been achieved, manufacturing organic products such as: oils, seeds, capsule, floors and nutritional supplements. This investment is unique in Romania and is successful both locally and internationally. The products are traditional, and tell a story about the rediscovered hemp tradition.

Special objectives of the project: creating a successful enterprise from a start up, relying on the beneficial effects (little known) of the hemp seeds for a balanced and health nutrition.

#### Economic resources used

- SAPARD public funding 668,145 euro
- Private co-financing – 650,000 euro, with the mention that the investments continued, the total investment thereof at this time being about 1,800,000 euro, including the nonrefundable grant.

#### Output and result indicators

A. Turnover – increased from zero to 417,119 Ron after implementation, and to over 4,000,000 Ron at present. A spectacular evolution, scoring a 10 times increase over 3 years of investment exploitation.

B. Net profit – the company’s manger declared only in 2010 the reaching of the break-even point. In question being a niche domain, it took time to educate the consumers.

C. Jobs increased from 1 to 10 after implementation up to 15 at present.

D. The range of products was 100% newly created.

Table of financial indicators for Canah International SRL

Year	Turnover	Liabilities	Stocks	Income	Expenditure	Net Profit Net/ Loss	Gross Profit/ Gross Loss	Non-current assets	Current Assets	Headcount	Capitals
2008	417,119	5,859,039	318,079	1,164,206	2,825,036	- 1,660,830	- 1,660,830	4,646,539	551,173	10	-2,554,589

2007	195,148	8,244,184	365,310	959,190	2,545,773	-1,586,583	-1,586,583	5,073,197	1,577,228	9	-1,593,759
2006	3,500	4,895,302	123,358	198,563	555,736	-357,173	-357,173	3,761,111	3,901,930	8	-7,176
2005	0	8,530	62,406	14,640	14,643	-3	-3	88,775	269,752	1	349,997

Investment achievement term – 2 years

Inconveniences encountered during the project implementation:

- Reduced promotion relating to the growing of technical plants, notably hemp
- Lack of nutritional education amongst consumers
- Obtaining co-financing for a start up was difficult, especially since the idea was completely new

Conclusions

The conclusions of this project are drawn by its very initiator, who declared: “In the Canah case, I can tell you that the SAPARD Programme had an essentially positive contribution. Early in 2006, when we submitted the SAPARD file, Canah was a start up. In August 2007 we commenced the technological trials on the processing lines. The first significant sales were made in the 1<sup>st</sup> quarter of 2008. In the 4<sup>th</sup> quarter of 2010 the bottom line became positive, the 2010 turnover being 4 million Ron. The Canah products are sold in Europe, USA and Vatican. We started with 5 employees, and now have 15. We believe the SAPARD Programme was highly efficient, as without it Canah would not have existed.”

## 25) Cramele Prahova (currently Cramele Halewood)

Measure 1.1., Sub-measure 4, Beneficiar **Wine Cellars (currently Halewood Wine Cellars)**, Address: 92 Găgeni St., 100137 Ploiești, Prahova County, Romania, Phone: +40 244 530 955

Title: **Modernization and Upgrading of Bottling, Bulk Wine Storage and Finished Product Storage Capacities**

Main objective of the project: the existing wine production capacity was modernized, through an investment in a new bottling line, but also in the wine storage facilities. Subsequently the investor, a renowned oenologist, disposed of his shareholding interest, the company becoming a subsidiary of Halewood International British holding, active on the Romanian market through 3 companies: *Domeniile Halewood*, that administers 350 wine vine hectares in Dealu Mare, Transylvania Plateau and Murfatlar regions for the grape production, *Cramele Halewood*, which actually produces the wine and distributes it on the domestic market, and *Halewood Romania*, that deals with the wine exports. The Halewood wines are distributed in the large store chains, traditional retail stores and own network. The Halewood portfolio comprise the following brands: *Byzantium*, *Prahova Valley*, *Private Reserve*, *Special Reserve*, *Premiat Reserva*, *La Crama*, *Rhein Extra*, *Millennium*, *Red Square* and *Caribbean Twist*.

[http://ro.wikipedia.org/wiki/Halewood Rom%C3%A2nia](http://ro.wikipedia.org/wiki/Halewood_Rom%C3%A2nia) - cite note-sth2009-03-30-1



The annual average wine production reaches 42,000 hectoliters, and the storage capacity totals 90,420 hectoliters. The wine exports account of about 48% of the company's turnover. The company's registered office is located in Ploiești, together with the underground cellars, materials warehouse and finished products warehouse (with a capacity of over 1 million bottles), as well as the bottling lines. The company also holds the *Winery Outlet* network of stores, comprising 6 sites.

Special objectives of the project:

- Improving the competitiveness of the wine products obtained through the acquisition of the new bottling line
- Orienting the production contingent upon the foreseeable market trends, through the creation of new assortments
- Increasing the efficiency through the use of modern technologies
- Improving and controlling sanitary conditions through the rehabilitation in full of the wine reservoirs
- Aligning with the Community acquis.

Economic resources used

- SAPARD public financing 592,343 euro
- Private co-financing – 600,000 euro, with the mention that the investments continued thereafter.

The financing application was submitted in March 2003.

Output and result indicators

- A. Turnover – increased 2.5 times after the project implementation.
- B. Net profit – increased 13 times after the project implementation, as a result of the upgrading and, implicitly, reduced operating costs.
- C. Jobs increased from 199 to 213 after implementation.
- D. Range of products has been fully changed, currently the enterprise holding some of the most famous brands, being awarded 5 times the gold medal at the specialized competitions.

Table of financial indicators for CRAMELE HALEWOOD (formerly Cramele Prahova)

Year	Turnover	Liabilities	Stocks	Income	Expenditure	Net Profit/Net/Loss	Gross Profit/Gross Loss	Non-current assets	Current Assets	Headcount	Capitals
2008	36,832,519	24,341,162	16,692,916	39,344,811	39,328,048	16,763	16,763	25,666,952	25,488,237	210	24,798,196
2007	33,413,586	27,573,974	15,743,436	37,104,001	36,403,385	690,421	700,616	26,170,024	26,185,429	221	24,781,479
2006	30,655,594	22,148,133	13,692,109	36,490,088	33,609,979	2,500,079	2,880,109	25,774,621	22,148,463	213	24,093,058
2005	23,105,868	18,666,393	10,304,538	25,009,203	23,557,594	1,451,609	1,451,609	13,935,148	16,197,007	204	9,624,578

2004	22,190,818	17,862,213	9,522,069	23,730,183	22,922,799	807,384	807,384	14,171,852	15,263,071	203	9,322,659
2003	13,209,291	13,335,316	7,747,020	16,938,446	16,664,622	189,641	273,825	10,751,757	11,335,687	199	8,515,275
2002	12,264,532	14,128,795	5,608,741	13,073,551	12,237,142	770,298	836,409	9,392,981	12,381,563	205	7,447,828
2001	7,536,519	11,628,635	4,817,810	9,633,048	9,938,834	-342,671	-305,786	9,364,754	7,827,642	203	5,646,668
2000	5,688,809	5,669,088	3,856,649	6,604,803	6,657,639	-52,836	-52,836	6,966,724	6,757,096	229	6,998,251
1999	3,739,448	4,190,946	2,649,805	4,585,747	5,157,171	-571,424	-571,424	7,305,431	4,189,271	247	7,052,045

## 2) Investment achievement term – 2 years, without the final interruption of the activity

Inconveniences encountered during the project implementation:

- It is difficult to revamp a capacity without stopping the production, and on the other hand it is impossible to stop the production without endangering the brand.
- Lack of education amongst consumers, who do not always give proper regard to the product quality, label information, and purchase fakes on many occasions. Thus, the upgrading costs are difficult to cover.

## Conclusions

Cramele Prahova initiated in 2003 a process of modernization and expansion, which continues nowadays as well. The project funded by SAPARD turned an enterprise with regional impact into one of the important players on the wine market, with significant exports Europe-wide. The result indicators show an inflexion point as regards the company's profitability pursuant to the optimization of the technological processes. A 13 time profitability increase is by far one of the best performances in the wine industry, and is undoubtedly the combined effect of the nonrefundable financial assistance and managerial skills.

### 26) SC Agro-Invest Prod SRL

Measure 1.1., Sub-measure 1, Beneficiary Agro-Invest Prod SRL, 23-25 Nicolae Titulescu St., Bistrița, Bistrița Năsăud County

#### Title: Cattle Slaughterhouse Setup

Main objective of the project: a cattle slaughterhouse has been achieved, with a capacity of 100 head/day, in an area with a very high potential for the breeding of the cattle for meat, and namely Bistrița Năsăud county, 6 North West Region. The investment is new, has been achieved full with community assistance, and pursued the setting up of a production capacity likely to enable the manufacture of products compliant with the food quality and safety standards, thus contributing to the implementation of the community acquis, increasing of the added value of the products, and at the same time to creating new jobs. The project comprises the following: constructions intended for the slaughter facility, namely the slaughter house building with optimized spaces allowing the activity development in compliance with the applicable regulations, partitioned auxiliary facilities for the adequate collection of optimal management of the slaughter waste, machinery and equipment corresponding to the designed capacity of the slaughter line, treatment plant, utility connections and networks, vertical systematization of the site.

Special objectives of the project: the project pursued and managed to achieve productions corresponding to the foreseeable trends on the cattle meat market, thus improving both the network of collection of raw material, cattle for meat from holdings (farms and individual) and the processing processed in the 6 North West Region. Upon submitting its financing application in 2006 Agro-Invest held a small cattle and swine slaughter house, improper for the activity development, for which the company's shareholders requested Bistrița Năsăud Sanitary Veterinary and Food Safety Authority to approve a program of compliance with the European Community requirements concerning the products of animal origin. Since the site had no modernization prospects, due to its central location, the beneficiary decided to invest in a new capacity, having regard to the chain of collection of fattened cattle. The new investment was located in Șieu Măgheruș, Bistrița Năsăud county, using modern technology, and practically tripling the slaughter capacity of the old slaughterhouse, and thus increasing the company's efficiency. Thanks to a sanitary environment perfectly controlled from the food safety hazards viewpoint, the quality and appearance of the obtained products, cattle carcasses and cut off pieces have been significantly improved.

Operational objectives of the project: the investment achieved with community assistance by SC Agro-Invest Prod SRL has operationally improved the cattle slaughter, and cattle carcass cutting and boning technology, implemented at a location compliant from the sanitary veterinary viewpoint, the slaughterhouse being directly authorized to operate under the A class of meat processing units. The implementation of modern slaughter waste collection, transport and storage technologies has solved up to elimination the pollution risks for the environmental factors: soil, water and air.

#### Economic resources used

- SAPARD public funding 1,976,195 euro
- Private co-financing – 2,200,000 euro (with an overstepping of the initially proposed budget by about 10%)

#### Output and result indicators

- A. Turnover – increased by 97.53%
- B. The net profit decreased, due to the financial costs and amortization. Thus, the non-current assets increased 7.3 times, and implicitly the amortization costs.
- C. New jobs were created, the headcount increasing from 105 to 148.
- D. The labor productivity per employee increased 2.4 times, from 0.28 slaughtered swine/ day/ employee to 0.67 slaughtered swine/ day/ employee.
- E. The range of products increased by about 55%.
- F. Increased slaughter capacity from 30 head/day in a cutting unit under a compliance programme, to 100 head/ day in a modern slaughterhouse, authorized for intercommunity exchanges.

Table of financial indicators for AGRO-INVEST PROD SRL

Year	Turnover	Liabilities	Stocks	Income	Expenditure	Net Profit Net/ Loss	Gross Profit/ Gross Loss	Non- current assets	Current Assets	Headcount	Capitals
2009	54,822,360	44,449,132	3,225,700	57,802,932	57,579,192	185,339	223,740	60,444,315	5,666,426	148	15,052,188
2008	65,621,503	46,223,251	3,315,554	84,332,232	83,501,023	702,386	831,209	60,358,528	7,471,066	113	14,679,779
2007	34,178,409	48,254,589	4,612,732	52,702,386	51,481,230	1,024,628	1,221,156	40,655,938	19,576,044	146	11,977,393
2006	27,752,776	7,789,559	1,965,130	42,087,150	41,427,232	558,938	659,918	8,209,036	7,626,082	105	8,252,765
2005	30,452,117	3,069,479	461,898	37,978,598	37,388,071	499,306	590,527	8,171,451	2,591,855	92	7,693,827
2004	25,398,757	6,756,979	497,207	26,877,773	26,837,788	29,164	39,985	5,444,942	1,762,406	82	450,369
2003	12,241,332	1,721,428	552,348	13,881,739	13,845,793	25,803	35,946	911,478	975,430	78	387,805
2002	19,801,693	2,776,778	789,522	20,871,143	20,839,588	23,386	31,555	986,699	2,049,573	85	265,002
2001	18,440,269	2,580,955	423,332	19,107,179	19,062,454	33,195	44,725	536,046	2,286,525	73	241,616
2000	5,181,772	1,394,351	300,866	7,723,749	7,682,902	30,594	40,847	517,312	1,081,366	70	208,421
1999	2,007,552	776,539	444,367	2,670,156	2,553,792	116,363	116,363	448,274	503,407	38	177,827

## 2) Investment achievement term – 2 years

Inconveniences encountered during the project implementation:

- Rampant increase in the prices of construction materials, notably: metal and concrete, due to the real estate boom led to budget overstepping
- Reduced cattle slaughter technology related expert knowledge at that time, even at the level of local authorities, as against the new community requirements
- More severe food safety laws imposed the use of technical solutions compliant with the special laws that seemed rather costly at that time for the total expenditure budget of the investment
- Absence of some utility networks up to the property border imposed the proposal under the project of comprehensive solutions, likely to solve both the consumption needs, and the wastewater discharge and treatment.

## Conclusions

The investment has been appropriate, due the existence of a favorable relationship between demand and supply on the market of 6 North West Region, and the investment location has been highly adequate for the proposed activity.

The cattle slaughterhouse belonging to SC Agro-Invest Prod SRL has become a reference point at regional level for the facilities of this type, being an investment which has fully confirmed the need to improve the company's performance, competitiveness of manufactured products and horizontal cooperation between processers, between the enterprises supplying raw materials and the marketing sector, and the achievement of a permanent, stable collaboration between the classes of participants to the meat value chain, generally from the meat industry.

Under this project SC Agro –Invest prod SRL has harnessed the production factors of the company, using the available human resources and their expert cattle slaughter knowledge, but has also created new jobs in the rural area of Șieu Măgheruș commune.

Thereby, SC Agro –Invest prod SRL has created itself a competitive advantage in the cattle meat processing sector, its products being well received on the market, by consumers and/or processers.

## 27) SC Leader International SA

Measure 1.1., Sub-measure 3, Beneficiary **Leader International SA**, 6 Binelui St., Bucharest Municipality, 4<sup>th</sup> District, Zip Code: 070000

Title: Modernization and Upgrading of Caracal Vegetables and Fruit Factory, Olt County, belonging to SC LEADER INTERNATIONAL SA

Main objective of the project – modernization of the canned vegetables and fruit factory in Caracal, which reached a production capacity of 25 million cans in 2010, in an area with a very high potential for the fruit and vegetable growing, in the Southern region of the country, **becoming the largest can production capacity in Romania**. The investment achieved with community support pursued the can factory modernization, such as to enable the harnessing of the raw materials from its own production, thus contributing to an increased added value of its products, and the creation of new jobs. The project comprises the following: rehabilitation of the constructions intended for the can factory, optimally partitioned to allow the development of the activity in compliance with the applicable regulations, machinery and equipment corresponding to the designed vegetable and fruit processing line, rehabilitation of the utility connections and networks. Leader International is the majority shareholder of Bercer (greenhouses in Berceni district, Bucharest), of Leocer (greenhouses in Popești-Leordeni) and of Ostrovit (vineyards and orchards in Ostrov, Constanța). The vegetable and fruit can factory was purchase in 2002, and the financing application was submitted in December 2005. Besides the investment of about 4 million euro in the can factory modernization, the company also invested 12.4 million euro in the acquisition of new greenhouses in Pipera locality.

Special objectives of the project:

- Improving the competitiveness of the vegetable and fruit can factory through the acquisition of a new production line
- Orienting the production contingent upon the foreseeable market trends, through the creation of new assortments
- Increasing the efficiency through the use of modern technologies
- Aligning with the Community acquis
- Adding value to its own production of vegetables and fruit achieved by the subsidiaries of Leader International SA

## Economic resources used

- SAPARD public funding - 1,819,851 euro
- Private co-financing – 2,000,000 euro (with the mention that the investment process continued each year, reaching 8 million euro)

## Output and result indicators

- A. Turnover – increased 1.33 times, reaching over 100 million Ron
- B. Net profit decreased 3.3 times, due to the financial costs and amortization, having in view that Leader International performed a complex investment program, including both processing and primary production of vegetables and fruit. Thus, the non-current assets value increased 10 times, and implicitly the amortization costs.
- C. New jobs were created, the headcount increasing from 315 to 347.
- D. The range of products increased with about 25%.

Table of financial indicators for LEADER INTERNATIONAL SA

Balance year	Turnover (RON)	Income (RON)	Expenditure (RON)	Net Profit/ Net Loss (RON)	Headcount
2001	3,776,989.20	4,239,306.60	4,073,631.40	165,675.20	22
2002	19,893,433.50	24,728,536.70	23,918,103.70	626,363.70	109
2003	43,198,511.20	48,352,459.10	45,433,325.80	2,181,241.20	241
2004	52,473,751.90	62,282,934.80	60,239,802.10	1,581,189.40	221
2005	39,356,440.00	53,623,880.00	51,025,397.00	2,129,788.00	315
2006	44,391,015.00	57,656,800.00	56,727,355.00	733,691.00	262
2007	51,054,909.00	61,540,661.00	61,357,654.00	91,305.00	268
2008	52,796,495.00	64,963,947.00	64,266,808.00	645,494.00	347
2009	64,676,300.00	86,443,525.00	85,805,004.00	170,544.00	351

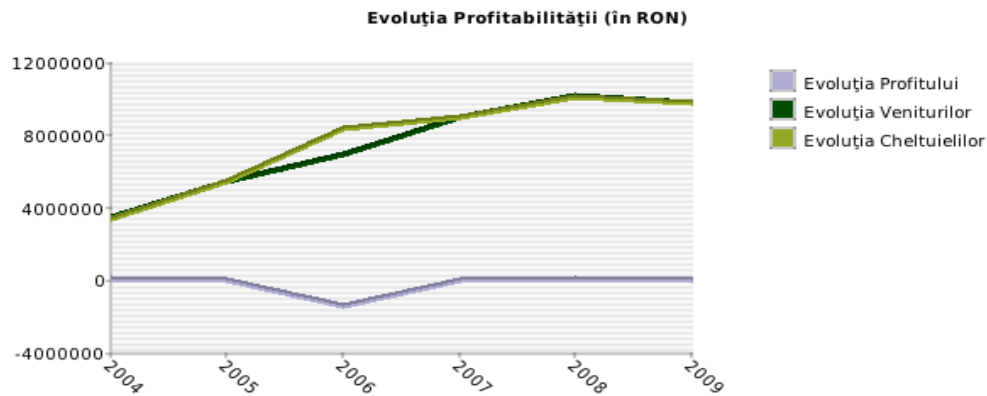


Figure: Evolution of Profitability (in Ron) – Blue: Profit Evolution – Black: Income Evolution; Green: Expenditure Evolution

Investment achievement term – 2 years

Inconvenience encountered during the project implementation:

- Disappearance of certain consecrated vegetable chains
- Absence of domestic manufacturers of machinery and equipment
- Absence of assembly teams specialized in the processing line installation

#### Conclusions

Thanks to the investments achieved in the Caracal factory, Leader International ended the year 2009 with a turnover of about 15 million euro, up 40% as compared to 2008, when the can manufacturer scored a turnover of 10 million euro. The company developed in Caracal the largest can production capacity in Romania, that required an investment of 8 million euro.

The production capacity is 25 million can pieces, an increase by 20%, up to 30 million can pieces being forecasted for 2011.