



Voluntary Report - public distribution

Date: 8/29/2001

GAIN Report #RO1015

## Romania

### Agricultural Situation

### GOR Established SAPARD Agency

### 2001

Approved by:

**Holly Higgins, Agricultural Attache**

**U.S. Embassy**

Prepared by:

Anton Pavel, Agricultural Specialist

---

#### Report Highlights:

**On July 28, 2001, Romania officially opened the national SAPARD Agency. The agency will administer 2,123 million Euro of non-refundable financing offered by the EU and funding from Romania to develop its agricultural sector, rural economy, and to harmonize its agricultural policies with the EU. Romania will contribute one third of the overall financing.**

On July 27, Prime Minister Adrian Nastase officially opened the Romanian office of SAPARD Program. SAPARD Program is a partnership between the Government, agricultural producers and the European Union (EU). The main goals of this program are:

- market access of agricultural products;
- product competitiveness;
- improvement of rural infrastructure;
- development of rural economy.

The Romanian agriculture will receive during the next 7 years about EUR2,122 million from the EU. In order to access the EU financing, the Romanian SAPARD Agency will need to receive EU 's recognition. For the first year of the program, the EU will allocate EUR153 million while Romania's contribution should reach EUR51 million (one third). The EUR204 million will be allocated for improvement of processing and marketing of agricultural and fishery products (meat, milk, grains, oilseeds, wine, fruits, vegetables, sugar, fish), development of rural infrastructure (roads, water supply, sewage) and technical assistance. The Romanian SAPARD Agency received a grant of EUR300,000 from the EU to purchase information technology.

In order to become operational and to access EU financing, the Agency needs both national and EU accreditation. The Ministry of Agriculture which will oversee the operation of SAPARD Agency hopes to complete the accreditation process next fall and to start to access the EU funds in January-February 2002. The procedure to establish the Romanian SAPARD Agency has been delayed for about one year, reportedly because of disputes between the Ministry of Foreign Affairs and Ministry of Agriculture on which ministry will oversee the operations of the agency.

According to the rules of the SAPARD Program, the Romanian SAPARD Agency is responsible for:

- control of eligibility of the projects;
- to establish the contractual obligations with the beneficiaries;
- to control the implementation of the projects;
- to authorize and execute payments for projects.

Romania has agreed:

- to submit annual reports to the EU on SAPARD Program status;
- to allocate one third of the EU's contribution, in local currency;
- to submit quarterly to the EU's Commission the status of payments.

The EU has allocated a budget of EUR520 million per year over the 2000-2006 period for 10 Central and Eastern European candidate countries for EU membership. In addition to the four main goals of the program, it also assists structural reforms in agriculture and harmonization of the national agricultural policies with that of the EU. The EU stressed that the first priority of the SAPARD Program is to help implement the Community's *acquis* related to the Common Agricultural Policy and to help solve specific problems of each country in adapting its agricultural sector and rural economy, in accordance with the main programs applied by member states.

The distribution of the annual budget of EUR520 million allocated by the EU for the SAPARD Program is as following:

- Poland - EUR168.6 million;
- Romania - EUR152 million;
- Bulgaria - EUR52 million;
- Hungary - EUR38 million;
- Lithuania - EUR29.8 million;
- Czech Republic - EUR22 million;
- Latvia - EUR21.8 million;
- Slovakia - EUR18.2 million;
- Estonia - EUR12 million;
- Slovenia - EUR6.3 million.

Of this countries, only Bulgaria received EU's accreditation for its SAPARD national agency.