

Overview of the implementation of the CAP



Implementation of the Common Agricultural Policy

Of the common policies of the EU, the Common Agricultural Policy (CAP) is the oldest. Its main objective is to support sustainable rural development.

The year 2014 is a year of transition in which the EU Member States prepare for the implementation of the new PAC through the National Rural Development Plan (NRDP).

The first version of the NRDP 2014-2020 was submitted for approval to the European Commission on 1 July 2014.

According to the press release of the Ministry of Agriculture and Rural Development of 1 July 2014, the new NRDP includes **15 financing measures** and a total of **EUR 9.85 billion** allocated.

The core element of the NRDP is to **increase the competitiveness of agriculture, forestry and food sector**, to develop the rural regions economically and to create jobs.

Protection, conservation and responsible utilization of environmental resources must be included in all aspects of the NRDP 2014-2020.

The **National Rural Development Network (NRDN)** shall be reestablished after approval of the NRDP.

Payments from the NRDP shall be made through the **Agency for Financing Rural Investments (AFIR)** and the **Agency for Payments and Intervention in Agriculture (APIA)**. **AFIR** is in charge of receiving and registering the financing applications, for contracting the projects for the NRDP measures delegated by the Managing Authority (MA). **APIA** is in charge of receiving the forms for the commitment and payment requests and for compensatory payment measures by area.

KEY PRIORITIES IN RURAL DEVELOPMENT



Improving the competitiveness of the agricultural sector



Conservation of ecosystems and efficient use of natural resources



Creating opportunities for the economic and social revitalization of rural areas

Priorities of the National Rural Development Plan 2014-2020:

P1: Encouraging the transfer of knowledge and innovation in agriculture, forestry and rural areas.

P2: Increasing the viability of production and competitiveness of all types of agriculture in all the regions and promoting the innovational agricultural technologies and sustainable management of forests.

P3: Promoting the organisation of the supply chain, including the processing and sale of agricultural products, animal welfare and agricultural risk management.

P4: Restoration, conservation and consolidation of ecosystems related to agriculture and forestry.

P5: Promoting the efficiency of resources and supporting transition to an economic with low carbon emissions and more resistant to climate changes in the agricultural, food and forestry sectors.

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

The six priorities shall be implemented through intervention areas and facilitate the fulfillment of transversal objectives related to innovation, environment, and attenuation and adaptation to climate changes.



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Situation of mountain supply chains

Mountain area

On 28 May 2014, the Government of Romania passed the Memorandum regarding the approval of **National strategic directives for the development of disadvantaged mountain areas (2014-2020)**.

The Memorandum aims at developing the Romanian rural mountain area and at catching up with the development standard of the EU Member States in the disadvantaged mountain regions.

Implementation of the strategic objectives contributes also to the application of rural development measures under CAP 2014-2020.

Romania's mountain regions are an area with important economic, social, cultural and environmental potential.

The **tangible and intangible cultural assets** are diverse (craftsmanship, culinary and agricultural practices, but also the architectural styles characteristic of their regions) and can be put to use.

Animal breeding is a traditional field in Romania and is much aided by the availability of natural mountain grassland.

Aging workforce is a disadvantage in the development of mountain agriculture, also because this area is unattractive for many young people.

Mountain rural regions in Romania are still affected by the **lack or deficiency of infrastructure**, which has a negative impact on economic development and quality of life.

Mountain product

On 11 March 2014, the European Commission has proposed the *Commission Delegated Regulation (EU) No 665/2014 with regard to conditions of use of the optional quality term 'mountain product'*.

According to the European Commission's study "Labeling of agricultural and food products of mountain farming" (2013), mountains produce roughly **11.4% of European agricultural production**.

Mountain rural players are interested in promoting traditional products and developing craftsmanship and handicraft activities, as well as other locally specific traditional non-agricultural activities.

It is city population which particularly seeks quality agricultural food products and traditional products in the mountain area.

Local initiatives to establish a direct link between producers and consumers are few. In some mountain regions, mountain rural tourism is under development, aiming at the direct utilization of traditional local products.

Establishing links between the local chain with traditional mountain products and sales networks presents an opportunity for developing mountain regions in Romania.



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Most interesting rural development measures

NRDP measures 2014-2020

15 financing measures are defined for the programme, each consisting of sub-measures.

- M01 - Knowledge transfer and information activities
- M02 - Consultancy services (Art. 15)
- M04 - Investments in tangible assets (Art. 17)
- M06 - Development of productions and enterprises (Art. 19)
- M07 - Basic services and renewal of villages in rural regions (Art. 20)
- M08 - Investments in the development of forest regions and improvement of the viability of forests (Art. 21)
- M09 - Establishing fruit-farming producer groups (Art. 27)
- M10 - Agri-environment and climate (Art. 28)
- M11 - Ecological agriculture (Art. 29)
- M13 - Payments to regions exposed to natural constraints or other specific constraints (Art. 31)
- M14 - Animal welfare (Art. 33)
- M15 - Forestry environmental services, climate services and forest conservation (Art. 34)
- M16 - Cooperation (Art. 35)
- M17 - Risk management (Art. 36)
- M19 - Local development of LEADER (Art. 35 of Regulation (EU) 1303/2013)



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Sub-measure 7.2

“Investments in the establishment and modernization of small-scale basic infrastructure”

Type of aid:

- establishment, extension and improvement of the local road system, public water and used water systems;
- investments in the establishment, modernisation or extension of educational/care infrastructure;
- restoration and conservation of local cultural assets (Class B).

Sub-measure 1.1

“Support for professional training and acquisition of competences”

Type of aid:

- lifetime professional training, induction, specialization and advanced training in specific fields (agriculture, agricultural food and environmental protection) and general fields

Sub-measure 6.2

“Support for establishment of non-agricultural activities in rural areas” (start-up businesses)

Type of aid:

- investments for production and sale of own non-agricultural products;
- investments for craftsmanship activities;
- investments for provision of services and agricultural tourism

Sub-measure 16.4

“Support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for the achievement of coordinated promotion activities in a local context”

Type of aid:

- establishment / development of short supply chains (with food products);
- promotion activities related to the establishment / development of a short supply chain/chains (with food products) and to the local market supplied by this chain/these chains;
- implementation of quality plans for agri-food products.

LEADER and other local initiatives

LEADER

The LEADER approach can contribute to a balanced development of mountain rural regions.

During 2007-2014, **163 Local Action Groups** were established in the country, covering an area of roughly **142,000 km²** i.e. roughly **30% of Romania's population** (6.7 million inhabitants).

The EU contribution established for M19 - Local development of LEADER for the 2014-2020 period is **EUR 2,142,450**.

The goal envisaged by the new strategies of the Local Action Groups is for rural players to be more informed and encouraged to **get involved in the development activities for the region** they belong to.

Under the LEADER approach, **innovation** is a key principle and shall contribute to the adaptation of needs to requirements of the local context.

The LEADER approach is supported under Priority 6B for rural development "**Encouraging local development in rural regions**".

LEADER contributes to:

- reduction of the level of poverty and risks of social exclusion;
- development of basic infrastructure and services in LEADER regions;
- creation of jobs in LEADER regions;
- conservation of rural heritage and local traditions;
- encouraging and consolidating local development;
- access to ICT networks.

Added value of LEADER:

- the **LDS** (Local Development Strategy) observes the unique character of the region;
- development and consolidation of human resources and know-how through partnerships;
- integrated and creative local solutions for local problems;
- flexibility in applying the innovational concept in accordance with the local characteristics.

Selection of the LDS (Local Development Strategy) 2014-2020:

- a single procedure for selecting the LAGs, established by the Ministry of Agriculture and Rural Development;
- financial allocations for the LDS depending on **population (50% population, EUR/inhabitant)** and **area (50% area, EUR/km²)**;
- the indicative LAG selection timeline is spread over a period of 17 months.

Other local initiatives

The **European Partnership for Innovation (EIP-AGRI)** is another ascending initiative under the new NRDP which shall be implemented to promote pilot projects, new products, practices, processes and technologies in the agricultural and forestry sectors through operational groups.

Operational groups (OG) shall bring together farmers, forest owners, retail sellers, restaurants, rural accommodation units, researchers, consultants, NGOs and other experts to improve the social-economic development process of the rural area.

Cooperation (Art. 35) supports the establishment and operation of **operational groups**.

Through cooperation, small producers can develop links between the agri-food and tourism sector, through supply with local food products.

An OG is not limited to a certain territorial space.

LAGs can act as active partners in the development of operational groups, through the local dissemination of information about EIP opportunities and by encouraging innovational projects under the Local Development Strategies.



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