Evaluation of the CAP measures applicable to the wine sector

Case study report: Romania
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This case study was carried out by the expert Marius Andrei Olariu from PROSUPPORT CONSULTING SRL
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List of abbreviations

AFIR – Agenţia pentru Finanţarea Investiţiilor Rurale (Agency for Financing Rural Investments)
ANAF – National Authority for Fiscal Administration
ANPC - Consumer Protection Office
ANSVSA - The National Sanitary Veterinary and Food Safety Authority
APIA - Agenţia de Plăţi şi Intervenţie pentru Agricultură (Romanian Paying Agency)
DIPI - The Department of Intelligence and Internal Protection
GD - Governmental Decision (in Romanian – Hotărâre de Guvern – HG)
INSEE - National Romanian Institute of Statistics
IGPR – General Inspectorate of Romanian Police
ISCTV - Service for Inspection, Verifications and Technical Control
MADR - Ministry of Agriculture and Rural Development
ONVPV - National Office of Vine and Wine Products
ONIV - The National Interbranch Organization in the Wine Sector
RDP – Rural Development Programme
Glossary

CAP  Common Agricultural Policy
COMTRADE United Nations International Trade Statistics Database
CMEF Common Monitoring and Evaluation Framework
CMO Common Market Organisation
CN Combined Nomenclature
CTR Criterion
EAGF European Agricultural Guarantee Fund
EAFRD European Agricultural Fund for Rural Development
EAV European Union added value
EC European Commission
EEA European Environment Agency
EEC European Economic Community
EEIG European economic interest group
EQ Evaluation question
EU European Union
EUROSTAT Statistical Office of the European Commission
FADN Farm Accountancy Data Network
FAO Food and Agriculture Organization of the United Nations
FNVA Farm net value added
GATT General Agreement on Tariffs and Trade
MIO Million €
MS Member State
NGO Non-Governmental Organization
NSP National Support Programmes
OIV International Organisation of Vine and Wine
PDO/PGI Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI)
PO Producer Organisation
PPS Purchasing Power Standard
RD Rural Development
RDP Rural Development Program
RDR Rural Development Regulation
SDG Sustainable Development Goals
SME Small and Medium Enterprises
SO Standard Output
SPS Single Payment Scheme
SSG Special Agriculture Safeguard
SWOT Strengths, Weaknesses, Opportunities, Threats
TEU Treaty on the European Union
TFEU Treaty on the Functioning of the European Union
UAA Utilised Agricultural Area
USA United States of America
USDA United States Department of Agriculture
VAT Value Added Taxes
WTO World Trade Organisation
1. List of the Literature and Interviews

List of the interviews

<table>
<thead>
<tr>
<th>List of Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Authority 1</td>
</tr>
<tr>
<td>Control Body</td>
</tr>
<tr>
<td>National Authority 3</td>
</tr>
<tr>
<td>Paying Agency</td>
</tr>
<tr>
<td>National Interbranch Organization</td>
</tr>
<tr>
<td>Industry Union</td>
</tr>
<tr>
<td>Local producers organization</td>
</tr>
<tr>
<td>Producer A</td>
</tr>
<tr>
<td>Producer B</td>
</tr>
<tr>
<td>Small winery A</td>
</tr>
<tr>
<td>Small winery B</td>
</tr>
<tr>
<td>Winegrower A</td>
</tr>
<tr>
<td>Winegrower B</td>
</tr>
<tr>
<td>Consumers Representative</td>
</tr>
<tr>
<td>Wholesaler</td>
</tr>
</tbody>
</table>

Documents and reports collected

**Scientific papers**

- A. Chiran et. al., University of Agricultural Sciences and Veterinary Medicine "Ion Ionescu de la Brad" of Iași, 2015, Some aspects regarding the wine market, worldwide and in Romania, Lucrări Științifice – vol. 58 (2) 2015, seria Agronomie
- S. Nela, "Babeș-Bolyai" University, Cluj-Napoca, Romania, 2016, Where is Romanian wine market heading?, Revista Economică 68:3 (2016)
Legislation

LAW no. 164 of 24 June 2015 of vine and wine
ORDER no. 364 of 23 March 2016 for the approval of the Rules on the management of the system of planting authorization for grape vines
ORDER no. 266 of 31 July 2017 for the approval of Control and verification procedures for the authorization of plantations producing grapes intended for the production of PDO, PGI and varietal wines, the authorization of producers of PDO, PGI and varietal wines, the certification of wines with PDO, PGI and varietal wines and the establishment of the quality label for wines with PDO, PGI and varietal wines, as well as for approving the amount of the authorization fee annual grape vines for grape harvesting production of wines with PDO, PGI and varietal wines and the amount of the certification fee wines with PDO, PGI and varietal wines.

NSP documentation

Order no. 1648/2014 for the approval of the Methodological Norms on the conditions for the implementation of the wine promotion measure eligible for financing under Romania’s National Support Program for the wine sector 2014-2018 and for the approval of the contract model for the implementation of the programs promotion of wines
ORDER no. 1763 of November 10, 2014 for the approval of the Methodological Norms regarding the conditions for implementation of the restructuring / reconversion measure of the vineyard plantations, eligible for financing under the Romanian National Support Program in the wine sector 2014-2018
ORDER no. 1801 of November 17, 2014 for approval of the Norms regarding the conditions for the implementation of the investments eligible for funding under the National Program for Rural Development Romania’s support for the wine sector 2014-2018
ORDER no. 1329/2014 for the approval of the Methodological Norms on the conditions for the implementation of the wine grape harvest insurance measure eligible for financing under the Romanian National Support Program for the wine sector 2014-2018
ORDER no. 548 of 11 April 2016 on the authorization of economic operators carrying out voluntary distillation of wine by-products eligible for financing under the National Support Program of Romania in the wine sector 2014-2018

Online portals

https://www.onvpv.ro/
https://www.onvpv.ro/ro/content/caiete-de-sarcini-pentru-obtinerea-vinurilor-cu-denumire-de-origine-controlata-doc-0
https://www.onvpv.ro/ro/content/indicatii-geografice
https://www.oniv.ro/
http://www.madr.ro/
http://www.wineromania.com/index.jsp
http://www.anpc.gov.ro/
http://www.inssse.ro/cms/

Collected reports

Activity report of ONVPV from 2017 available on www.onvpv.ro
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Information letter of ONVPV from mai 2018

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MADR, 05 April 2018, https://www1.agerpres.ro/comunicate/2018/04/05/comunicat-de-presa-madr-11-05-24
2. DESCRIPTION OF THE WINE SECTOR IN ROMANIA

2.1 Background information

2.1.1 Overview of the wine production in Romania

The Romanian wine sector is one of the largest in the EU as Romania has an ancestral tradition in grape harvesting and wine production as of appropriate weather conditions, relief and soils. At the time being (i.e. 2018), according to statistical data provided by National Romanian Institute of Statistics (INSEE), in terms of vineyard surface, Romania is the 11th country in the world and the 5th in the EU, with 171 233ha of vineyard surfaces for wine production. The proportion of hybrid vine surfaces is very large, about 50% (85454 ha, versus 92697 ha of vineyards dedicated to production of PDO/PGI and varietal wine also called vineyards with certified grape varieties). The majority of hybrid vine surfaces are owned by natural persons while the difference by the R&D centres. Many small hybrid vine surfaces are owned by farmers running subsistence farms and may be not larger than 0.1ha or even smaller, fact which is significantly fragmenting the overall vineyard surface. According to National Romanian Institute of Statistics (INSEE), 698086 tonnes of grapes for wine production were produced in 2016, of which 451722 tonnes of grape of certified varieties and 285 170 tonnes of hybrid grape varieties.

Overall, at national level, Romania is encompassing eight wine-growing regions named in accordance with their geographical position: Regiunea Dealurile Crișanei și Maramureșului, Regiunea Viticolă Dealurile Banatului, Regiunea Viticolă a Podișului Transilvaniei, Regiunea Viticolă a Dealurilor Munteniei și Olteniei, Regiunea Viticolă a Nisipurilor și altor terenuri favorabile din sudul țării, Regiunea Viticolă a Colinelor Dobrogei, Regiunea Viticolă a Dealurilor Moldovei, Regiunea Viticolă a Teraselor Dunării. The geographical location of each region is presented within the map below:

Figure 1: Map of the vine areas in Romania

According to ONVPV (National Office of Vine and Wine Products ) report, in 2017 a number of 594 certificates to market PDO wines and a number of 426 certificates of trading PGI wines were issued. Regarding the production of varietal wine, 63 certificates were issued. At the time being, in Romania the overall number of wine regions with Protected designation of origin (PDO) and Protected geographical indication (PGI) is constant and reached 55 of which 34 are PDO areas and 11 are areas certified as PGI. The PDO/PGI regions can be found in all the

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1 Source: Romanian Institute of Statistics
wine-growing regions. Of overall annual production in hl, the PDO wines production represents about 20%, while the PGI wines production stands for 6.3%.

<table>
<thead>
<tr>
<th>PDO regions in Romania</th>
<th>PGI regions in Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOC BANAT</td>
<td>PGI for wines of Viile Timișului</td>
</tr>
<tr>
<td>DOC RECAS</td>
<td>PGI for wines of Viile Dealurile Sătmarului</td>
</tr>
<tr>
<td>DOC BABADAG</td>
<td>PGI for wines of Dealurile Zarandului</td>
</tr>
<tr>
<td>DOC MURFATLAR</td>
<td>PGI for wines of Dealurile Crișanei</td>
</tr>
<tr>
<td>DOC SARICA NICULIȚEL</td>
<td>PGI for wines of Viile Carașului</td>
</tr>
<tr>
<td>DOC CRİŞANA</td>
<td>PGI for wines of Dealurile Transilvaniei</td>
</tr>
<tr>
<td>DOC MINIŞ</td>
<td>PGI for wines of Colinele Dobrogei</td>
</tr>
<tr>
<td>DOC BOHOTIN</td>
<td>PGI for wines of Terasele Dünării</td>
</tr>
<tr>
<td>DOC COTESTI</td>
<td>PGI for wines of Dealurile Olteniei</td>
</tr>
<tr>
<td>DOC COTNARI</td>
<td>PGI for wines of Dealurile Munteniei</td>
</tr>
<tr>
<td>DOC DEALU BUIJORULUI</td>
<td>PGI for wines of Dealurile Moldovei</td>
</tr>
<tr>
<td>DOC HUȘI</td>
<td>PGI for wines of Dealurile Vrancei</td>
</tr>
<tr>
<td>DOC IAȘI</td>
<td></td>
</tr>
<tr>
<td>DOC NICOREȘTI</td>
<td></td>
</tr>
<tr>
<td>DOC ODObEȘTI</td>
<td></td>
</tr>
<tr>
<td>DOC PANCIU</td>
<td></td>
</tr>
<tr>
<td>DOC IANA</td>
<td></td>
</tr>
<tr>
<td>DOC DEALU MARE</td>
<td></td>
</tr>
<tr>
<td>DOC DRĂGAȘANI</td>
<td></td>
</tr>
<tr>
<td>DOC PIETROASA</td>
<td></td>
</tr>
<tr>
<td>DOC SĂMBUREȘTI</td>
<td></td>
</tr>
<tr>
<td>DOC ȘTEFĂNEȘTI</td>
<td></td>
</tr>
<tr>
<td>DOC BANU MĂRĂCINE</td>
<td></td>
</tr>
<tr>
<td>DOC SEGERCEA</td>
<td></td>
</tr>
<tr>
<td>DOC MEHEDINȚI</td>
<td></td>
</tr>
<tr>
<td>DOC AIUD</td>
<td></td>
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<tr>
<td>DOC ALBA IULIA</td>
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<tr>
<td>DOC SEBEȘ-APOLD</td>
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<td>DOC ADAMCLISI</td>
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</tbody>
</table>

2.2 Structure of the sector

In Romania, as mentioned before, half of the surface in vineyard is planted with hybrid grape varieties own by legal persons. The top 10 Romanian wine producers administrate over 15,900 hectares. In 2016, wine market value reached 218 Million Euros, being controlled by 25 producers, whose turnover is at least 1 million Euros each, representing between 45% and 49% of the total wine market in Romania. In 2014, there were 332 hectares certified as organic, area representing between 0.19-0.18% of the surface of vineyards and orchards, and cumulative 0.11% of the total area under cultivation. The percentage of organic vineyards in the whole national wine stands for 0.18%.

As far as the market of wine products is concerned, the majority of Romanian producers is mainly focused on commercializing a high quantity of wines ensuring standard quality level in accordance with the enacting legislation. However, in the last years, many wine producers tried to focus their production and sales on premium and superior premium wines, which ensures higher selling prices. As the biggest part of production is commercialized at national level, the low purchasing power of Romanians in comparison to consumers from other Member States (MS) is limiting the demand for premium and superior premium wines.

The wine producers focus mainly on the domestic market area but in the last years they are presenting interest for accessing new MS and third countries markets.
The operators are selling their products through their own wine shops, small supermarkets and deliver their wine products through distributors but also through hypermarkets and HORECA. Some are focused on selling as much as the market demands, while others (basically those with smaller market share) are trying to sell premium and superior premium wines. Some operators already started to sell wine products through e-commerce platforms (Producers may own online shops or sell through specialized online shopping portals (e.g. www.emag.ro)).

Small wineries and wine growers are selling the biggest part of their products as bulk wine as they lack expertise and technology for certification of their wines as PDO or PGI. Some of the small producers own their own wine shops (up to three-four selling points) and sell wine as bulk or even PDO and PGI wine. These producers are mainly focused on selling as much as they can at relatively low prices. Small producers also participate to various exhibitions and fairs (e.g. Christmas markets) where they are opening for a few days temporary selling points.

According to literature, the Romanian wine is commercialized on domestic market through direct sales, supermarkets and specialized distributor chains. Of all wine production commercialized, five major producers hold a share of 70% of the market, while all others (around 50 wineries) are fighting for 30%.

Regarding the relation or collaboration with the distributors, only few of the wine producers owing high market shares at national level are capable of negotiating their position within supply chains given their domestic reputation. However, even consecrated wine producers are complaining about the fact that it is very difficult to negotiate their position in supply chains and that the taxes imposed by retailers for selling their products are very high. Part of these producers are trying to limit the quantity of wine sold through hypermarkets in order to avoid high taxes (fees) imposed by these retailers which can go up to 35-40% of the price of wine paid by the consumer. Many of them also tried to find other channels for commercializing premium and superior premium wines (e.g. HORECA distribution channels). However, even within this new supply channels sometimes it is difficult to negotiate.

The small producers are not even trying to negotiate with the distributors because of their lack of expertise as well as limited production capacity. The National Interbranch Organization in the Wine Sector (ONIV) tried to improve the negotiation position of producers in the supply chain but did not succeed, but succeeded in negotiating prices for grape selling which are covering the production costs and a minimum profit margin. The enacting legislation is determining the vine growing producers to associate as producer organizations for ensuring representativity on the market and in respect to negotiation with public authorities. However, the representativity of majority of producers’ organizations is basically formal and is not functioning effectively.

According to National Institute of Statistics in Romania (INSEE), the value of Romanian wine exports in the last years is the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of Exports in EUR (millions)</th>
<th>Value of Exports in USD (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>17,191</td>
<td>25,285</td>
</tr>
<tr>
<td>2010</td>
<td>14,500</td>
<td>19,332</td>
</tr>
<tr>
<td>2014</td>
<td>19,402</td>
<td>25,797</td>
</tr>
<tr>
<td>2015</td>
<td>24,053</td>
<td>25,629</td>
</tr>
<tr>
<td>2016</td>
<td>22,518</td>
<td>24,946</td>
</tr>
<tr>
<td>2017</td>
<td>26,788</td>
<td>30,284</td>
</tr>
</tbody>
</table>

In Romania, the value of wine exports is varying significantly from one year to another, but within the period 2014-2016 this value remained constant. In 2017 the value of exports increased with about 16-18% (depending on currency exchange rates), representing approximatively 10% of the Romanian production. However, these figures may differ depending on the authority providing them. According to the same institute, the wine imports in Romania for 2017 reached a level of about 60 million Euros, increasing with about 20% in comparison to 2016 and 33% in comparison to 2015.

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According to Wine Producers and Exporters in Romania (APEV), the most important markets at intra and extra EU level for Romanian wine products are: UK, Germany, the Netherlands, Bulgaria, Scandinavian countries, and lately South Korea, Japan, China, USA and Canada.

### 2.3 Statistics at Case study level

#### Table 1: Vineyard areas and production in ROMANIA

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PDO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vineyard area (ha)</td>
<td>28,385</td>
<td>30,147</td>
<td>31,531</td>
<td>32,810</td>
<td>32,770</td>
<td>33,275</td>
</tr>
<tr>
<td>Production (hl)</td>
<td>347,135</td>
<td>645,798</td>
<td>486,898</td>
<td>569,530</td>
<td>564,060</td>
<td>819,510</td>
</tr>
<tr>
<td><strong>PGI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vineyard area (ha)</td>
<td>18,551</td>
<td>19,030</td>
<td>18,600</td>
<td>18,272</td>
<td>18,280</td>
<td>18,493</td>
</tr>
<tr>
<td>Production (hl)</td>
<td>282,022</td>
<td>423,325</td>
<td>132,210</td>
<td>301,188</td>
<td>212,165</td>
<td>262,870</td>
</tr>
<tr>
<td><strong>Wine without PDO/PGI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vineyard area (ha)</td>
<td>136,232</td>
<td>133,537</td>
<td>132,717</td>
<td>131,680</td>
<td>131,313</td>
<td>130,720</td>
</tr>
<tr>
<td>Production (hl)</td>
<td>2,681,453</td>
<td>4,044,110</td>
<td>3,130,753</td>
<td>2,756,891</td>
<td>2,413,079</td>
<td>3,023,257</td>
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</tbody>
</table>

Sources: ONVPV

There is an important growth of the PDO and non PDO/PGI wines produced, to the detriment of the PGI.

#### Table 2: Area by variety (ha) in ROMANIA

<table>
<thead>
<tr>
<th>Variety</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feteasca regala</td>
<td>12,899</td>
<td>12,639</td>
<td>12,592</td>
<td>12,619</td>
<td>12,596</td>
<td>12,737</td>
</tr>
<tr>
<td>Feteasca alba</td>
<td>12,596</td>
<td>12,486</td>
<td>12,474</td>
<td>12,428</td>
<td>12,411</td>
<td>12,490</td>
</tr>
<tr>
<td>Merlot</td>
<td>11,631</td>
<td>11,685</td>
<td>11,690</td>
<td>11,503</td>
<td>11,442</td>
<td>11,379</td>
</tr>
<tr>
<td>Riesling</td>
<td>7,652</td>
<td>7,606</td>
<td>7,572</td>
<td>7,554</td>
<td>7,559</td>
<td>7,826</td>
</tr>
<tr>
<td>Aligote</td>
<td>6,208</td>
<td>6,087</td>
<td>5,865</td>
<td>5,680</td>
<td>5,674</td>
<td>5,445</td>
</tr>
<tr>
<td>Sauvignon</td>
<td>5,461</td>
<td>5,513</td>
<td>5,587</td>
<td>5,617</td>
<td>5,558</td>
<td>5,655</td>
</tr>
<tr>
<td>Cabernet Sauvignon</td>
<td>5,307</td>
<td>5,345</td>
<td>5,379</td>
<td>5,418</td>
<td>5,440</td>
<td>5,472</td>
</tr>
<tr>
<td>Muscat Ottonel</td>
<td>4,346</td>
<td>4,478</td>
<td>4,600</td>
<td>4,779</td>
<td>4,812</td>
<td>5,120</td>
</tr>
<tr>
<td>Rosioara</td>
<td>2,852</td>
<td>2,811</td>
<td>2,716</td>
<td>2,673</td>
<td>2,665</td>
<td>2,660</td>
</tr>
<tr>
<td>Babeasca neagra</td>
<td>2,724</td>
<td>2,709</td>
<td>2,696</td>
<td>2,664</td>
<td>2,635</td>
<td>2,601</td>
</tr>
<tr>
<td>Feteasca neagra</td>
<td>2,508</td>
<td>2,601</td>
<td>2,713</td>
<td>2,833</td>
<td>2,830</td>
<td>2,973</td>
</tr>
</tbody>
</table>

Sources: ONVPV

#### Table 3: Number of wine growers in ROMANIA

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>849,045</td>
<td>848,308</td>
<td>847,869</td>
<td>847,606</td>
<td>846,190</td>
<td>845,677</td>
</tr>
<tr>
<td>Of which PDO</td>
<td>197</td>
<td>299</td>
<td>350</td>
<td>413</td>
<td>428</td>
<td>422</td>
</tr>
<tr>
<td>Of which PGI</td>
<td>93</td>
<td>302</td>
<td>220</td>
<td>264</td>
<td>281</td>
<td>288</td>
</tr>
</tbody>
</table>

Sources: ONVPV

In Romania the cooperatives do not exist. The private producers (both legal and natural persons) are ensuring the entire production. There are R&D centres producing wine but statistics on production are not available.

#### Table 4. Average production per hectare in ROMANIA

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
</table>

Sources: ONVPV

**AGROSYNERGIE – Case study report: Romania**

Evaluation of the impact of the CAP measures applicable to the wine sector
<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average production per hectare (kg/ha)</td>
<td>5559</td>
<td>4436</td>
<td>4484</td>
<td>4136</td>
</tr>
<tr>
<td>Average production per hectare noble grape varieties (kg/ha)</td>
<td>5905</td>
<td>5179</td>
<td>5150</td>
<td>4873</td>
</tr>
<tr>
<td>Average production per hectare hybrid grape varieties (kg/ha)</td>
<td>5209</td>
<td>3765</td>
<td>3765</td>
<td>3337</td>
</tr>
</tbody>
</table>

Sources: National Institute of Statistics in Romania
3. THEME 1: NATIONAL SUPPORT PROGRAMMES

3.1 Description of the implementation

Within the framework of actual Romanian National Support Programme, five measures have been implemented, namely: Promotion (Art. 45), Restructuring and conversion (Art. 46), Harvest insurance (Art. 49), Investments (Art. 50), By-product distillation (Art. 52). For the measure Restructuring and conversion (Art. 46) the biggest part of the budget was allocated, while the overall budget of the other four measures was significantly smaller. The breakdown of the budget of NSP for the period 2013-2017 is presented within the following graphs:

Figure 2: Expenditure from 2013 to 2017 per measure (in M€)

![Graph showing expenditure from 2013 to 2017 per measure](image)

Source: NSP financial monitoring data, provided by DG-AGRI

Figure 3: Distribution of expenditures from 2014 to 2017 per measures

![Graph showing distribution of expenditures from 2014 to 2017 per measures](image)

Source: NSP financial monitoring data, provided by DG-AGRI

The following tables provide the provisions set at national level regarding the implementation of the measures selected in the National Support Programme.

Table 5: Implementation choices on the Promotion (Art. 45/CMO R.) measure

<table>
<thead>
<tr>
<th>Type of aid and rate of support</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The maximum budget of a project is 200000 Eur, of which 50% is directly supported but the beneficiary may request for an additional 30% co-financing from national funds</td>
<td></td>
</tr>
</tbody>
</table>
### Eligibility and selection criteria

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Wine producers or other intermediare organisms, such as Producers organization/association demonstrating that their activity is in the scope of the project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria regarding eligible products: PDO/PGI wines</td>
<td></td>
</tr>
<tr>
<td>Criteria regarding the messages of promotion program:</td>
<td></td>
</tr>
<tr>
<td>Promotion projects are financed for minimum one year, and maximum 3 years, with a possibility of prolongation for only one time for maximum 2 years.</td>
<td></td>
</tr>
<tr>
<td>Main selection criteria:</td>
<td></td>
</tr>
<tr>
<td>Program proposals will be written in Romanian and will be signed and dated by the person responsible for the program.</td>
<td></td>
</tr>
<tr>
<td>Proposals for a program may refer to one or more target countries, but the presentation of the promotion program should be made for each country. If the same strategy, the same target groups and / or the same solutions are considered for a group of countries, this should be clearly explained in the proposal.</td>
<td></td>
</tr>
<tr>
<td>The projected costs for these actions will be dimensioned considering the criteria specified in Annex no. 3 of the model contract - &quot;Conditions of eligibility of expenditure&quot;, approved by Order (MADR) no. 1648/2014, published in the Monitorul Oficial al Romaniei no. 833, Part I, dated 14.11.2014 and reproduced in annex no. 2 of the guide. The forecasted budget shall be sufficiently detailed to allow identification, monitoring and control of the proposed action program, specifying, in particular, the types of expenditure set out in the Annex to the model contract.</td>
<td></td>
</tr>
<tr>
<td>The documentation of the program proposal will also contain the following:</td>
<td></td>
</tr>
<tr>
<td>• information-commitment sheet on the applicant (Annex 3 to this Guide);</td>
<td></td>
</tr>
<tr>
<td>• the information sheet about the implementing body, if it has been selected (Annex 4 to this guidance document) and the documentation on the award procedure (see p. 12);</td>
<td></td>
</tr>
<tr>
<td>• Delegacy designating the person responsible for the project, if the legal representative of the applicant company is not the full-power administrator or has not been appointed by the AGM (the mandate given to the program leader by the general meeting or the board of directors, according to the statutory provisions, in the case of professional / interprofessional organizations), stipulating that the appointed person is a representative of the applicant and responsible for the program, that he / she can employ in patrimonial aspect the applicant in relation to the proposed program, respectively declares on his own responsibility, completes and signs the declarations and forms attached to the grant application, signs the paying agency financing contract and any other commitments with subcontractors for and on behalf of the applicant as well as other documents related to the proposed project. All documents signed by him / her are assumed by the applicant and are producing legal effects;</td>
<td></td>
</tr>
<tr>
<td>• copies by statute, organization chart, the most recent activity report of the applicant, the most recent report of the censors committee;</td>
<td></td>
</tr>
<tr>
<td>• Copies of the financial statements (balance sheet and profit and loss account) of the last three years, registered with the financial administration;</td>
<td></td>
</tr>
<tr>
<td>• a description of the similar actions undertaken over the past two years;</td>
<td></td>
</tr>
<tr>
<td>• any document permitting the applicant's financial, technical and professional capacity to be assessed.</td>
<td></td>
</tr>
</tbody>
</table>

### Implementation period

| Implementation period | The projects are implemented within at least one year up to maximum three years, existing the possibility of being expanded for another 2 years. |

### Information regarding the management of the measure

| Information regarding the management of the measure | MADR is in charge with the organization of the call of proposals and APIA is responsible for implementation |

### Table 6: Implementation choices on the Restructuring and conversion of vineyards (Art. 46/CMO R.) measure

<table>
<thead>
<tr>
<th>Type of aid and rate of support</th>
<th>Maximum 75% of the actual cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>Any legal or natural person registered within the Vineyards Register and Farm Register and which is drafting a Restructuring/Conversion Plan in accordance with the enacting legislation</td>
</tr>
<tr>
<td><strong>Eligibility and selection criteria</strong></td>
<td>The aid is managed through restructuring and conversion plans, documents detailing the objectives, the parcels, the measures to be taken and the deadlines for the execution of each of them as follows:</td>
</tr>
<tr>
<td></td>
<td>The programs for the restructuring / conversion of vineyards are:</td>
</tr>
<tr>
<td></td>
<td>a) plant reconversion on the same site or equivalent site as a vineyard area for grapes of the varieties listed in Annex no. 2;</td>
</tr>
<tr>
<td></td>
<td>b) relocation of parcels situated in unfavorable conditions on other sites, which provides favorable climatic and pedological conditions at the same surface level;</td>
</tr>
<tr>
<td></td>
<td>c) replanting as a result of mandatory grubbing-up of vineyards, where it is in the case of sanitation or</td>
</tr>
</tbody>
</table>
phytosanitary grubbing-up in accordance with the Annex no. 6;

d) the modernization of the management form, of the support and palisade system in viticultural plantations by:

- design, installation / replacement support system for driving and palisading;
- modernization of the vineyard management through the transition from culture low to semi-high and high culture;
- upgrading the support system by replacing wires and installing 3 rows of wires, of which at least two doubles, to the system for leadership and palisade in support of logs and leadership of shoots.

### Implementation period

The execution time of the individual plan is maximum:

(a) three wine-growing campaigns for the grubbing - up conversion program within the individual plan that follows the campaign in which the individual plan is approved;

(b) two wine-growing campaigns for the varieties reconversion program on another site area equivalent, following the campaign in which the individual plan is approved;

(c) two wine-growing campaigns for the varieties reconversion program plots on another site equivalent surface area, following the campaign in which approves the individual plan;

(d) two wine-growing campaigns for the replanting program as a result of the compulsory grubbing-up of the plantations for sanitary or phytosanitary reasons, after obtaining the opinion of the Central Phytosanitary Quarantine Laboratory certifying the absence of the harmful organism at the end of the appropriate treatment;

(e) two wine-growing campaigns for the support system modernization program by replacing / installing the support system, following the campaign in which the individual plan is approved;

(f) two wine-growing campaigns for the modernization of the management form by switching from low culture to semi-high and high culture, following the campaign in which the individual plan is approved;

(g) a wine-growing campaign for the modernization of the support system by replacing the wires by installing three rows of wire, of which at least two doubles, for the semi-rigid (unilateral) lead on the semi-tubular and three rows of double wires in the case the Guyot double lead on the Semitulpine to the management and palisade system to support the logs and the management of the shoots, following the campaign in which the individual plan is approved;

(h) two wine campaigns following the one following the individual plan for support applicants requesting advance payment irrespective of the restructuring / reconversion program, except as provided in section 5.3, when the deadline for the execution of the individual plans it is possible to prolong at most a wine campaign, following the campaign where the individual plan is approved; the extension may also be approved for individual approved and ongoing plans.

### Information regarding the management of the measure

APIA

Table 7: Implementation choices on the Harvest insurance (Art. 49/CMO R.) measure

| Type of aid and rate of support | 1. 80% of the cost of insurance policy paid by producers to insure themselves against losses resulting from climate phenomena with adverse effects assimilated to natural disasters. Climate phenomena with adverse effects that can be assimilated to a natural disaster mean weather conditions like ice, hail, rain or drought that destroy more than 30% of average annual production of a wine producer over the three-year average of production or the three-year average over the previous five years, excluding the largest and the smallest values;
| 2. 50% of the cost of the insurance policy paid by the producers to ensure against: the losses referred to in point (1) and / or other losses caused by other climatic phenomena; or losses caused by animals, plant diseases or pest infestations. |
| 3. to enter into a harvest insurance policy with an insurer, mentioning at least the quantity of wine grape insured, its area, its location and the value of the insurance premium. Limitations for support According to art. 4 of OMADR no.1329 / 2014, no financial support is granted to producers in the wine sector for: - the harvesting of grape for consumption; - ensuring the harvest of vineyards with direct producers hybrids: Noah, Othello, Isabelle, Jacquez, Clinton and Herembont; - ensuring the harvest of the vineyard plantations covered by the research projects and the measures intended to support such projects. |

Beneficiaries

The support measure to ensure the harvest of the vineyards has as beneficiaries, the producers, the natural / juridical persons who ensure the harvest of wine grape varieties.
Implementation period

Request for payment reimbursement should be forwarded to APIA till the 30th of November

Information regarding the management of the measure

APIA

<table>
<thead>
<tr>
<th>Table 8: Implementation choices on the Investments (Art. 50/CMO R.) measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of aid and rate of support</td>
</tr>
<tr>
<td>The public budget contribution may reach up to 50% of the eligible costs, and the difference is the beneficiary's contribution. This rate is granted to Micro - enterprises, as well as SMEs. For companies with less than 750 employees or with a turnover annually less than 200 million EURO, the EU support rate is reduced by half (ie 25%).</td>
</tr>
<tr>
<td>Beneficiaries</td>
</tr>
<tr>
<td>The applicants may be self-employed persons, family businesses, individual businesses, in accordance with Government Emergency Ordinance No 44/2008 regarding the performance of economic activities by the self-employed persons, individual enterprises and family enterprises, as amended and supplemented, and/or legal entities with tax residence in Romania which submit investment programmes other than those funded under the National Rural Development programme for the period 2014-2020. Applicants must be:</td>
</tr>
<tr>
<td>- SMEs with fewer than 50/250 employees or with an annual turnover of less than EUR 10/50 million; or</td>
</tr>
<tr>
<td>- Micro-enterprises with fewer than 10 employees or with an annual turnover of less than EUR 2 million; or</td>
</tr>
<tr>
<td>- Enterprises with fewer than 750 employees or with an annual turnover of less than EUR 200 million; and</td>
</tr>
<tr>
<td>Beneficiaries should:</td>
</tr>
<tr>
<td>- be legal entities with fiscal domicile in Romania;</td>
</tr>
<tr>
<td>- propose investment programs in the wine sector other than those funded by the National Rural Development Program;</td>
</tr>
<tr>
<td>- hold vineyards listed in the vineyard register, hereinafter referred to as “vineyard plantations” RPV abbreviations, intended for PDO or GI wine production and authorized for this purpose; Moreover, 25% of the beneficiary’s produced and/or bottled total wine production should be composed of</td>
</tr>
<tr>
<td>PDO and/or PGI wines.</td>
</tr>
<tr>
<td>Eligibility and selection criteria</td>
</tr>
<tr>
<td>To make clear demarcation between EAFRD and EAGF investments, it must be taken into account that EAGF investments concern reception of harvesting of wines until processing and marketing of the wines produced, according to O.M.A.D.R. no. 1801/2014. Operations eligible for funding under this investment measure are:</td>
</tr>
<tr>
<td>- wine products production, from grape to wine in cellars, bottled and labelled;</td>
</tr>
<tr>
<td>- quality control;</td>
</tr>
<tr>
<td>- marketing of wine products.</td>
</tr>
<tr>
<td>The following investments are eligible within the measure:</td>
</tr>
<tr>
<td>a) Production of wine products, from grapes to wine from wine cellars, bottled and labeled</td>
</tr>
<tr>
<td>- improvement of the conditions of storage / blending / maturing of wine through the purchase of containers made of wood</td>
</tr>
<tr>
<td>- improvement of cellar management through purchasing of:</td>
</tr>
<tr>
<td>- computers and specialized software for improving the quality of transport conditions and processing of grapes, wine production and processing, storage of raw materials;</td>
</tr>
<tr>
<td>- ITC equipment and related specialized programs for control of technological equipment for processing, storing and handling the product;</td>
</tr>
<tr>
<td>- computer programs for cellar management.</td>
</tr>
<tr>
<td>b) Quality control</td>
</tr>
<tr>
<td>- improvement of quality control of wine products, including organic wines, thorough equipping laboratories for quality control of wine products:</td>
</tr>
<tr>
<td>- the purchase of new equipment, including software used in the control the quality of the materials, the products and the environmental conditions within which the production and conservation processes are carried out.</td>
</tr>
<tr>
<td>c) Marketing of wine products</td>
</tr>
</tbody>
</table>
- renovation / upgrade of existing eales and presentation infrastructure:
  - vinotheques;
  - presentation rooms where the beneficiary presents his own products.

The following costs are not eligible within the investment measure:

a) Debt interest, except for grants in the form of an interest subsidy or a subsidy for guarantee fees;

b) Land in urban areas with agricultural destination and constructed land with a budget larger than 10% of the total eligible expenditure of the operation concerned. In the case of sites abandoned and sites previously used for industrial activities containing buildings, this limit is increased to 15%. In exceptional and duly justified cases, this limit may be increased above the respective percentages indicated above for environmental protection operations;

c) Value Added Tax, unless the VAT is non-reclaimable.

The following actions are not eligible within the investments measure:

- basic replacement / replacement investments;
- investments for legal actualization in accordance with the legal norms in the field;
- investments made with mortgage or leasing contracts;
- expenditures made on own account (works and materials), ie expenses with the purchase or transport of materials by the applicant and the cost of fitting them;
- acquisition of land and real estate;
- second-hand materials and the costs of their purchase (storage, transport ...);
- non-material costs unrelated to the investment project;
- transport vehicles and their trailers;
- administrative and commercial buildings, cellars;
- sanitary groups including cellars;
- exterior fittings, landscaping and parking;
- office supplies (supplies, mobile, telephones, ...);
- mixed material used in the manufacture of products other than those specified in Annex XI to Regulation (EU) No. 1308/2013;
- roads and various networks outside and inside the building when it is not clearly identifiable on currency and invoices;
- photovoltaic panels;
- anti-burglary alarms;
- demolition and disposal of demolished material;
- moving material;
- Vocational training, including the use of material bought with help

The implementation period of the investment project should not be longer than:

a) one year from the approval of the investment programme for the actions set out in letter A sections (1) and (2) of Annex 1;

b) 2 years from the approval of the investment programme for the actions set out in letter A section (3) of Annex 1.

APIA is the managing authority

<table>
<thead>
<tr>
<th>Table 9: Implementation choices on the By-product distillation (Art. 52/CMO R.) measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of aid and rate of support</strong></td>
</tr>
<tr>
<td>State aid</td>
</tr>
<tr>
<td>The value of the support, per % volume and per hectolitre of raw alcohol obtained, is the following:</td>
</tr>
<tr>
<td>a) from marc: 1,1 euro% volume / hl;</td>
</tr>
<tr>
<td>b) from yeast and wine: 0,5 euro% volume / hl.</td>
</tr>
<tr>
<td>The cost of transport incurred by the manufacturer for surrender of the products will be paid by the distiller, by bank transfer or deposit, respectively:</td>
</tr>
<tr>
<td>(a) EUR 0,300 per % volume and per hectolitre of grape marc;</td>
</tr>
<tr>
<td>(b) EUR 0,200 per % volume and per hectolitre of wine and wine leaven.</td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
</tr>
<tr>
<td>The beneficiaries are authorized distilleries which realized the distillation operation of wine products and which paid the minimum price to producers which supplied by-products as a result of the vinification process</td>
</tr>
<tr>
<td><strong>Eligibility and selection criteria</strong></td>
</tr>
<tr>
<td>1. It is prohibited to overpress grapes. Depending on the local and technical conditions, Member States shall determine the minimum quantity of alcohol that marc and yeasts must contain after grape crushing.</td>
</tr>
<tr>
<td>The amount of alcohol contained in these by-products shall be determined by the Member States at a</td>
</tr>
</tbody>
</table>
minimum level of 5% relative to the volume of alcohol contained in the wine produced.

2. Except for alcohol, spirits and potatoes, wine or other beverages can not be intended for direct human consumption from wine lees or from grape marc. 3. It is forbidden to rub the wine leaven and to re-ferment the marc for purposes other than distillation or production of the picket. The filtration and centrifugation of wine yeast is not considered molding case the quality of the products obtained is good, correct and commericial.

4. Case its fabrication is authorized by the Member State concerned, the pickle may only be used for distillation or consumption in the households of wine producers.

5. Without prejudice to the possibility for Member States to require the disposal of by-products by distillation, any natural or legal person or groups of persons have to dispose the by-products, under the conditions set up by the Member State in accordance with the rules laid down by the Commission by means of delegated acts (see Article 53 of Commission Delegated Regulation (EU) 2018/273).

<table>
<thead>
<tr>
<th>Implementation period</th>
<th>The period for submitting the applications is lasting from the 16th of October to 31st of July each year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information regarding the management of the measure</td>
<td>APIA is the managing authority</td>
</tr>
</tbody>
</table>
3.2 Effects on the NSP at the level of grape growers

3.2.1 Information on the implementation of the restructuring and conversion measure

According to information provided by ONVPV through the information letter from the 23rd of May 2018 on the implementation of the Restructuring and conversion measure in Romania, at the date of elaboration of the herein study:

- The overall restructured and converted area per variety was:

<table>
<thead>
<tr>
<th>Variety</th>
<th>Restructured and converted area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alicante Bouschet</td>
<td>0.955</td>
</tr>
<tr>
<td>Aligoté</td>
<td>43.4932</td>
</tr>
<tr>
<td>Burgund Mare</td>
<td>26.7792</td>
</tr>
<tr>
<td>Busuiocă de Bohotin</td>
<td>76.0854</td>
</tr>
<tr>
<td>Cabernet franc</td>
<td>17.6125</td>
</tr>
<tr>
<td>Cabernet Sauvignon</td>
<td>274.817</td>
</tr>
<tr>
<td>Cadarcă</td>
<td>17.9467</td>
</tr>
<tr>
<td>Chardonnay</td>
<td>229.3272</td>
</tr>
<tr>
<td>Crâmpoșie selectă</td>
<td>15.6136</td>
</tr>
<tr>
<td>Fetească albă</td>
<td>220.2238</td>
</tr>
<tr>
<td>Fetească neagră</td>
<td>373.6124</td>
</tr>
<tr>
<td>Fetească regală</td>
<td>826.8356</td>
</tr>
<tr>
<td>Frâncușă</td>
<td>1.22</td>
</tr>
<tr>
<td>Furmint</td>
<td>4.4127</td>
</tr>
<tr>
<td>Galbenă de Odobești</td>
<td>7.48</td>
</tr>
<tr>
<td>Grasă de Cotnari</td>
<td>6.0642</td>
</tr>
<tr>
<td>Merlot</td>
<td>330.7714</td>
</tr>
<tr>
<td>Muscat Ottonel</td>
<td>635.9948</td>
</tr>
<tr>
<td>Mustoasă de Măderat</td>
<td>10.388</td>
</tr>
<tr>
<td>Negru aromat</td>
<td>0.4092</td>
</tr>
<tr>
<td>Negru de Drăgășani</td>
<td>1.9892</td>
</tr>
<tr>
<td>Neuburger</td>
<td>8.2183</td>
</tr>
<tr>
<td>Pinot gris</td>
<td>105.6668</td>
</tr>
<tr>
<td>Pinot noir</td>
<td>205.3072</td>
</tr>
<tr>
<td>Riesling de Rhin</td>
<td>116.3852</td>
</tr>
<tr>
<td>Riesling Italian</td>
<td>203.7534</td>
</tr>
<tr>
<td>Șarba</td>
<td>22.0568</td>
</tr>
<tr>
<td>Sauvignon</td>
<td>457.8903</td>
</tr>
<tr>
<td>Sémillon</td>
<td>5.9648</td>
</tr>
<tr>
<td>Syrah</td>
<td>118.0416</td>
</tr>
<tr>
<td>Tâmăioasă românească</td>
<td>155.3515</td>
</tr>
<tr>
<td>Traminer roz</td>
<td>105.550</td>
</tr>
<tr>
<td>Viognier</td>
<td>1.885</td>
</tr>
<tr>
<td>Zghihară de Huși</td>
<td>21.078</td>
</tr>
</tbody>
</table>

Regarding the Restructured and converted areas with/without PDO/PGI, within the period 2014-2018, in
Romania, 3459 ha were restructured/converted with PGO varieties and 1190 ha with PGI varieties. However, the measure basically concerned to a larger extent the restructuring/conversion and not relocations as the national authorities mentioned.

- **Area and number of beneficiaries concerned by changes in management practices, and practices concerned**

The number of beneficiaries concerned by changes in management practices was 62, but in terms of area, data is not available.

### 3.2.2 Information from the literature

Conclusive data and statistics on impact of NSP on income of wine growers are not available at the level of public institutions as well as at the level of wine growers’ representatives (interbrach organization, industry unions). According to literature, the management practices consisted in modernization of the support and palisade system in viticultural plantations through design, installation / replacement support system for driving and palisading, modernization of the vineyard management through transition from culture low to semi-high and high culture and upgrading the support system by replacing wires and installing 3 rows of wires, of which at least two doubles, to the system for leadership and palisade in support of logs and leadership of shoots. In 2017 the first replanting program as of phytosanitary reasons was implemented at the level of and area of 149.88 ha, and the amount paid in advance reached 863.31 thousand euro.

According to the reports regarding the NSP implementation during 2009-2017 the average annual surface restructured/converted was of 3600 ha. However, within the period 2014-2017, the average annual surface restructured/converted dropped to 3006 ha:

<table>
<thead>
<tr>
<th>Year</th>
<th>Area in hectares (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5376</td>
</tr>
<tr>
<td>2010</td>
<td>5124</td>
</tr>
<tr>
<td>2011</td>
<td>5364</td>
</tr>
<tr>
<td>2012</td>
<td>5315</td>
</tr>
<tr>
<td>2013</td>
<td>4566</td>
</tr>
<tr>
<td>2014</td>
<td>5960</td>
</tr>
<tr>
<td>2015</td>
<td>3107</td>
</tr>
<tr>
<td>2016</td>
<td>1275</td>
</tr>
<tr>
<td>2017</td>
<td>1683</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32.406</strong></td>
</tr>
</tbody>
</table>

### 3.2.3 Synthesis of the interviews

**IQ 1.1 To what extent did the restructuring and conversion operations supported by the NSP impact the production potential of vineyards, in terms of quantity? In terms of quality? at the level of the region / of the Member State?**

According to national representatives of producers in Romania the overall production potential of Romania is of 1.3 million hl of which about 0.8 million hl are PDO wines and 0.5 million hl are IG wines. Within the restructuring and conversion operations about 30000 ha were replanted or modernized both by natural persons and legal entities from the total vineyard surface of about 178000ha. These figures are confirmed also by the national authorities which mentioned the fact that the overall vineyard surface is the same, but in respect to quality, within the restructuring and conversion operations supported by the NSP old vine surfaces were replaced with more resistant varieties (both traditional (in-land) and international), by utilizing high quality planting materials and old surfaces were rejuvenated as clones of higher quality were employed. However, the production is varying a lot from one year to another as of climate conditions. For example, the grape production in 2017 was 30% higher in comparison with the one reported in 2016, and as of good
weather conditions for wine sector, the quality of the production was at a higher level as well. From national representatives of producers viewpoint as well as from the organisation of producers they are representing, NSP is of great success in Romania and practically the operations implemented changed the entire wine industry and facilitated the reorientation of producers from mass production of low quality (as it was since Communist time) to high quality production. Industry union also emphasized the fact that their recommendation for producers was to use to a larger extent the traditional/local varieties, but unfortunately for beneficiaries it was very difficult to find the planting material certified for the traditional varieties thus international varieties were used to a large extent. All these issues were sustained also by the information collected from interviewed local producers’ organization which stated that the producers they are representing accessed the restructuring/conversion measure for almost 95% of their vineyard surface, fact which slightly increased their production potential. Their annual production is varying depending on the weather conditions as well as their interest on the market. The members of association did focused on improving the quality of production by employing superior clones of traditional varieties which presented interest for the market.

The first producer interviewed confirmed that NSP impacted the company’s activity in terms of increasing slightly the vine surface to 2500ha, but the major impact was registered in terms of quality. Presently, the producer A is capable of producing and selling about 12 million bottles per year of which 90% is PDO wine, mostly white wine, but also PGI red wine. Since 2012 rose wines production augmented as an increase of market demand for this category of wines was noticed. Overall, the quality of the production improved due to NSP measures implemented. Within the restructuring/conversion program, the planting material used was of higher quality from biological categories certified by the institutions in charge at national level. The second producer interviewed, which was established 10 years ago, finalized the restructuring/conversion of the entire vineyard in 2017. About 90% of its vineyard was restructured/converted, and now this producer is operating to full capacity about 300ha, with a potential wine production capacity of 2.2 mil litters of wine per year (the producer is purchasing grapes in accordance with its needs).

The overall impact is confirmed also by the small wineries. The Small winery A planted within the last years about 120ha of which 88ha through restructuring/conversion measure while the others through private funds, thus, their potential production can be estimated to 720hl. The main varieties in their vineyard are Chardonnay, Feteasca Alba, Sauvignon Blanc, Traminer, Riesling, Buziuocca and Feteasca Neagra. The quality of their production is very high as they used only certified planting material. The Small winery B has restructured/converted in the last 4 years about 37ha of their vineyard which is comprising a total of 54ha. The first year of complete production is expected to be 2018. At the time being the wine producer is not operating at full capacity, thus, the producer was not able to provide figures on the production.

On the other hand, the Winegrower A which is running a family business administrating about 30ha of vineyard employed the restructuring/conversion measure for 11.1ha, mainly traditional varieties, but international as well (Chardonnay and Sauvignon Blanc). The impact at the level of production potential should be around 20-30%, but the figures are dependent of weather condition. The Winegrower B stated that the implementation of the restructuring/conversion measure allowed him to increase the production potential. The winegrower is administrating 10ha, of which two hectares were restructured/converted, and as a consequence, the quantity almost doubled, as the old vine planting surfaces were completely not-productive. The quality is directly related to the quantity which should be adjusted depending on the weather conditions. The quality is improved due to certified planting material employed in planting new surfaces, but also due to the varieties used which are more productive in comparison with the old varieties (Chardonnay and Sauvignon Blanc).

**IQ 1.2 Did the NSP measures intend to support changes in the vineyard management practices or foster specific practices (i.e. organic agriculture, low mechanised systems, etc.)?**

In the opinion of national authorities, overall, the NSP allowed large scale mechanization at the level of vineyard, and the beneficiaries focused on these aspects to a very large extent. In accordance with the NSP the supported measures related to replacement of the support system for driving and palisading, transition from low to semi-high and high culture, replacement of wires and installing 3 rows of wires (of which at least two doubles) for the management and palisade system in order to support the logs and the management of the shoots. In spite of statistics absence, the organic agriculture is increasing in terms of surface, but at country level this is not a trend.
IQ 1.3 To what extent did the NSP resulted in changes in the management practices of vineyards? Which practices were introduced/abandoned? Did those changes have an impact at national or regional level (e.g. acting as role model)?

In what it concerns the changes in the management practices of vineyards, according to national authorities, in the past, the old plantings did not have straight lines, the distance between the rows did not allow the access of mechanical machines, neither for the work of the soil nor for the mechanical realization of the treatments. Under these conditions, by planting realized via GPS technologies, the increase of row spacing allows the use of mechanized technologies to reduce labour. Moreover, at the level of these vineyards mechanized harvesting works can be realized. The national representatives confirmed that the management practices of vineyards changed and allow producers to mechanize their activity to a large extent, the human resources involved in harvesting was reduced as consequence. The national interbranch organization mentioned its intention of proposing that only producers which are aiming to “fully” mechanize their vineyards to be eligible within the restructuring/conversion measure. Moreover, to the opinion of industry union, the vineyards were adapted in accordance with the market demand, at the time being mechanized works can be performed to a large extent in vineyards, even if to date harvesting machines are not oftenly met. Local producer organization stated that old settlements were employed for restructuraction/conversion in a proportion of 90-95%. The producers are currently utilising certified planting material, and prepared their vine plantings for being mechanized (through revising the distance between rows and density of plants fact which may ensure proper ventilation), but also used superior clones which are allowing an increase of production potential. All these changes materialized in a more effective way of realizing the agricultural practices and of timely interventions in respect to combating diseases and pests.

The NSP measures implemented by the Producer A allowed the change of managerial practice of vineyards; presently all the activity is planned and pre-organized, and a higher degree of mechanization was reached. More exact, the producer quit all the works related to “man and horse” (traditional agriculture). The interest of Producer B is to put quality at first, thus, the density of the vines was revised and clones of higher quality were employed. Moreover, the wine producer also established its own standards for quality, thus, for some of their vine plantings they limited the production to 4t of grape/ha in order to improve grape quality as well the wines’ one (especially for premium wines). The management practices of vineyard did change and especially the mechanization degree which increased as of the NSP measure.

The Producer A tried to invest as much as it could for ensuring a high degree of mechanization of the overall vineyard but also very good ventilation and utilization of high quality planting material more resistant to specific weather conditions in Romania. The aim of the second small winery interviewed was quite similar as it focused on mechanization of vineyard and modernized its plantings in accordance with the NSP guidelines. Small Producer B had no interest in organic agriculture as the certification procedure seems to be time consuming and the demand of consumers at national level for organic products is not high at all. The winemakers also focused on large scale mechanization and modified the density of plants, but they did not fully renounce to classical management practices. The settlements of the old plantings were not changed.

IQ.1.4 Have the NSP measures impacted the costs of production?

The National authorities, the national interbranch organizations and industry union in Romania have no information on the impact of NSP on the cost of production as the vineyards reconverted did not reached full maturity, but the common opinion is that normally the production costs per unit surely diminished as of production increase. The local producers’ organization stated that it is more than sure that the costs of agricultural works decreased, but as the vineyards did not get to maturity it is very difficult to provide figures regarding their level. Practically, it is very difficult to assess the production costs at the time being.

However, all the beneficiaries (growers, producers) highlighted the fact that it is too early to evaluate the costs of production for the same reason mentioned above by the other stakeholders. However, Producer B for example agreed that the production costs could decrease, but for the premium wines the production costs are likely to increase.

Both small wineries interwied are sure that their production costs diminished in comparison to the ones of the winemakers which did not modernized their vineyards. Moreover, they have the advantage of not reimbursing costs for planting to a financial institution as the funds were provided within the restructuring/conversion measure. Small Winery B considerates that due to mechanization, the cost with the human resources should
diminish. Besides, the small winery is sure that the costs of production decreased as the quantity of grape per surface unit increased and consequently the price per product unit.

**IQ.1.5 Have the NSP measures resulted in a better adaptation of the vineyards structure and management practices to market demands? E.g. in terms of variety, quality**

The new structure of vineyards and management practices were adapted to market demands according to National Authorities, given that within the last years a decrease of white wines demand is noticed. The varieties per area are discussed with the beneficiaries but there is no information about the market.

National representatives and the producers’ organisations highlighted the fact that presently in Romania 168 grape varieties exist, of which only part of them, both traditional and international, were eligible within NSP. The traditional autochtonous ones are Feteasca Neagra, Tamaioasa Romaneasca, Negru de Dragasani, Grasa de Cotnari, Cadarca, Feteasca Regala, Feteasca Alba, Sabra, Zghiara, while the traditional international ones are Cabernet, Sauvignon Blanc etc. The traditional (inland) varieties are predominant in the vineyards, but the planting material used is of higher quality, fact which is improving the quality of the wines. The producers were focused in the last years on addressing the market demands in terms of varieties as the demand for rosé wines is increasing.

Producers consider that they tried to adapt the vineyard structure and management to market demands, but the market is very dynamic so they do not know to what extent they succeeded. Within the last years an increase of the demand for the sparkling wines as well, and even for organic wine but not in Romania. For organic wine the demand is higher abroad (e.g. Japan market) but unfortunately the certification process is very time consuming. The Romanian market is different from the one in the foreign countries (Member States or third countries), as for example in Romania the demand for Chardonnay is very low but at export is very high. Producer A focused mainly on noble varieties, varieties with highest demand at national level, such as Sauvignon Blanc, Pinot Gris, Feteasca Regala (about 700ha).

Small winery A invested in the wine industry as the consumption of wine increased at national level, and through NSP measures they tried to address the market, as an increase of demand for dry white wines was noticed, as well as for the rosé and sparkling wines. As an example, the winery succeeded the vinification of red varieties to obtain rosé. On the other hand, Small winery B adapted its vineyard to fulfil consumers’ expectations, and thus diversified its varieties Fetesca Alba, Feteasca Regala, Sauvignon Blanc, Traminer, Feteasca Neagra, Merlot, Pinot Noir.

Regarding Winegrower A, the NSP measures allowed him to adapt to the actual trend in respect to market demand, as the demand for rosé wines increased in the last three years, but also the demand for red wines, which was not neglected. However, the inland varieties for the PDO region were not changed. The region is mostly known for its demi-dry and sweet wines. Other winegrowers, as winegrower B, are monitoring continuously the market demand by their own through participation to exhibitions or by observing consumers behaviour. The NSP measure allowed these winegrowers to plant international varieties but also traditional ones, consecrated in the region in accordance with the market demand.

**IQ 1.6 Have the NSP measures had an impact on the income of wine growers?**

Accurate statistical data on an impact of NSP on the income of wine growers are missing according to national authorities as well as national representatives’ organisations. However, in the opinion of national interbranch organization for those who are producing and commercializing PDO/PGI wines, the income surely increased given that at national level the request for this category of wines increased as well.

Local producers’ organization is sure that the NSP measures implemented impacted the incomes of the producers, but it is very difficult to evaluate to what extent. Overall, in respect to the producers’ they are representing, the overall market share increased in the last year up to 24% at national level. The local producers’ organization considers that this increase in market share may be attributed to NSP measures implemented but also to the fact that Murfătlar (PDO in S-E Romania) lost its national market share. The bankruptcy of Murfătlar surely influenced the market shares of all operators at national level. The NSP measures surely ensured an increase of the incomes, but the most important is that the NSP is ensuring continuity in respect of incomes for a new lifecycle of the plantings.
According to national producers’ representatives, the lack of traditional inland planting material did not allow the restructuring/conversion of the vineyard with local varieties. The observed lack of traditional inland planting material is mainly due to the fact that national R&D center are not able to provide/sell these materials. About 90% of the Romanian bottled wine production is commercialized on the domestic market. The study elaborated by national producers’ representatives in 2013 showed that the Romanian consumers prefer the traditional wines. The success in commercializing the Romanian wines on markets of MS and third countries is directly linked to producers’ succesful management. However, the NSP is not the main factor of this successful management. On the other hand, the national producers’ representatives tried to convince producers to sell their products on foreign markets as the supply costs for a bottle of wine on domestic market are higher than the ones on the international market. From their point of view, the promotion measure only fostered to a very low extent the marketing of products in third countries.

On the other hand, in the case of Small Winery A, the income level is quite constant, varying from one year to another depending on climate conditions. Their development is linked to NSP measures implemented and certainly their income was fostered by the NSP measure implemented. However, Small winery B explained that to date an evaluation was not realized, but after September 2018 concrete data can be provided. Both winegrowers registered a decrease of the income in the first stage, but while the surfaces restructured/converted are getting to maturity, the incomes should increase. However, the price per litter requested by the Winegrower A is about 1.3euro and is not modified since a few years. The winegrower is selling its production directly from the ”gates” of its winery. Winegrower B is not commercializing grapes but only wine, mostly en-detail as bulk wine. The price per wine liter is low, about 0.9-1euro, thus, even if the quantity increased, the incomes remained stable. The package used for selling is classic bottle, bag-in-box or PET recipient.

### 3.2.4 Conclusion of the expert

In accordance with the interviews responses and the statistical data of the national Romanian authorities, it should be emphasized that:

1. In the opinion of all the interviewees, the restructuring and conversion measure is the most effective program that has ever been implemented in Romania in the wine sector and facilitated the reorientation from mass production to high quality production.

2. NSP 2014-2018 did not significantly impact the overall Romanian vineyards surface, which seems to remain constant. However, during 2009-2013 NSP programming period, restructuring did have an impact on the vineyards surface, given that Romania used to a great extent planting rights from the reserve for restructuring. The impact of restructuring/conversion measure basically consisted in rejuveneaion of the old plantings with a series of common traditional (inland) grape varieties but international as well.

3. In the opinion of industry union, the suppliers were not able to provide traditional autochtonous (inland) varieties in accordance with the demand of wine growers, thus, the international varieties were also (more?) planted.

4. Through restructuring/conversion measure the wine growers were mainly interested in increasing the degree of mechanization for maintenance and exploitation of plantations (including mechanized harvesting), the replacement of the vine support system and decreasing the number of agricultural works performed by man. Moreover, through utilization of high quality planting material of superior clones, the quality of the vineyards has improved significantly.

5. For addressing the market demand, red/rose grape varieties were planted to the detriment of white varieties.

6. The expectations of producers in respect to production are very high, the majority of them are convinced of the fact that the production is to increase. However, the yearly production is dependent on weather conditions which may considerably affect it. The cost of unit production will surely decrease and especially because the overall production is expected to increase due to the superior planting material employed. It is premature to evaluate the production costs as the plantings are still young and are to reach full capacity in 2018.

7. At national level, the organic agriculture is not representing a priority for growers, given the low demand of consumers for this category of wines. However, there are growers which started to certify their plantings in
order to address the demand for organic wine products within third countries. The organic agriculture is not among the priorities of growers due to the difficult and expensive certification procedure as well.

8. The evaluation of income can be done only starting with the autumn of 2018 when the new plantings are expected to get to maturity. Besides, good weather conditions may allow a consistent increase of wine growers’ income (e.g. in the case of mature plantings, in 2017 the production was 30% higher than the one in 2016). In the case of non-PDO/PGI wine producers, the price of bulk wine is constant since many years, thus the overall income of producers is directly linked to the annual production.

9. The demand for PDO/PGI wines is increasing, but this information is not based on national figures but on producers’ observation/market monitorization.
3.3 Effects of the NSP at the level of producers and products

3.3.1 Effects on the competitiveness key factors of wine producers

3.3.1.1 Synthesis of the interviews

IQ 1.7 Could you please explain what are the current issues encountered by the wine sector in your Member States /region and describe the strategies implemented by the wine producers to address them?

According to the national authorities, the main issues encountered by the wine sector in Romania are the poor absorption rate in respect to EU funds, the vineyards’ fragmentation and the fact that the local associations exist formally but unfortunately they are not succeeding in unifying their efforts for collaborating and identifying a common economic purpose. Moreover, a delay in actualization and harmonization of national legislation in accordance to EU legislation is registered fact which may for example hamper the absorption capacity of EU funds. Besides, the education of consumers for consumption of higher quality wine but of course the purchasing power which is much lower comparing to other Western European countries (Minimum salary = 250 €/month, Medium salary = 400-500€/month) is another issue which should not be neglected. Last, but not least, Romanian wine producers are not capable in penetrating other countries (intra and extra EU) even if the average price in Romania of wine is lower than the one in other countries. The wine industry in Romania is mainly based on domestic consumption.

On the other hand, national interbranch organisation and industry union are considering the bureaucracy of the NSP as one of the main problems of Romanian wine sector and the excessive bureaucracy of national legislation. These stakeholders highlighted that the bureaucracy, lack of timely information on European funds and fiscal modifications are affecting the wine industry at national level. All these issues should be linked with the incapacity of authorities to understand the real problems of the wine sector and discuss them with the European authorities. Moreover, unfair commercial practices of retailers is perceived as a 2nd main problem. This is also the case of the lack of managerial and negotiating skills of producers for negotiating with supermarkets for obtaining higher margins, as in Romania a large proportion of wine production is sold through supermarkets. At the time being, taxes imposed by the supermarkets are very high and are constantly increasing and this fact is strongly affecting the producers’ profits. Of course, all these issues are related also to the fact that the beneficiaries (which are not aware of the advantages of cooperating and identifying common economic interests) are not capable of joining within a strong associative organization capable of supporting their interests. Cooperation is needed for performing joint actions, such as promotion, marketing, selling, distribution, sharing resources and know-how etc., or for gaining negotiation power with distribution chains.

The lack of associative capacity and lack of technical expertise of human resources working in wine industry is leading to a non-effective ratio between the production cost and selling costs, as producers are not able to mutualise costs.

Finally, the lack of education of a big part of population for consuming high-quality wines is sustaining the penetration on the market of low quality wines from third countries through non-fiscalized distribution channels.

The local producer drew attention that the producers of certified wines are confronted with a series of competitors which are selling on the market counterfeit wines at very low prices. Besides, fake wines can also be found on the market at the time being (mainly in rural areas both in small shops and bars), but their origin is not known. For addressing this issue, the producers are trying to convince consumers to choose for high quality wine.

The absence of statistics at national level regarding the wine sector evolution is the most important problem from the viewpoint of Producer A. In respect to Romanian market, there are no relevant studies/reports regarding the market evolution. For evaluating its market share, Producer A is contacting its distributors from time to time. On the other hand, regarding the foreign market, the most important issue is related to the fact that Romania is lacking reputation on international wine industry, and consequently, mostly in the case of premium wines, the operators cannot request a higher price for their products. Their competitors from Chile, Portugal, New Zealand have an considerable advantage due to their international reputation as wine producers.
Moreover, the Producer B stated that in respect to Romanian market, a major issue is the collaboration with supermarkets. The level of taxes paid by producers for selling their wine through supermarkets is very high. As an example, the taxes paid can reach 40% of the final price, this is the reason why Producer B is trying not to sell more than 30% of its production through supermarkets. On the other hand, in respect of the collaboration with HORECA operators, the wine producers are paying a so-called "label tax" for the presence of their products’ name within the menu’s of HORECA operators (mainly in the case of high class HORECA operators). This tax is varying from 100 to 1000 euro per year per product. Besides, after including their products in the menu, they should stimulate the waiters for promoting their wine. All these incentives are practically increasing the final price of the product paid by the consumer. From the foreign market perspective viewpoint, as Producer A also mentioned, Romania has no reputation on foreign markets and this fact is not allowing producers to request higher price for their wine even if it is a high quality one. On the other hand, the Romanian producers/operators are not succeeding in unifying their efforts for accessing new markets both at intra and extra EU level.

The difficult relation with the supermarkets was highlighted by the small wineries during the interviews as well. The high taxes paid for penetrating the supermarket networks are very high from the viewpoint of Small winery A. For this reason, HORECA may be a feasible alternative. On the other hand, the education of consumer for choosing high quality wines is another problem. However, the Small winery A is considering that negotiations with the retailers should continue. Besides, the authorities should ensure the wine producers that the legislation is respected by all the wineries as well as the standards for commercialization (including labelling). Special attention should be paid to aromatized wine drinks which are confusing consumers. The problem of aromatized wines was also mentioned by Small winery B, which is considering that the imports at lower prices are the main problem of the wine industry in Romania as well as the counterfeit wines commercialized at national level. Besides, the education of the consumers which are preferring to pay less than choosing a high quality wine is also preventing the development of the sector.

However, the wholesaler interviewed is considering that the main problem of Romanian wine sector is the fact that producers are not focused on a limited number of wine varieties. Besides, producers are requesting wholesaler to increase their stocks fact which is implying allocation of very big budgets for this purpose. Besides, the counterfeit wines mainly on the segment of low quality wines is a problem for the wholesalers as well and measures should be taken from legislative viewpoint at national and EU level in order to address the issue.

**IQ 1.8 Did the actions undertaken by the wine producers with the support of the NSP contribute to improve the competitiveness key factors of EU wine products? Please explain how.**

The national authorities could not evaluate how NSP contribute to improve the competitiveness key factors of EU wine products. According to national producers’ representatives, the restructuring/conversion and promotion measures succeeded to improve competitiveness factors and especially the ratio between the price and the quality due to the vineyard modernization and diminishment of cost per unit following the production increase per hectare. On the other hand, the local producers’ organization consider that the NSP measures as well as the modernization of the technology contributed to stabilization of the wine quality, but also of the prices on the national market. Producer A improved the quality of their wines, which increased also their competitiveness, as in the past their activity mainly focused on mass production. The NSP measures allowed this producer to produce higher quality wines while maintaining the price of wine, but this fact was sustained by the fact that they are not purchasing grapes, they are using currently only their production. According to small winery B it is premature to say that at the time being. However, for improving the competitiveness of the EU wine products, the restructuring/conversion measure should be linked to investments measure and practically the beneficiaries which successfully implemented restructuring/conversion operations should have priority in accessing the investments measure.

**IQ 1.9 What were the impact of the NSP measures on your supplies, in terms of quality, volume and origin?**

Producer B is purchasing grapes from the market for wine processing in case the weather conditions are not favourable and for fully exploiting their processing capacity, which is very high. The NSP did not impacted their supplies in terms of quality, volume and origin, but the quality of the wine definitely increased in the last years and, according to their economic figures, the volume of the commercialized wine as well.
IQ 1.10 Did the actions undertaken by the wine producers with the support of the NSP contribute to changes as regard the organisation and coordination of the operators in the supply chain? Please explain how.

The national authorities consider that the producers succeeded in positioning better in the supply chain due to their improved capacity of producing higher quality wine. The improved quality of wine also allowed producer to find new supply channels (HORECA, online) but not necessary due to the NSP operations. The statement is sustained by the Industry Union, but from the national interbranch perspective the producers did not succeed in improving their position within the supply chain even if the representatives of the sector lead negotiations with supermarkets but not succesful. Only in the case of grapes sold to wineries the negotiations were succesful. In the opinion of national representatives of producers, the investment measure might be used to develop supply chains of producers and for example may be sustained for establishing a joint broker company/holding.

Producer B stated that the improvement of the quality of their wine due to NSP measures implemented but also their improved reputation at national level definitely allowed the company to become stronger in direct negotiations within the supply chain in spite of all the issues presented above within IQ 1.7. However, for big wine producers as Producer A, there were no problems in penetrating the national supply chain before and they do not have problems at time being as well due to their reputation. Small wineries as those interviewed stated that NSP did not bring any changes in respect to organisation and coordination of the operators in the supply chain. At the time being, in the case of supermarkets the "shelf tax" was replaced by other taxes, and for selling through supermarkets the wine producers are facing major difficulties. Small wineries prefer selling their products through their own distribution network consisting of 3-4 wine stores.

3.3.2 Effects on the capacity of operators to adapt to customers’ expectations

3.3.2.1 Synthesis of the interviews

IQ 1.11 Did the NSP measures contribute to the capacity of operators to adapt to customers’ expectations, using innovative integrated approach?

Regarding the contribution of NSP on the capacity of operators to adapt to customers’ expectations, the national authorities highlighted the fact that the operators had and have the opportunity of interacting with customers within the “county wine days” and/or within exhibitions dedicated to wines. The operators had the opportunity of presenting their wines to the consumers and could recommend eventually their high-quality wines. There are no statistical data on consumers’ feedback. However, national representatives of producers have opposite opinions, ones are considering that currently in Romania the consumers are oriented to consumption of high quality wine as in the past consumption of mass production wines was a habit while other are stating that the producers did not succeed to adapt to customers’ expectations. On the other hand, local producer organizations sustained that the operators did adapt lately to the consumer expectations, as for example in the last years an increase of the demand for rosé wines is observed and consequently produces introduced on the market high quality wines replacing practically the low-quality wines. However, the wholesaler is sustaining the position of interbranch organisations and local producers’ organizations by mentioning that the quality of Romanian wines did improved significantly in the last years, the producers are able to satisfy customers’ expectations both through providing highly demanded wine varieties (e.g. rosé) as well as various packaging. However, in addressing customers’ expectations, many trainings for sommeliers were financially sustained by producers for a better promotion. Not to be neglected, an increasing consumption of wines was registered at the level of female consumers.

Producer A did improve the wine quality and offer in respect national trends taking into account consumer behaviour, while Producer B adapted as much as it could to customer expectations, as for example in the last years an increase of lighter wines (from alcoholic viewpoint) was observed. Moreover, they did notice an increase of the selling in respect of wines by glass in HORECA channels; thus, they tried to change as much as they could the packaging for HORECA operators (e.g. small bottles or bag-in-box, bottles with screwing cap).

Agro Industrial Ceres: The Small wineries succeeded to diversify their range of products in accordance to consumer expectations, mostly in the case of sparkling wines. They also revised the packaging in order to offer consumer many options when deciding upon purchasing. Moreover, Small winery B stated that the marketing of its own products was improved but not due to NSP measures. This small winery improved the packaging and
labels, and adapted to consumers expectations in terms of selling both bulk wine, bottled and wine by glass as well.

**IQ 1.12 What types of supported investment were made to adapt to the evolving demand?**

In Romania, according to national authorities, the NSP did not support in the first programming period 2009-2013 investments for the wine sector. This was introduced in the NSP as from 2014. However, before 2014, wine producers invested in construction of new wineries, renovation/rehabilitation of wineries, wineries' equipments, and software acquisition for winery management through National Rural Development Program.

Representatives of the sector mentioned that the new investments consisted in new technologies for bottling, as for example the volume of wine by glass increased a lot in the last years but also the wine ennobled in barrels, while local organisation specified that investments have been realized in the whole production chain, from vineyard, to processing and storage. The statement is confirmed by the answers of both producers and small wineries and provided as examples the investments realized which implied the complete technologization of the wineries, such as improved storage capacities, primary fermentation capacity. Small wineries were higliting the fact that they invested in technology which is allowing them to process rosé wines.

**IQ 1.13 Was the promotion measure used to support studies of new markets to identify consumers’ preferences?**

The National authorities mentioned that studies were not financially supported even if the funding for these types of activities were eligible. The beneficiaries elaborated studies from their own funds before submitting the project proposal in order to have a better image of the market they were trying to penetrate.

The fact was confirmed by the sector representatives, which mentioned that private beneficiaries might have performed some studies regarding consumers’ preferences before applying for funding, even if the beneficiaries were allowed to elaborate studies. On the other hand, the first beneficiary mentioned that it did some studies in the first years of implementation, but for other countries, such as USA, they preferred to purchase the study as it was cheaper. In China they used only information and statistics available in the press. The company knows about the existence of a study in respect to organic wines in Member States, financed by BERD, but not about others. The 2nd beneficiary of promotion measure did not realize studies on the market were promotion actions were implemented but used existing data from the market.

**3.3.3 Effects of other factors on the competiveness and overall performance of wine producers**

**3.3.3.1 Synthesis of the interviews**

**IQ 1.14 How did the market shares evolved for your major wine products on intra and extra EU markets? What are the main factors explaining these changes?**

According to Producer A it is not very clear which is their market share at national level. The statistics are not available, only distributors are providing information on the basis of their requests. At international level, in China, Producer A did not succeed to sell in spite of all the efforts. Besides, after the end of the promotion action implemented all the Chinese partners left and they could understand that Chinese are not brand loyal consumers. On the other hand, in Japan it is completely different, the Japanese distributors are fair in respect to interprofessional relations, meaning that once you started with a distributor you continue for longer periods of time with it. Moreover, the Japanese consumers are very stable: once they enjoyed a wine, they will request for more. In Japan they started to sell 1000 bottles/year and in 2017 they increased their sales to 30000 bottles. In USA, they focused mainly on Romanian communities and for this they are working with a local distributor. Producer A cannot provide data on their market share in USA.

However, in the case of Producer B, the company is not interested in the market share as their interest is not for selling higher quantities of wine but higher qualitative wines. In this sense, the company tried to diminish as much as it could to produce medium quality wine and bag-in-box packed wine, and increased the production of premium wines. Producer B is producing only PDO/PGI and for this purpose from time to time, depending on weather conditions, the operator is purchasing grapes from PDO/PGI region. Their competitors are focused more on selling as much as the market is demanding, but their company is mainly focused on quality.
The replies of small wineries were somehow similar, none of them being able to provide information on the market share. The Small Winery A mentioned that in 2014 its market share at national level was 0%, now it is very difficult to assess in the absence of statistics. The operator is targeting to sell 1 000 000 liters of wine per year, but currently is selling about 200 000 liters per year.

The local producers’ organization interviewed mentioned that according to data provided by distributors, their market share in 2017 reached 23-24% at national level, as mentioned before, due to investments, promotion but also since Murfatlar disappeared from the market after the company went bankrupt. However, at international level there are no available information and a response cannot be provided.

IQ 1.15 What are the other factors that could have had an impact on the competitiveness, product quality and market orientation of the EU wine sector (e.g. evolving demand, increased competition, climate change, etc.)?

The beneficiaries are lacking capacity of organizing themselves for penetrating new markets at EU level and third countries. Strong representative producer organization could contribute to improving competitiveness of EU wine sector from the national authorities’ viewpoint. The representatives of the sector mentioned that applicative R&D in the wine sector may lead to competitiveness improvement as well as the best practices exchanges with other countries from South-East Europe and projects aiming to improve expertise of human resources.

The local producer organization stated that it is very difficult to assess these factors, but common efforts of wine industry, local producer associations and authorities may be an important factor.

Producer A is considering that the most important problem of Romanian wine sector is the fact that the country does not have a country brand name, and consequently all the actions implemented by it could not have a higher impact. The impact of promotion measure will increase surely in case the national authorities will get involved more. The common efforts of producers are very weak in the opinion of Producer B as well, thus the sound of promotion actions of each producer is not high.

According to wholesalers, the broad diversification of wineproducers offer in terms of wine varieties is affecting basically the competitiveness of Romanian wine sector. Wholesalers are recommending producers’ to enshrink the number of products they are commercializing in order to increase products’ quality and gain reputation within a certain wine variety segment.

3.3.4 Conclusion of the expert on the effects of NSP measures on the competitiveness and overall performance of wine producers

1. Regardless their dimensions, the effects of NSP measures implemented can be observed at the level of the production costs which, even in the absence of concrete statistical data surely decreased, as well as at the level of quality of the wine products, which significantly increased taking into account the certified planting material used. Moreover, due to the restructuring/conversion measure, the operators are currently able to address better the market demand at domestic level. As an example, the operators increased in the last three years the quantity of red/rose and sparkling wines. Unfortunately, the information on demand for various products is collected by each producer, mainly individually, through participation to exhibitions and fairs (e.g. Christmas market, Easter market, Wine days a.s.o.) as statistical data missing. The consumption behaviour changed significantly in the last years. An increase of the demand for high quality wines at the level of female consumers was observed by wholesalers. Moreover, the increase of wine by glass at the level of HORECA fostered operators to revise their packaging solutions. Thus, the operators approached new packaging as bottling in small receptives or in premium bag-in-box.

2. So far, NSP measures implemented did not seem to have improved the position of beneficiaries within the supply chain. Consecrated wine producers as well as other new ones (with strong financial reserves) identified new supply channels for their products (HORECA). For penetrating this market segment, the producers improved packaging of the products and adapted the volume of the packaging, as for example the demand of by glass wine is increasing in the last three years. The producers which tried to gain market share on the HORECA market also tried to improve the quality of their wines (as of NRDP investments realized) by not focusing only on basic quality wine but more on premium and superior premium wines, fact which ensured
them higher profit margins. The statistics data are missing at national level and at international as well, thus it is difficult for the wine producers to evaluate quantitatively the wine demand and their market shares.

3. A change in Romanian consumer behaviour is observed as well. Nowadays, even if not to a very large extent and in spite of lower purchasing power, the Romanian consumer started to be more interested in high quality wines and not in cheap ones. However, there are still problems on the market with a series of low quality wines from abroad which are benefiting of better reputation and which are sold at lower prices.

4. For the producers which implemented promotion actions an increase of the wine sold in targeted countries was registered. However, on some markets the beneficiaries of the promotion measures emphasized that they confronted difficulties of penetrating the new market (e.g. Chinese market). The market share on third countries is difficult to be evaluated as of the low quantity sold overall. Thus, to an extent difficult to be counted, the promotion measure facilitated the increase of Romanian exports in targeted countries.

5. However, for the small producers it is very difficult to negotiate directly with potential distributors which are still requesting for high taxes. The producers are not capable of associating and negotiating directly with retailers. Not even national producers’ representatives succeeded in their negotiations with wholesalers/retailers.

6. The lack of reputation of Romanian wines at international level is seen as the most important issue of the Romanian wine sector. The country brand name is appreciated as the most important factor which may boost the exports of Romanian wine products in third countries but also the sales on intra-EU countries. Even if promotion measures have been implemented in third countries, the national reputation is still at a very low level. Effects of the promotion measure

3.3.5 Effects of the promotion measure on the recovery/capture of foreign markets

3.3.5.1 Evolution of the market shares of national wines on the main foreign markets

In spite of the fact that within the promotion actions implemented by various stakeholders at the level of third countries, at the time being the statistical data in respect to evolution of market share in these targeted countries is not available and – to the opinion of both national authorities and beneficiaries – it is very difficult to be measured. However, even if the promotion measure seems to be of real success, the quantity sold to third countries as a consequence of these actions it is small. (e.g. Producer A succeeded to commercialize in Japan about 40000 bottles in 2017 as of the information measures implemented within NSP).

3.3.5.2 Information collected in the implementation reports

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Eligible measure (Article 45(1) b of Regulation (EC) No 1308/2013)</th>
<th>Description(3)</th>
<th>Area covered</th>
<th>Period</th>
<th>Eligible expenditure (EUR)</th>
<th>of which Community contribution (EUR)</th>
<th>of which other public support if any (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC SENATOR PRODIMPEX SRL</td>
<td>&quot;Promotion of wines with Designated Origin and Geographical Indication in the People’s Republic of China&quot;</td>
<td>Promoting Romanian wines with DOC and IG on P.R. of China and informing target groups about the intrinsic characteristics of promoted wines by implementing the following actions: A large-scale seminar at Weihai; Multianual tastings: Harbin, Shenzhen, Changchun, Shenyang, Panjin, Tangshan, Changzhou, Tangshan; Visit of importers and / or journalists to production site; Participation in large-scale international fairs: 92nd China Food and Drinks Fair 2015 (Chengdu), 93th China Food and Drinking Fairs Nanjing 2015,14th China International Wine and Spirit (Interwine Guangzhou), 15th China International Wine and Spirit (Interwine Guangzhou) ; Wine and Spirits Show (Chengdu), Dalian Red Wine Festival 2015, China International Wine and Liquor Invest Exhibition (Amoy Wine Xiamen), Top Wine Beijing, The 2nd Shenyang International Wine Exhibition 2015, 8th International Wine and Spirit Nanjing, Hong Kong International Wine and Spirit Fair 2015,Prowein(Shanghai)</td>
<td>P.R. of China</td>
<td>2016</td>
<td>338 310,24</td>
<td>169 155,12</td>
<td>101493,06</td>
</tr>
<tr>
<td>Company</td>
<td>Description</td>
<td>Impact of Measures</td>
<td>Year</td>
<td>Estimated Exports</td>
<td></td>
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</tr>
<tr>
<td>SC SENATOR PRODIMPEX SRL</td>
<td>Promotion of wines with Designated Origin and Geographical Indication in the Russian Federation</td>
<td>The promotion of wines with DOC and IG on the Russian Federation market carried out by implementing the following actions: - market study; data acquisition from the market research on the wine market in the Russian Federation; - online marketing; - PR and information campaigns: 2 visits to production sites, large-scale seminars in Moscow, small-scale tastings in Moscow; Advertising and advertising campaigns: 1000 catalogues and 250 tasting sets were printed; - retail promotions program in Moscow, the GIPERGLOBUS &amp; ATAK supermarket chains; - participation to the PRODEXPO fair; - production and delivery of samples: 84 pcs.</td>
<td>2016</td>
<td>142 650,44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.C. JIDVEI S.R.L. FILIALA ALBA</td>
<td>&quot;Promotion of still and sparkling PDO and PGI wines on the Japanese Market&quot;</td>
<td>Promoting of RomanianPGO and PGI wines on Japanese market for increasing the exports of these wines through: - WINE TOKYO and WINE KANSAI fairs; - tasting seminars within HoReCa and retail locations; - 2 visits to the production sites; - Organization of tasting sessions / Tokyo, Nagano, Itu Kougen, Toyohashi, Fanex, Tokushima, Takasaki; - Promotion at sales locations at HoReCa and retail / Honmoku locations; - Online advertising on the Rakuten online mall, on Facebook, on the website, on Amazon, direct mailing; - Information and promotional materials; - Delivery of samples</td>
<td>2016</td>
<td>202 584,48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC VINCON VRANCEA S.A</td>
<td>&quot;Promotion of wines with Designated Origin and Geographical Indication on the Chinese and Canadian markets&quot;</td>
<td>Increasing exports of quality Romanian PDO and PGI wines by valorization on the already existing distribution networks in China and expanding the range of products in Canada; improving the image and perception of Romanian wines on the international market, adapting the export offer by participating in the Gunagzhou fairs - 12th China International Wine and Spirits Exhibition, Winexpo Shanghai; Shanghai tastings; stock market chains in Canada.</td>
<td>P.R. of China, Canada</td>
<td>2016</td>
<td>72 291,32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASOCIATIA PRODUCAT ORILOR DE VIN SI PRODUSE VITIVINICOLE DOBROGEA</td>
<td>&quot;Wines from Europe - Promotion of PDO and PGI wines from EU in Vietnam, South Korea and Japan&quot;</td>
<td>Opening of targeted markets for Romanian wines with PDO and PGI; raising awareness on Romanian PDO and PGI wines; establishing sales networks in countries targeted by the program and achieving the estimated export targets. The implemented actions: Website, Information Brochures, Posters; Hotel and restaurant presentations - Vietnam hotel presentations, South Korean hotels and hotels in Japan.</td>
<td>Vietnam, South Korea and Japan</td>
<td>2016</td>
<td>36 218,16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.C. JIDVEI S.R.L. FILIALA ALBA</td>
<td>&quot;Promotion of still and sparkling PDO and PGI wines on US Market&quot;</td>
<td>Increased exports of quality EU wines; improving the image and perception of Romanian wines on the US market; Exploiting the PDO and PGI wines quality on the US market by implementing the following actions: International Wine, Beer and Spirits Event; -Seminar presentation; Fair Participation World Meetings America; -the Wine Beer and Food Festival fair; - New York release.</td>
<td>USA</td>
<td>2016</td>
<td>91 600,86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.C. JIDVEI S.R.L. FILIALA ALBA</td>
<td>&quot;Promotion of still and sparkling PDO and PGI on the Japanese Market&quot; (program extension)</td>
<td>Promoting the EU PDO and PGI wines on the Japanese market and increasing the exports of these wines through: - tasting sessions / Ishikawa (Hotel Kanazawa), Okinawa (Bistro Montmartre), Nagoya, Aichi; - fair participation / WINE TOKYO; information materials / catalogues, banners, product cards</td>
<td>Japan</td>
<td>2016</td>
<td>75 000,00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asociația pentru Promovarea a Vinului Românesc</td>
<td>&quot; Promotion Program on PDO and PGI Romanian wine on the domestic market (Germany) &quot;</td>
<td>Promotion of Romanian PDO and PGI wines on Germany market</td>
<td>Germany</td>
<td>2017</td>
<td>80.377,18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**AGROSYNERGIE – Case study report: Romania**

Evaluation of the impact of the CAP measures applicable to the wine sector
3.3.6 Effects of the promotion measure on the reputation of EU wines

3.3.6.1 Synthesis of the interviews

IQ 3.1 What are the EU wine products benefiting from the best reputation abroad? Please specify:

- Their origin (France/Italy/Spain/etc.)
- Their category (red/white/sparkling/etc.)
- Their quality (PDO/PGI/wine variety)

From the perspective of representatives of national authorities not necessary wine's origin and category is contributing to the reputation, but mostly the quality of wine products is influencing the reputation. However, from the viewpoint of part of representatives of the sector the best reputation abroad is provided by a cumulus of factors and not separately the origin or category or quality. The origin is considered the most important factor of reputation abroad by the industry union, but in the opinion of wholesalers the quality is the most important asset.

IQ 3.2 Did the promotion measure contribute to strengthening the reputation of the national wines?

The national authorities are considering that even if not to a large scale, the NSP promotion measure contributed to consolidate the reputation of Romanian wines in countries as Japan, China, USA, Mexico, South Korea. The statement is sustained by the replies of the the beneficiaries of the promotion measures but also by the sector representatives. The beneficiaries are considering the bureaucracy as the main problem in implementation of the promotion measure, but in the perception of local producers’ representatives the impact of the promotion measure is fantastic but mostly on third countries where the Romanian wines are not known.

IQ 3.3 Apart from the NSP, were there any other factors that could have impacted the reputation of national wine products abroad?

The reputation of national wine products abroad is directly linked to development of a country brand from the viewpoint of many stakeholders as representatives of the sector, wine producers and small wineries. NSP may be the most suitable programme for promotion of wine products on third countries. The producers as beneficiaries highlighted the fact that the Romanian wines did not have any reputation before implementation of promotion actions; in Germany for example the Romanian wines were known in the past as low-quality wines because of the bulk wine sold in this country before the revolution. As of 2017, an information campaign focused on the system of PDO/PGI wines is being implemented in Germany through the Romanian NSP for wine.

3.3.7 Effects of the promotion measure on wine companies’ income

3.3.7.1 Synthesis of the interviews

IQ 3.4 Are there spill-over effects of the promotion support on wine producers’ income?
Both producers interviewed specified that is very difficult to evaluate the spill-over effects of the promotion operation. The promotion measures implemented by the Producer A targeted a series of third countries as: China in 2009 for 5 years (3 years + 2 years prolongation), 2012 Japan (3 years+2 years prolongation), 2015 USA (3 years), Mexico for 3 years. For Producer A an increase of annual incomes was noticed. Last year this operator increased its sales with about 2 million bottles. This increase can be explained both by the impact of NSP as well as through gaining part of the market share of Murfatlar which at the time being is bankrupt. Producer B is convinced that the promotion measure implemented surely had an impact on their income. As an example, following the promotion action implemented in Japan, they succeeded in 2017 to export about 40000 bottles. In Japan they also received a medal for organic wine. Overall, their income is increasing from one year to another but the factors influencing this increase are not clear.

The representatives of the sector (producers, small wineries) highlighted the need of corroborating the promotion measures of wine products with other promotion measures for products from other agricultural sectors in order to ensure high impact and, besides, the majority of the interviewees consider that the incomes of beneficiaries of promotion operation would be higher in case oenologic tourism would develop. Moreover, the representatives of national authorities precised that implementation of programs aiming horizontal promotion of agricultural products may be of interest.

IQ 3.5 Were there any other factors that could have impacted the wine producers’ income?

According to national authorities, the impact of the promotion would be higher in case, for example, at national level the image of a Romanian personality (e.g. sports) would be linked to wine consumption. Improvement of Romanian wines reputation can be achieved in case an international recognized Romanian personality would be designated as "Wine Ambassador". The development of a country brand would essentially contribute to the improvement of the Romanian wines reputation. (E.g. Wines of Portugal).

The representatives of the sector find that the free trading protocols with various countries is affecting the selling. The main competitors as Chile, Australia, South Africa, New Zealand are selling wine products at lower prices and benefit of a better reputation. However, the industry union requested for financial aid per hectare for phytosanitare treatments (through national budget or through NSP) while the representatives of Small Winery B mentioned that correlation of the level of subsidises per hectare with the specific of managerial practices in the vineyard would definitely impact wine producers’ income. Wine produces could not reply to this question.

3.3.8 Additional benefits or negative effects in third countries generated by the support for promotion

3.3.8.1 Synthesis of the interviews

IQ 3.6 Are there any additional benefits or negative effects arising from the promotion operations implemented in third countries?

None of the stakeholders could present any additional benefits or negative effects arising from the promotion operations implemented in third countries.

3.3.9 Conclusion of the expert on the effects of the promotion measure

1. The origin country and the quality seem to be the most important factors influencing the reputations of wine from the perspective of interviewees.

2. The promotion measures contributed to strengthening the reputation of Romanian wines but not to a very large extent. The beneficiaries highlighted that in their attempt of improving the reputation of Romanian wines they felt alone, as the representatives of public authorities in targeted countries were not involved and did not support at all their actions.

3. The market share at the level of third countries is difficult to be assessed as the quantity commercialized in the targeted countries is still very small.
4. The country brand is considered as the most important factor which may influence the reputation of Romanian wines, as in the past Romania was seen as a country producing low quality wine for mass consumption.

5. The promotion measure could have impacted the income of beneficiaries by sustaining oenological tourism development at the level of Romania (e.g. in Republic of Moldova)

6. A “Wine Ambassador” in the person of a Romanian public personality highly known at international level could support the reputation of Romanian wines abroad (e.g Nadia Comaneci).
3.4 Effects of the information measure

3.4.1 Effects of the information measure on responsible consumption of wine

3.4.1.1 Other national campaigns on responsible consumption of wine/alcohol

3.4.1.2 Synthesis of the interviews

IQ 4.1 In your Member States, did the operations implemented under the information measure contribute to raise the awareness on responsible consumption of wine? Please be specific on the results achieved.

None of the stakeholders have knowledge on the implementation of a program at national level focusing on raising the awareness on responsible consumption of wine. The national authorities specified that for implementing this kind of program, the Ministry of Health should priorly provide some studies or an authorisation which should scientifically define what is responsible consumption of wine.

IQ 4.2 Were there any other factors that could have influenced the awareness on responsible consumption of wine?

The stakeholders could not provide an answer to this question as an operation focused on awareness on responsible consumption of wine was not implemented previously.

3.4.2 Effects of the information measure on consumers’ knowledge of EU quality scheme

3.4.2.1 Other national campaigns on EU quality schemes

3.4.2.2 Synthesis of the interviews

IQ 4.3 In your Member States, did the operations implemented under the information measure contribute to enhance the knowledge of EU quality schemes? Please be specific on the results achieved.

The measure of information in MS is included in the NSP 2014-2018 of Romania and a first programme is being implemented by the Romanian Wine Promotion Association in Germany for a three-year period, during 2017-2019 (see Annex III of 1 March 2018 for the first year of implementation). The title of the programme is "Promotion through information concerning Romanian Protected Designations of Origin and Geographical Indications on the internal market (Germany)".

IQ 4.4 Were there any other factors that could have influenced the level of knowledge on EU quality schemes?

The stakeholders could not provide an answer to this question as an operation focused on enhancing the knowledge of EU quality schemes.

3.4.3 Conclusion of the expert of the effects of the information measure

1. A first information programme in MS focused on information concerning Romanian Protected Designations of Origin and Geographical Indications is being implemented by the Romanian Wine Promotion Association in Germany for a three-year period, as of 2017.

2. The Ministry of Agriculture requested a study on behalf of Ministry of Health to demonstrate the benefic effects of responsible consumption of wine.
3.5 Efficiency of the management of the NSP

3.5.1 Achievement of the technical targets of the NSP

Table 10: Rate of achievement of the foreseen expenditures per measures

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>27.88%</td>
<td>9.96%</td>
<td>34.24%</td>
<td>15.18%</td>
</tr>
<tr>
<td>Restructuring &amp; conversion</td>
<td>104%</td>
<td>50.75%</td>
<td>24.57%</td>
<td>30.85%</td>
</tr>
<tr>
<td>Harvest Insurance</td>
<td>72.38%</td>
<td>65.32%</td>
<td>53.35%</td>
<td>7.45%</td>
</tr>
<tr>
<td>Investment</td>
<td>0%</td>
<td>0%</td>
<td>7.05%</td>
<td>25.50%</td>
</tr>
<tr>
<td>By product distillation</td>
<td>-</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: DG Agri, March 2018

According to representatives of national authorities, a high absorption rate was reported for the first two years of the NSP 2014-2018 when practically the big operators finalized the restructuration/conversion of the biggest part of their planted surface which started in the previous NSP exercise (2009-2013). At the time being, restructuration/conversion is realized by small producers and for small vineyard surfaces. As an example, at the time being 100 operators (natural persons or legal entities) may request together for restructuration/conversion of 500ha. In comparison, in the past only one operator was requesting for restructuration/conversion of a single surface of 100ha. To date, the overall surface restructured/converted is of 30000 ha.

In order to address this issue, on the 1st of March the Ministry notified the EC on a series of budgetary modifications at measures level as did before as well. The modifications (actualization) may facilitate the increase of rate absorption starting with 2019.

However, the new authorisation scheme could have impacted the absorption rate, as well as the legislative modifications in respect to wine industry. Practically, in 2015 a new law of wine entered into force (Law 164 from June 2015), but the legislative norms were issued one year later (HG 512 from June 2016). This is due to the fact that all the legislative documents were debated with the stakeholders and the decision-making process was prolonged. Moreover, at the time-being the new measures of the NSP were revised and notified to the EC. The new measures should be more flexible in terms of bureaucracy and their expectations are that the execution rate will reach at least 70-75% from 2019 further. Moreover, ministry is expecting that the investment measure will be of great success.

On the other hand, according to Paying Agency representative, in respect to each measure implemented within NSP at national level:

Regarding the promotion measure (Promovare în țări terțe, Art. 45/CMO R.) the beneficiaries might not be very familiar with the measure and their lack of capacity of collaborating together in order to access new markets (e.g. third countries and EU) might be the reason of this low execution rate. However, as presently financial support is available for promotion in Member States, the execution rate might increase from now on further.

In what it concerns the Restructuring/conversion measure (Restructurare/Reconversie, Art.46/CMO R.), the biggest part of main operators did succeed to restructure/convert the biggest part of their surfaces within the first two years of the NSP 2014-2018. At the time being the projects are designed for restructuration/conversion of smaller surfaces, and consequently, the expenditure decreased in the period 2016-2017. Overall, the restructuring/conversion measure is the most successful measure of the program even if the rate of execution decreased in the last two years. For example, there are producers who succeeded the restructuration/conversion of about 95% of their total vineyard surface (about 1800ha).

Besides, regarding the implementation from financial viewpoint, it was noticed that the operators are not using the pre-payment tools as the process of issuing a letter for guaranteeing the reimbursement of pre-payment on behalf of a financial institution is assuming a series of costs which are too high for small producers. Consequently, in the majority of cases, the operators are implementing projects through their own financial possibilities, according to their cash flux and financial possibilities and request the biggest proportion of the reimbursement (project budget) within the final payment request.
Regarding the harvest insurance (Prima de asigurare a recoltei de struguri pentru vin, Art. 49/CMO R.) the big operators are interested in the scheme but for small wine growers might not be very interesting to apply to this measure as for example in the case of a grower with 0.1-2ha the measure may not be of interest. As example, for an grower with a surface of 2ha, case the insurance is of 200 lei/ha, and within the measure 50 to 80% of the expenditure is eligible for reimbursing, the payment request can be of 100-160lei, meaning that the other administrative cost for requesting the reimbursement might be higher and the efforts may not be justified.

Regarding the investment measures (Investitii în intreprinderi, Art.50/CMO R.) the expenditure at the level of this measure is constant, it is expected that after the restructured / converted vineyards will get to full maturity, the interest towards it will increase as the investment in wineries is expected to be managed by APIA and not by AFIR within RDP.

Finally, in respect to by-product distillation (Distilarea subproduselor, Art.52/CMO R.) - the low number of the operators in this field is explaining the low execution rate of the measure.

3.5.2 Selectiveness of the management procedures

Table 11: Main criteria/procedure(s) ensuring the relevance of the selected applications

<table>
<thead>
<tr>
<th>Promotion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The criteria which should be accomplished by applications:</td>
<td></td>
</tr>
<tr>
<td>Criteria regarding eligible products: PDO/PGI wines</td>
<td></td>
</tr>
<tr>
<td>Criteria regarding the messages of promotion program:</td>
<td></td>
</tr>
<tr>
<td>Promoting messages should refer to wines own intrinsic quality in accordance with the enacting legislation in third countries.</td>
<td></td>
</tr>
<tr>
<td>Promotion projects are financed for minimum one year, and maximum 3 years, with a possibility of prolongation for only one time for maximum 2 years.</td>
<td></td>
</tr>
<tr>
<td>Main selection criteria in respect to project application:</td>
<td></td>
</tr>
<tr>
<td>In order to ensure administrative compliance and for fulfilling the eligibility criteria, applicants must, when preparing promotion and information projects, comply with the format and requirements of the application form for wine marketing programs on third country markets and the instructions for completing it (Annex 1 to this guide). Applicants will also comply with applicable legislation (section 2 of this guidance).</td>
<td></td>
</tr>
<tr>
<td>Program proposals will be written in Romanian and will be signed and dated by the person responsible for the program.</td>
<td></td>
</tr>
<tr>
<td>Proposals for a program may refer to one or more target countries, but the presentation of the promotion program should be made for each country. If the same strategy, the same target groups and / or the same solutions are considered for a group of countries, this should be clearly explained in the proposal.</td>
<td></td>
</tr>
<tr>
<td>The projected costs for these actions will be dimensioned considering the criteria specified in Annex no. 3 of the model contract - &quot;Conditions of eligibility of expenditure&quot;, approved by Order (MADR) no. 1648/2014, published in the Monitorul Oficial al Romaniei no. 833, Part I, dated 14.11.2014 and reproduced in annex no. 2 of the guide. The forecasted budget shall be sufficiently detailed to allow identification, monitoring and control of the proposed action program, specifying, in particular, the types of expenditure set out in the Annex to the model contract.</td>
<td></td>
</tr>
<tr>
<td>The documentation on the program proposal will also contain the following:</td>
<td></td>
</tr>
<tr>
<td>• information-commitment sheet on the applicant (Annex 3 to this Guide);</td>
<td></td>
</tr>
<tr>
<td>• the information sheet on the implementing body, if it has been selected (Annex 4 to this guidance document) and the documentation on the award procedure (see p. 12).</td>
<td></td>
</tr>
<tr>
<td>• Delegacy designating the person responsible for the project, if the legal representative of the applicant company is not the full-power administrator or has not been appointed by the AGM (the mandate given to the program leader by the general meeting or the board of directors, in the according to the statutory provisions, in the case of professional / interprofessional organizations), stipulating that the appointed person is a representative of the applicant and responsible for the program, that he / she can employ in patrimonial aspect the applicant in relation to the proposed program, respectively declares on his own responsibility the co- complete and sign the declarations and forms attached to the grant application, sign the paying agency financing contract and any other commitments with subcontractors for and on behalf of the applicant as well as other documents related to the proposed project. All documents signed by him / her are assumed by the applicant and are producing legal effects;</td>
<td></td>
</tr>
<tr>
<td>• copies by statute, organization chart, the most recent activity report of the applicant, the most recent report of the censors committee;</td>
<td></td>
</tr>
<tr>
<td>• Copies of the financial statements (balance sheet and profit and loss account) of the last three years, registered with the financial administration;</td>
<td></td>
</tr>
<tr>
<td>• a description of the similar actions undertaken over the past two years;</td>
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<td></td>
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</tbody>
</table>
any document permitting the applicant’s financial, technical and professional capacity to be assessed.

Should the application not be forwarded by the beneficiary but by an intermediary authority (e.g. Association of producers), the beneficiary will first have to prove that the selection of the intermediary organism was done in accordance with the following criteria:

- a list of enclosed documents;
- the explanatory note on the choice of the award procedure and its description, where a procedure other than the open call, which is normally applied;
- the decision to appoint the evaluation committee and the own-liability statements of the committee members demonstrating that the conflict of interest provisions have not been violated;
- the participation notice and the proof of its submission for publication in the SEAP, or, as the case may be, the notice of participation published in a national newspaper. In order to provide additional advertising, the ad will be posted on the beneficiary’s own site;
- technical specifications / specifications;
- the tender forms submitted in the procedure;
- the tenderers’ declarations according to which they are not in conflict of interest, as defined in art. 14 of OUG no. 66/2011 on the prevention, detection and sanctioning of the irregularities in obtaining and using the European funds and / or the national public funds related thereto;
- requests for clarifications received;
- clarifications and answers, if any;
- the minutes of the opening of the bids;
- Interim evaluation reports;
- the award procedure report;
- the award notice and proof of its submission for publication, or, where applicable, proof of communication of the outcome to all participants in the award procedure;
- the service contract concluded with the selected organization;
- the information sheet on the selected implementing organization (Annex 4 to this guidance) completed with the required data.
- Documents proving the experience, financial capacity, technical skills and skills of the staff of the selected organization.

Afterwards, the intermediary should demonstrate:

**Financial and economical capacity**

The justification of the financial and economic capacity of the implementing body or bodies will be made by presenting the following documents:

- a brief description of the organization’s economic activity in relation to the activities of which would be responsible under that action program;
- the presentation of the last three balance sheets or extracts from the balance sheet if the publication of the balance sheets is provided in the company law of the country where the service provider is based, with proof of being lodged with the competent authority of that country (tax administration, trade register etc.);
- fiscal record certificate.

**Technical and administrative capacity of the staff**

Implementing bodies must provide the following information:

- describing the experience and professional capabilities of the staff;
- the main services provided in the past;
- Documents certifying the knowledge of the countries / markets targeted by the wine-growing program;
- general knowledge of the products or themes concerned, working experience with other professional / interprofessional organizations and / or agri-food sector companies and / or public sector institutions.

**Exclusion criteria:**

Implementing organizations will automatically be disqualified in the following situations:

- are bankrupt, being wound up, terminated or suspended, judicial reorganization, enter into agreements with creditors (or any other similar measure) or are subject to procedures of this kind provided for in national legislation or regulations;
- have been convicted by a final court order;
- have not fulfilled their obligations regarding the payment of social security contributions, taxes and fees;
Restructuring & conversion

The main criteria of the application is the individual plan which should contain the following elements:

a) original justification, which includes: the administrative location (county, town, commune, village, component locality), identification of the natural / legal person, brief description of the situation of the vineyard (area, plots, varieties, averages per hectare, management form, support system) and the reasons for the need to apply restructuring / reconversion programs;

b) a copy corresponding to the original of the vineyard plot sheet submitted to the restructuring / conversion programs, according to the RPV, case needed;

c) a copy corresponding to the original of the centralizing situation of the characteristics of the parcels subject to the restructuring / conversion programs, according to the model presented at letter e. of annex no. 1 to the Norms regarding the management of the system of vine-planting licenses for vineyards, approved by the Order of the Minister of Agriculture and Rural Development no. 364/2016, with further additions, where appropriate;

d) a copy corresponding to the original of the planting / replanting authorization from conversion or planting / replanting authorization issued on behalf of the applicant;

e) original certificate regarding the unique identification number of the applicant from the Farm Register;

f) copies conforming to the originals of the A3 format sheets from the paying agency, containing the spatial identification data of each physical block containing the land areas to be supported through restructuring / reconversion programs, as well as the indicative outline of their positioning within the physical blocks;

g) a copy corresponding to the original of the cadastral plan with the location of the initial and final plots, as the case may be;

h) a copy corresponding to the original on the documents evidencing the ownership and / or exploitation rights on the parcels subject to the restructuring / conversion programs, stating the cadastral data (tarry number, cadastral parcel number, cadastral parcel area);

i) the written consent of the owner of the land areas for which restructuring measures / reconversion measures are requested or the agreement proving the exploitation rights to be drawn from this agreement;

j) declaration by the applicant on his / her own responsibility that the vineyard parcels subject to restructuring / conversion and the agricultural areas to which the vineyards are to be located shall not be the subject of any dispute;

k) situation with the presentation of the measures to be taken within the framework of the individual plan;

l) the expected execution schedule for each eligible measure and for each wine year;

m) a copy corresponding to the original on the grubbing-up declaration of the vineyard planting in the case of individual grubbing-up.

n) for the program for replanting vineyard parcels according to point 2.2. b shall be copied according to the original of the comparative study of the pedo-ecoclimatic conditions between the old location and the new location, prepared by authorized natural / legal persons;

o) harvest declaration and / or production declaration of the vineyard holding, including the parcels subject to the restructuring / conversion program, as the case may be;

p) a declaration on the applicant’s own responsibility, under which he undertakes to execute in full the measures provided for in the submitted plan;

q) a declaration on the applicant’s own responsibility that the parcels subject to restructuring / conversion programs have not benefited from Community financial support for setting up and / or upgrading in the last 10 years, with the exception of the programs provided for in Art. 2.2 lit. c); r) a declaration on the applicant’s own responsibility that the conditions of good agricultural and environmental practices will be respected in the vineyard parcels resulting from the restructuring / conversion programs;

s) certificates attesting not tax and social debts issued by the general directorates of public finances and by the municipalities in which the natural / legal persons have their registered office;

s) a certificate issued by an associative form from the legally established wine branch, showing that the beneficiary is a member of:
- group of producers, established according to the Government Ordinance no. 37/2005 on the recognition and functioning of producer groups and organizations for the marketing of agricultural and forestry products, approved with amendments and completions by Law no. 338/2005, producer group in the wine sector constituted according to the legislation in force;
- agricultural cooperative societies, established according to the Law no. 1/2005 on the organization and functioning of the cooperative, republished; - agricultural cooperatives, constituted according to the Law on Agricultural Co-operation no. 566/2004, as amended and supplemented; - interprofessional organizations for agri-food products (OIPA), on wine-growing; - associations of legally constituted wine producers;

i) documents issued by the phytosanitary unit within which the plantation is located, showing that the area under the program is infested with one or more harmful organisms harmful to the phytosanitary status of the vineyard plantations in the case of compulsory deforestation referred to in point 2.2. c) according to Annex no. 6 to these norms “

Green harvesting
Not the case
**Harvest Insurance**
The support measure to ensure the harvest of the vineyards has as beneficiaries, the producers, the natural / juridical persons who ensure the harvest of wine grape varieties.

According to art. 2 of OMADR no. 1329/2014, for the purpose of approving the financial support, the beneficiaries must fulfill the following eligibility conditions:

1. to prove that they exploit an area cultivated with vine varieties for wine grapes of minimum 0.1 ha;
2. to provide evidence that wine vineyard surface of grape varieties for which the harvest insurance policy is requested has been included in the Viticultural/Vineyard Register;
3. to enter into a harvest insurance policy with an insurer, mentioning at least the quantity of wine grape insured, its area, its location and the value of the insurance premium.

Limitations for support
According to art. 4 of OMADR no.1329 / 2014, no financial support is granted to producers in the wine sector for:
- the harvesting of grape for consumption;
- ensuring the harvest of vineyards with direct producers hybrids: Noah, Othello, Isabelle, Jacquez, Clinton and Herbemont;
- ensuring the harvest of the vineyard plantations covered by the research projects and the measures intended to support such projects.

**Investment**
According to the provisions of art. 50 of Regulation no. 1308/2013, Cap. I, art. 1 (b) of the Annex to the MADR Order no. 1801/2014 with subsequent amendments and Commission Recommendation 2003/361 / EC on the definition of micro, small and medium-sized enterprises, may be considered as applicants for investment in the wine sector the organization fulfilling the following conditions/criteria:

- hold or operate vineyards registered in the vineyard register, for PDO and / or PGI production and authorized for this purpose and producing and bottling wines with PDO and / or PGI of at least 25% of total wine production;
- Purchase grapes for PDO and / or PGI production, produce and bottle wines with PDO and / or PGI of at least 25% of total wine production;
- are small and medium enterprises with less than 50/250 employees and with an annual turnover or balance sheet below 10/50 million euro;
- are micro-enterprises with fewer than 10 employees or an annual turnover or balance sheet of less than EUR 2 million;
- enterprises with fewer than 750 employees or with an annual turnover of less than EUR 200 million and which do not fall under the category of small and medium-sized enterprises or micro-enterprises;
- are authorized natural persons, family enterprises, individual enterprises, according to the provisions of Government Emergency Ordinance no. 44/2008 on the conduct of economic activities by authorized natural persons, individual enterprises and family enterprises, as subsequently amended and / or legal entities with fiscal domicile in Romania offering investment programs other than those financed by the National Development Program Rural Development Program for the period 2014 - 2020, hereinafter referred to as NRDP with fiscal domicile in Romania;

**By product distillation**
1. It is prohibited to overpress grapes. Depending on the local and technical conditions, Member States shall determine the minimum quantity of alcohol that marc and yeasts must contain after grape pressing the grapes.

The amount of alcohol contained in these by-products shall be determined by the Member States at a minimum level of 5% relative to the volume of alcohol contained in the wine produced.

2. Except for alcohol, spirits and potatoes, wine or other beverages can not be intended for direct human consumption from wine lees or from grape marc.

3. It is forbidden to rub the wine leaven and to re-ferment the marc for purposes other than distillation or production of the pcket. The filtration and centrifugation of wine yeast is not considered molding case the quality of the products obtained is good, correct and commercible.

4. Case its fabrication is authorized by the Member State concerned, the pickle may only be used for distillation or consumption in the households of wine producers.

5. Without prejudice to the possibility for Member States to require the disposal of by-products by distillation, any natural or legal person or groups of persons have to dispose the by-products, under the circumstances set out by the Member State according to the rules laid down by the Commission by means of delegated acts.

**Innovation**
Not the case

Source: APIA, Guide for Applicants
3.5.3 Description of the management procedures of application files

In accordance to the answers received from the authorities in charge and in accordance with the specific documentation of the measures, the management procedures of applications are the following for each measure:

Promotion (ORDIN nr. 1648/2014 pentru aprobarea Normelor metodologice privind condițiile de punere în aplicare a măsurii de promovare a vinurilor, eligibilă pentru finanțare în cadrul Programului național de sprijin al României în sectorul vitivinicol 2014-2018, și pentru aprobarea modelului de contract privind punerea în aplicare a programelor de promovare a vinurilor):

The Commission established beside MADR (Ministry of Agriculture and Rural Development) are evaluating the project submitted by the beneficiary. After the proposal is evaluated and approved by MADR, the paying agency (APIA) is in charge for concluding the contract only after performing and administrative check. Regarding the control during implementation, APIA is in charge of performing on-site checks at the place where the actions take place but also the financial control at the beneficiary.

Restructuring/conversion: (ORDIN nr. 1763/2014 pentru aprobarea Normelor metodologice privind condițiile de punere în aplicare a măsurii de restructurare/reconversie a plantăților viticole, eligibilă pentru finanțare în cadrul Programului Național de Sprijin al României în sectorul vitivinicol 2014 - 2018)

The applicants submit their applications to the County Directorates for Agriculture and at the level of this institutions a Technical Commission for evaluation is established. The Technical Commission are encompasses three members (the representative in charge with Vineyard Register, the wine inspector and the county representative of ONVPV). APIA performs after the evaluation on-field and administrative checks. The projects including grubbing-up activities are to be implemented within 3 years, while the others should be finalized within 2 years.

Harvest insurance (ORDIN nr. 1329/2014 pentru aprobarea Normelor metodologice privind condițiile de punere în aplicare a măsurii de asigurare a recoltei de struguri pentru vin, eligibilă pentru finanțare în cadrul Programului național de sprijin al României în sectorul vitivinicol 2014-2018):

The applicants are submitting till the 30th of November each year the request for paying accompanied by the insurance, proof of payment and declaration for avoiding overlapping. The administrative check is realized and for the surfaces which were not measured since 2007, on-field measurements are to be realized.

Investments (ORDIN nr. 1801/2014 pentru aprobarea Normelor metodologice privind condițiile de punere în aplicare a măsurii de investiții, eligibilă pentru finanțare în cadrul Programului național de sprijin al României în sectorul vitivinicol 2014-2018):

The applicants draft/elaborate a feasibility study and submit it to APIA for evaluation. The feasibility study may be drafted by a consultancy company and this study can be reimbursed by APIA. In the past only the wineries modernization was eligible for funding, but currently also the construction and renovation of wineries as well. The funds requested may be provided in advanced through pre-payments instruments (case the beneficiary is appealing to this instrument) or through request for final reimbursement.


The applicants submit the application to territorial office of paying agency. The dossier registered as application should contain: a) Notarial empowerment / proxy, if the request is made through a mandated representative; b) the centralizing of receipts of certificates; c) proof of distillation, by submitting the "Production Report"; d) proof of payment to the producer of the transport of the by-products, where appropriate; e) justification of the use of alcohol.

3.5.4 Data on workload linked to the NSP implementation

Based on answers to IQ 2.4, please summarize the costs related to the administration and payment of the NSP. The costs related to controls are not included.
### Workload in Full-time equivalent (FTE) and Other cost (premises, IT, equipment)

<table>
<thead>
<tr>
<th>National authorities</th>
<th>0</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment services</td>
<td>153</td>
<td>12822000 eur is the total budget of APIA for 2016 for a Total number of staff [FTE] of 4599. Within NSP for wine sector the Total number of staff [FTE] is 153 meaning that the overall budget for this programme is about 4265702 eur, about 8.95% of the overall annual budget of the programme</td>
</tr>
<tr>
<td>Administrators /</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

### 3.5.5 Synthesis of the interviews

#### 3.5.5.1 Questions related to the effects of the financial parameters

**IT 2.5** Compared to a budget that would have been manage on a 5 year period, have the yearly management of the NSP’s budget fostered an orderly implementation of the measures on all the duration of the programme?

Both national authorities interviewed had the same position in respect to this issue. The representatives of the ministry explained that a budget managed at the level of a five-year period would be easier to implement as currently it is very difficult to implement at the level of a single year the application evaluation and selection, administrative and on-field checks, as well as contract concluding. Re-balancing between measures within one year from financial point of view is very difficult to be realized. In the case of promotion measure it is compulsory to not apply to state aid (this was optional until 2017). The norms regarding the state aid should be modified from Ministry’s viewpoint.

On the other hand, the Paying Agency is sure that implementation of the program on a five-year period will allow better implementation as it is very difficult that within one year to organize administratively the evaluation, selection, administrative and on-field checks and also conclude the contracts with the beneficiaries.

**IT 2.7** Have the yearly management of the NSP’s budget fostered/hindered the selection of the more relevant applications? Has it been an obstacle to the support of multiannual projects or structuring projects?

From the viewpoint of the Ministry the yearly management of the NSP did not fostered/hindered the selection of the more relevant applications as the technical commissions are evaluating the projects. However, the paying agency stated that it is very difficult to manage the program at annual level, and in many cases, the technical commissions which are evaluating the projects are/were under pressure and overwhelmed sometimes and fostered to do evaluations within very short periods.

**IT 2.9** Have the yearly budgetary limits created a specific workload, related in particular to the need to close the budget each year?

According to Paying Agency the yearly budgetary limits created a specific workload as the annual viticole year is ending on the 31st of July, the administrative and on-field checks for payment proceeding should be finalized on the 25th of September in order to be able to perform the payments till the 15th of October. On the other hand, in the opinion of the representatatives of the sector, lack of competence of human resources in MADR and APIA is a problem and this is the reason why problems in budget spending appeared. However, according to local producers’ representatives, within actual NSP specific activities were easier to implement lately, cooperation with APIA was definitely smoother and the reimbursement procedures of APIA were simplified as well.

**IT 2.6** Have the absence of obligatory co-financing facilitated the access to support for beneficiaries? Please give details per measure

According to national authorities the fact that Romania co-financed the NSP ensured a diminishment of beneficiaries co-financing and consequently allowed the access of the beneficiaries to the NSP.
IT 2.10 Have the absence of obligatory national co-financing facilitated the management of the funds at the level of the managing authorities?

According to national authorities as the obligatory national co-financing did not exist, thus, a response for this question can not be provided.

IT 2.8 Did the absence of obligatory national co-financing encourage the Member State to reach the EU budgetary limit, financing sometimes less relevant operations?

The answer of national authorities was similar with the one to IT2.7, in many cases the technical commissions which are evaluating the projects are working under timely pressure.

3.5.5.2 Questions related to the overall effectiveness of the programme

IT 8.1 Have the traceability of the expenses been improved compared to the previous programming period? If so, how?

Regarding the traceability of the expenses, the paying agency highlighted that the authorities are requesting for a periodical update of the framework devices which are establishing the limits for each expense. This activity is done every year or every two years. These expenses are established by the Institute de Cercetare-Dezvoltare pentru Viticultură și Vinificatia from Valea Calugareasca in partnership with Academia de Științe Agricole și Silvice "Gheorghe Ionescu-Șișești" (A.S.A.S.).

IT 8.2 How do beneficiaries demonstrate their actual need of EU support, and that normal operating costs are not financed by the EU budget? Please detail per measure if needed.

According to national authorities the need for financial support is demonstrated within the feasibility studies, or through a series of data provided when submitting the projects. Thresholds for each expense are established through legislative documents ("devize cadru") which are in accordance with the market prices and revised periodically. The operators should demonstrate the accomplishment of eligibility conditions imposed by NSP guide of applicants.

Local producers’ organization also mentioned that the feasibility study is demonstrating the real needs for funding support while the statements on own responsibility are ensuring that the costs have not been supported from other budgets. Besides, APIA has at its disposal the vineyard register and is performing on-field checks for avoiding double financing.

IT 8.3 Do you think that the measures have supported actions that would have been carried out anyway (without the EU support)? Please detail per measure if needed.

The national authorities do consider that the measures under NSP could not be implemented in the absence of the EU support as Romania did not have the financial potential to do it. In the absence of EU support, it is more than evident that the wine sector in Romania would not get to this point. Romania would try to draft some measures in respect to wine sector, but surely this impact would not be reached. The sector representatives are convinced of the fact in the absence of EU support, the wine industry would not have changed.

IT 8.4 How do you make sure that the costs of the supported operations correspond to the market prices for similar operations? Please detail per measure if relevant.

According to national authorities the Ministry is requesting for an update of the framework devices which are establishing the limits for each expense every year or every two years. These expenses are established by the Institute de Cercetare-Dezvoltare pentru Viticultură și Vinificatia from Valea Calugareasca in partnership with Academia de Științe Agricole și Silvice "Gheorghe Ionescu-Șișești" (A.S.A.S.). Representatives of the sector stated that for avoiding any problems at national level the legislation is establishing for each measure a series of threshold budgets which should be respected by the beneficiary and on the basis of the invoices which should respect the thresholds imposed by the ”devize cadru”.

3.5.6 Opinion of the expert

- Effects of the financial parameters
**Yearly budgetary limits**

- the possibility of re-balancing the budget for each measure is an asset for the NSP as financial adjustments can be done among measures in accordance with the beneficiaries’ requests and effective spending.
- existence of the frameworks budgets is a practice which is ensuring funding authorities that the requested expenses are in accordance with the actual level of prices on the market.
- the co-financement ensured by the Romanian Government for the promotion measure is increasing the number of project funded, even if, at the time being, the number of information operations is limited.

**Absence of obligatory national co-financing**

<table>
<thead>
<tr>
<th>POSITIVE EFFECTS</th>
<th>NEGATIVE EFFECTS</th>
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<tbody>
<tr>
<td>- the completion within one year of all stages of call launch, applications evaluation and selection is impeding the spending of the entire annual budget of each measure; However, this may be compensated by the possibility of granting advance payments, which Romania used.</td>
<td>- bureaucracy is still at a very high level and is basically slowing the absorption rate. However, the increased level of bureaucracy is ensuring a high rigurosity level of administrative checks but unfortunately sometimes is affecting the technical tasks of the beneficiaries.</td>
</tr>
<tr>
<td>- the administrative checks and on-field as well which should be finalize till the 25th of September each year for performing the payment up to the 15th of October are crweating for the paying agency a specific workload.</td>
<td>- the administrative checks and on-field as well which should be finalize till the 25th of September each year for performing the payment up to the 15th of October are crweating for the paying agency a specific workload.</td>
</tr>
</tbody>
</table>

- the relevance of the selected application and risk of deadweight

In many case the technical commissions which are evaluating the proposals are overwhelmed in order to provide the selection results as soon as possible and to allow the responsible authority to conclude in time the contract with the beneficiaries. This is creating a specific workload but as the criteria are very strict it is sure that the relevance of the proposals/applications it is not affected.

- Good practices set at Member State and/or regional level ensuring the justifiability of the expenditures:

  - The national Romanian authorities established the so-called framework budgets for each expense fact which is practically demonstrating the correlation of costs with the price on the market.
  - in 2017 an interinstitutional protocol between APIA and ONVPV was concluded for ensuring the access to the Informatic System of Vineyard to experts of AFIR for avoiding the duble financing within various programs (NSP and NDRP).
3.6 Coherence of the NSP

3.6.1 Coherence of the objectives of the NSP with other EU/CAP objectives

3.6.1.1 Synthesis of the interviews

IQ 12.1 According to you, are the objectives of the NSP coherent with:

- the EU overall objective of environmental sustainability?
- the EU overall objective as regards public health and prevention of harmful alcoholic use?
- the EU overall objective of balanced territorial development?

National authorities consider that the NSP objectives are coherent with EU overall objective of environmental sustainability and with the EU overall objective of balanced territorial development, as the NSP through investments measure is promoting investments less harmful to environmental and achievement of measurable energy and water savings and long-term economical sustainability of the regions as of restructuring/conversion measure, but not coherent with the EU overall objective as regards public health and prevention of harmful alcoholic use.

3.6.2 Coherence and complementarity of the NSP measures with corresponding measures

3.6.2.1 Identification of measures with similar objectives

Within the following table a comparison of the eligible expenditure within NSP and NRDP is provided in order to demonstrate complementarity of the programs:

<table>
<thead>
<tr>
<th>NSP 2014-2020 Measures</th>
<th>NRDP 4.1 Measure</th>
<th>Eligible expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO</td>
<td>YES</td>
<td>New winery facilities. NSP provided funding only for restoration/modernization of winery, while NRDP funding could be used for new and old wineries as well.</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>Irrigation systems</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>Transport infrastructure within vineyard</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>Investments in marketing solutions</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>Investments in labeling</td>
</tr>
<tr>
<td>NO</td>
<td>YES</td>
<td>Plantings of grapes for consumption</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
<td>Promotion/information actions</td>
</tr>
</tbody>
</table>

Moreover, above all the information in the above table, for avoiding overlapping the Guide of the measure 4.1 of NRDP was mentioning that are not eligible Expenditures funded through the NSPs (which may be common to the two PNS and NRDP programs) required by the wine-producing undertakings producing and / or marketing products wine (including must).

3.6.2.2 Synthesis of the interviews

IQ 13.1 According to you, are there synergies/complementarities between the NSP measures and:

- the corresponding measures in the RDP? Please explain.
- the corresponding measures contained in the horizontal regulation on promotion measures of agricultural products?
- the corresponding measures contained in other EU policies?
In respect to NRDP, the complementarity of the NSP is demonstrated by the fact that it is not financing instalment of plantings for grape consumption, irrigation measures and investment in transport infrastructures within the vineyards. Representatives of the sector stated that the NSP is complementary to NRDP which sustains wineries modernization, management, and agricultural equipments’ acquisition. In respect to horizontal promotion regulation, there were actions implemented in the past for promotion of products with PDO/PGI, including wine, and in respect to other EU policies the NSP can be linked to H2020 for state of the art technology development.

IQ 13.2 Is the risk of overlapping avoided?

According to national representatives, the legislation is tailored for ensuring that the risk of overlapping is avoided, checks at the level of reimbursements requests are realized, beneficiaries may be requested to provide affidavit declarations. However, paying agency has protocols for avoiding this risk. Moreover, the enacting legislation ensures that the risk of overlapping is avoided; the administrative check procedure (included within Vineyard Register) and on-field check procedures guarantee the fact that the overlapping risk is avoided as well as exchange of information between APIA and AFIR. The industry unions confirm those stated by the national authorities, there are delimitations between programs as for example the NPRD supported the construction of new wineries for farmers which never ran vinification before.

IQ 13.3 Did you benefit from Rural Development Programme measures? If yes, which one(s)?

Part of the beneficiaries benefited both of NSP measures but on the National Rural Development Programme measures as well. The majority of them within the NSP were funded for restructuring/conversion operations while through NRDP funding was provided for construction and modernization of wineries. Basically, the Investment measure within NSP allowed retechnologization and rehabilitation of existent wineries, while NRDP allowed establishment of new winery capacities as well as investment in irrigation systems and access/transport infrastructure within the vineyard, establishment of new plantings but for consumption and not for vinification, labelling technology.

3.6.3 Conclusion of the experts on the coherence of the NSP

Complementarity of NSP is demonstrated by the fact that part of the beneficiaries applied during the last years for both NSP measures as well as for NRDP ones. It is about those beneficiaries with strong financial background, applied for both programs who practically fostered significantly the launch of new wine products on the market. NSP was used for vineyards restructuring/conversion, while the financement provided by NRDP was employed for developing processing capacities. APIA, as management authority for NSP, and AFIR, in its capacity of managing authority for NRDP, were collaborating and exchanging information for avoiding the risk of overlapping which was also avoided through administrative (Vineyard Register) and on-field checks. The beneficiaries confirmed that there was a clear delimitation between the two programs. As a supplementary measure for avoiding the risk of double financing, the guides of both programs stipulate the fact that the actions funded within one program are not eligible within the other program.

Regarding the coherence, the measures financed within NSP provided funding only for plantings for grapes for wine products while NRDP ensured financement for plantings for grapes for consumption as well as for developing of irrigation systems within the plantings.
3.7 Relevance of the NSP

3.7.1 Analysis of the needs of the sector

The table below provides a SWOT analysis of the national/regional wine sector, based on the bibliography (articles, press releases, data of national and EU statistics institutes, online portals’ information), interviewing activity and collected data from the national authorities.

Table 12: SWOT analysis of the wine sector

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Restructuration and conversion of a high proportion of vineyards at national level as of NSP support;</td>
<td>• Lack of reputation of Romanian wine products at international level (both intra and extra EU countries);</td>
</tr>
<tr>
<td>• Continuous improvement of wine products quality in accordance with the market demand;</td>
<td>• Incapacity of producers organisation of cooperating for ensuring better positioning of operators within the supply chain;</td>
</tr>
<tr>
<td>• Alcoholic beverages prices in Romania are 28% lower than the EU average, fact which is making Romanian wine products very competitive on EU market. (Eurostat 2017)</td>
<td>• Inability of Romanian authorities of updating the national legislation in accordance with the EU legislation in a timely manner;</td>
</tr>
<tr>
<td>• High degree of bureaucracy fact which is increasing the administrative duties of operators, which in many cases are reluctant in applying for NSP funding measures;</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Continuous increase of demand for PDO/PGI wines on Romanian national market;</td>
<td>• The introduction on the market of a series of fake wines as well as of wine not fulfilling conformity rules;</td>
</tr>
<tr>
<td>• Continuation of financing through NSP fact which is to foster modernization of wine production capacity and consequently the production potential of high quality wine;</td>
<td></td>
</tr>
<tr>
<td>• The increase of the global wine consumptions since 2015 at the level of 243 million hl per year in 2017;</td>
<td></td>
</tr>
<tr>
<td>• Increased average price for main EU wine products of French, Portuguese and Italian origin, fact which is making Romanian wine products more competitive;</td>
<td></td>
</tr>
<tr>
<td>• Decline of global wine production in 2017 of 8.6%;</td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on the bibliography (articles, press releases, data of national and EU statistics institutes, online portals’ information), interviewing activity and collected data from the national authorities.

The main needs of the sector are the following, in that order:

1. Modernization of the technologies for production and processing of the wine products;
2. Promotion of Romanian wine products at both EU level and third countries level;
3. Improving the negotiation capacity of producers through producer associations with the main retailers in Romania for diminishing the taxes for selling through supermarkets;
4. Development of a country brand which is to be exploited afterwards by representatives of wine producers in promoting Romanian wines at intra and extra EU level;
5. Development of specific oenological tourism, which may sustain the wine sales as well as the increase of wine producers’ incomes, as well as understanding of EU quality schemes by the consumers.
6. Support on behalf of NSP for development of wine processing capacities used jointly by as many producers as possible in partnership;
7. Improving the awareness degree of producers in respect to the need of collaborating;
8. Improving the legislation in respect to aromatized beverages which should not confuse consumers or bring any offense to high quality wine products.
9. At national level, the bottled wine produced by big wineries has the reputation of “bad for health” wine while the bulk wine is considered healthier. This issue must be address by the producers jointly and a campaign will be needed at national level to change consumers’ perception.
10. The producers should be supported in the promotion campaigns in third countries and EU countries by the representatives of national authorities in the targeted countries to accelerate the change in respect to perception on Romanian wine products.
11. Improving capacity of representatives of wine industry to collect data and statistics in respect to evolution of wine sector in Romania at economical level. In Romania statistical data are very poor.
12. Correlation of the NSP measure on restructuring/conversion with the investment measure to ensure sound impact of the overall program.
13. Simplification of the overall bureaucracy at national level as at the time being the operators are sometimes overwhelmed by the administrative and legal duties they have to deal with.
14. Improvement of legislation in respect to collaboration between the wine producers and retail operators.

3.7.2 Synthesis of the interviews

IQ 15.2. From your point of view, are the NSP measures suited/well designed to address the need of the wine sector at the EU level? national level? At regional level?

National authorities consider that the NSP is well designed in accordance with the needs of the sector even if the need for increasing the budget for investment measure is evident and has been done/proposed. The NSP measures are updated twice per year in order to address better the needs of the wine sector. Besides, the adjustment of NSP has been realized considering the identified needs of the sector.

Local producers’ organisations stated that the measures are well designed, and suitable to the needs of the wine sector, and moreover, the implementation procedures were significantly simplified.

The Producer A stated that the NSP is to a large extent well designed, but it can be improved. For example, in the past, in the promotion measure only three types of actions were eligible. Promotion should envisage also the national market to foster the consumption. Besides, a decrease of the co-financing down to zero would be appreciated for the moment that the producers do not have the needed cash for implementing promotion actions. Producer B had the same position as Producer A. Producer B considers that the measures should be revised, especially in the case of promotion measure, and this since the market is changing to online (social media, online campaigns which at the time being are difficult to be understood by financing authorities).

The Small wineries and winegrowers requested for the development of a link between the restructuring/conversion measure and the investments one in order to sustain the modernization of processing capacities of beneficiaries which restructured/converted their vineyards. However, regarding the insurance for harvesting, the insurances available on the market are not even insuring basic risks, thus something should be done in this sense. Moreover, winegrower B is considering that promotion measures should be improved for promotion at EU level as for the small producers it is very difficult to commercialize their production.

IQ 15.3. How did the increase of the NSP budget in 2014 impact the management of the NSP?

According to national authorities the efforts were not higher in comparison with the previous NSP and the 10% increase of the budget did not influence the management of NSP.

IQ 15.4. Are the budgets on each measure appropriate to address the needs of the sector?

According to national authorities the budgets are clear per each measure, and the main advantage is that financial re-balancing among measures can be done so the budgets can be tailored in accordance with the needs and absorption rate. The local producers’ organization had the same position considering that the budgets are appropriate for each measure. For example, in the case of restructuring/conversion measure, only the operators which did not want to implement the scheme did not receive funds for restructuring/converting their vineyards.

IQ 15.5. From your point of view, can the NSP and the scheme of authorisations allow for the development of the wine production and consumption?

According to national authorities the NSP measures together with the scheme of authorisations are aimed to increasing quantity and improving quality as most important issues for fostering the consumption of wine products.

IQ 15.6. From your point of view, are those schemes needed to maintain the supply/demand balance?

None of the stakeholders could provide answers to question IQ 15.6.
3.7.3 Opinion of the expert

1. Regarding the Promotion measure

The promotion measure may be of real success in case the bureaucracy within the implementation stage is to diminish. However, the information session on the existence of this measure should be intensified. There are producers who were never informed about its existence. However, the inclusion of EU countries among the targeted countries where promotion actions may be implemented is expected to increase the spending within the measure in the following years.

2. Regarding the Restructuring/conversion measure

According to the opinion of the stakeholders, the producers operating large surfaces of planting did finalize the restructuring/conversion. At the time being, the measure may be of interest for producers owing small surfaces. Unfortunately, the number of operators with small surfaces is very high, and the surfaces are very fragmented. Moreover, these small surfaces may be smaller than the minimum surface eligible for funding within the reconversion/structuring measure, thus, the increase of expenditure on this measure is doubtful. The budget of the measure can be diminished and, in case a further uptake of the restructuring/conversion is observed, the budget can be re-balanced once again. However, as the demand of planting material for traditional/inland varieties was very high but the supply not sufficient, it would be important that within the NSP the development of production of planting material for traditional/inland varieties at the level of R&D centres will be sustained for ensuring the needs for restoration of national vine heritage.

3. Regarding the Harvest insurance measure

The measure is of interest for the producers owing large areas in vineyard. In the case of small growers, the measure is not of any interest, given that the reimbursed cost are sometimes lower than the administrative tasks which should be accomplished for requesting the reimbursement.

4. Regarding the Investments measure

In the opinion of the expert, with respect to Investments measure, the NSP has just passed a transition period. Many of the beneficiaries of the Restructuring/conversion measure are expected to apply, in the following years, for funding within the Investments measure, but only after their restructured/converted planting are to get to full maturity. The first plantings are expected to get to full maturity within 4 to 5 years since instalment. However, producer holdings intending to establish joint processing and stocking facilities should be eligible and funded. It is expected that the absorption rate for the future financial years to increase.

5. Regarding the by-product distillation measure

The number of by-product distillation facilities in Romania is very low and consequently the number of applications for this measure is limited as well. The budget of the measure should remain at the same level and in case the number of application is small as well, the budget can be able to be redirected towards another measure of higher interest.
3.8 EU added value and subsidiarity

3.8.1 Synthesis of the interviewees

IQ 17.1. In your opinion, what would have been done (/how would have the wine sector been supported) at national or local level, in the absence of the EU NSP?

According to national authorities, the support of EU NSP had an extraordinary impact at the level of Romanian wine sector, and especially the restructuring/conversion measure. It is more than evident as due to the fact that Romanian financial resources are limited, a similar program as NSP could not be put into practice. In the opinion of national authorities, the Romanian Ministry of resort would have tried to find a financial support solution for the wine sector but the impact surely would not have been the same as the one of NSP. This is a common opinion shared by all private stakeholders which highlighted that NSP could not have impacted the wine sector in Romania in the absence of the EU assistance, it is clear that the investments would have been delayed, and the rhythm of wine sector development would have been very slow.

IQ 17.2. From your point of view, did the fact that the support was provided to the wine sector in the framework of EU regulation create an added value?

In the opinion of national authorities, the EU support under the EU regulation has created an equal competitive environment for wine operators in the EU market and proves that there are the same needs for adjusting the specific activity on the market that can only be achieved with EU support. According to national producers’ representatives and local ones, the financial support expenditure was realized with strict rules which led to sector development allowing producers from regions less developed to improve the quality of wine products in this part of EU. The fact that the support was provided at EU level ensured sound impact at international level for Romanian wines. At the time being, the re-technologization of Romanian is ensuring a high-quality level of wines produced, wine products which basically can compete on the international market with products from countries with better reputation.

IQ 17.3. Do you know of any specific cases in which a lack of flexibility in the EU framework has hindered the added value of the programme?

None of the stakeholders could provide examples of cases in which the lack of flexibility on behalf of EC would hamper the added value of the NSP. The paying agency mentioned that Romania is too strict in implementing the NSP and the EC noticed this during the audits realized at the level of the NSP as no financial corrections in respect to the program implemented have been applied. As the national authority is considering the implementation system too strict and if we correlate this statement with producers’ opinions which are considering national bureaucracy as the main barrier in programme implementation, it seems that the implementation framework of the NSP should be simplified in order to ensure higher rate of execution.

IQ 17.4. Would you have any proposal of improvement in the sharing of responsibilities between EU and Member States:

- Regarding the design of the measure?
- Regarding the implementation of the programmes?

Please specify which measure is concerned.

During the implementation of the programmes, the paying agency identified that an annual budget allocation fixed as payment credits and not as commitment credits during the implementation of restructuring/conversion measures, investment and promotion/information contradicts the multiannual duration of these measures, because the fragmentation of payments leads to an increase of the number of controls and implicitly administrative burden, which is not justified. On the other hand, according to national producers’ representatives, a debureaucratization would be needed, not necessary at EU level but at national one. Besides, the MS should be able to define their own policies at national level and this issue could be done within the future CAP.
3.8.2 Conclusion of the expert

The added-value of the NSP is acknowledged by all the stakeholders involved in all the stages of NSP implementation. According to beneficiaries and national authorities, the EU added-value materialized in Romania in an overall improvement of wine products quality as of the re-technologization of the sector which could not be done at national level as of the lack of financial resources. The stakeholders could not provide examples of lack of flexibility of EU during programme implementation. According to those specified by the Romanian authorities, the audits undertaken by EU responsible bodies did not notice significant problems in NSP implementation on behalf of Romanian authorities. The paying agency highlighted the high number of controls which have to be accomplished as of the fixed annual budget allocation as payment credits and not as commitment credits, while the private stakeholders, as in all the other cases, are overwhelmed by the bureaucracy which even is still at very high level in spite of all the efforts of simplifying the working procedures.
4. THEME 2: SCHEME OF AUTHORISATIONS FOR VINE PLANTINGS

4.1 Description of the implementation of the new scheme

The scheme of authorisations for vine plantings is regulated in Romania by Order 364 of 2016 which is establishing that operators may request new planting authorisations within the limit of 1% of the overall vineyard surface.

In 2016 and 2017, the overall area available for new plantings was of about 1800 ha, and the operators forwarded requests for new planting authorisations for a surface of about 200 ha only. According to stakeholders’ replies in interviews (both authorities and producers or their representatives) the situation is a direct result of the complicated legislative framework in respect to the new scheme of authorisations and of the national frightening bureaucracy. Practically, in the situation where a winegrower is intending to realize new plantings, at the time being, the administrative duties will divert him from accomplishing regular technical works within the vineyard. Consequently, the winegrowers are preferring to not apply for the scheme and avoid any legal difficulties. On the other hand, the legislation is stipulating that the authorizations for new plantings issued can not be used for restructuring/conversion measure (Order nr. 364 from 23 March 2016, art. 18 (10)) meaning that the producer should realize the planting through personal financing.

4.2 Synthesis of the interviews

IT 11.1 Do you assume that the new scheme of authorisations will impact the structure of the vineyard (in terms of distribution of varieties, type of wine, size of holdings, age structure of the vineyard), at regional level? At national level? Are there already evidences of such effects?

According to national authorities, the new scheme of authorisations will not impact the structure of the vineyards, but the new legislation is much more difficult from bureaucratic viewpoint. The 1% limit for replanting might affect the production potential but no evidences are already in this sense.

On the other hand, representatives of the sector are stating that they do not consider that the new scheme of authorisations is to impact the structure of the vineyards, but the most important issue is that the vineyard surfaces are not merged and the cooperatives practically do not exist at national level. The beneficiaries, on the other side, highlighted the fact that the documentation within of the new scheme of authorisation is very complicated. The bureaucracy is affecting new plantings requests, but could not say if the new scheme of authorisation will impact the structure of the vineyards.

According to the enacting legislation, authorizations for new plantings shall be granted on the basis of a request to applicants who meet the following eligibility criteria:

a) the applicant holds or has the right to exploit for a size area at least equal to the one for which it applies for planting authorization;

b) the applicant has appropriate training and professional competence;
c) the area is located in the viticultural area.

After centralizing the new planting requests, in case the overall annual area requested for new plantings does not exceed the area allocated annually for new plantings, all eligible applications are accepted. In case the overall area covered by requests exceeds the area allocated annually for new plantings, the authorizations shall be granted on the basis of the proportional division of the hectares.

Requests for new planting shall be submitted annually during the period 15 January-15 March and should be accompanied by the following documents:

a) A justification, which includes: identification of the natural / legal person, a brief description of the site and its location as well as the main locations characteristics of the vineyard plantation proposed to be installed;

b) A copy of the cadastral plan to be included in the area with the identification of the parcel / parcels proposed for planting or scale drawing thereof;

c) A copy corresponding to the original on the documents attesting the ownership and / or exploitation of the land on which the establishment of the vineyard plant is to be established;

d) A prove of appropriate training and professional competence in wine sector. Applicants shall submit one of the following documents:

- graduation diploma in horticultural and / or agricultural field;
- specialized courses in agriculture and / or horticulture;
- documents demonstrating / confirming training and competence appropriate to wine and professional staff in the wine sector.

After the submission of applications for new plantings, applicants who do not meet the eligibility conditions are informed. New planting authorizations are granted to eligible applicants at the latest on 1st of August. In case the authorization is granted for an area of less than 50% of the area requested in the application, the beneficiary may refuse the authorization within one month of granting it and shall not be administratively sanctioned. An authorization for new plantings is valid for 3 years from the date it was issued.

**IT 11.2 If so, do you assume that the new scheme of authorisations will result in a vineyard structure that will be better adapted to the markets expectations? Are there already evidences of such an effect?**

The national authorities do not foresee an impact on structure of vineyards that are to be better adapted to the markets expectations. Basically, to a large extent, the consecrated varieties have not changed, and are those from the catalogue of varieties. The answers of producers’ organizations and beneficiaries were sustaining the statement of the national authorities. The producers are not convinced that the vineyards are to be better adapted to market expectations even if for example the operators did tailor their vineyard in the sense of increasing the quantity of rosé and red wines produced. Beneficiaries consider that the new scheme of authorisations is not suitable for both small and big wine producers, because it brings important administrative burden.

**IT 11.3 Do you assume that the new scheme of authorisations will impact the economic value of vineyards? Are there already evidences of such an effect?**

The national authorities as well as the producers’ representatives at national level do not dispose of statistics on impact of the new scheme of authorisations on the economic value of vineyards and were not able to provide answers to this question. However, the local producers’ organization considers that the new scheme may impact the economic value of vineyards but where unable to say positively or negatively. However, the diversification of varieties may lead to an increase of economic value of vineyards, but there are no data available at the time being. On the other hand, winegrowers are concerned by the time allocated for obtaining the new planting authorisation which is time consuming and thus the operators assume that the small producers will not appeal to this scheme. Consequently, from the winegrowers’ viewpoint the new scheme of authorisation will not impact the economic value of vineyards.
4.3 Conclusion of the experts

The scheme of authorisations of vine plantings is regulated in Romania by Order 364 of 2016. The new scheme of authorizations is expected to influence the production potential in terms of quantity as of the small surface requested within the last years under the effect of new legislation in respect to scheme of authorizations. As example, the national authorities stated that in 2016 the overall surface limit for new plantings was of about 1800ha. During this year the operators forwarded requests for new plantings to ONVPV for a total surface of only 200ha, meaning that the interest for new plantings instalment is too low.

Moreover, the legislation is stipulating that the authorizations for new plantings issued can not be used for restructuring/conversion measures (Order nr. 364 from 23 March 2016, art. 18 (10)), meaning that the producer should realize the planting through personal financing, fact which is surely impacting the number of new planting requests as the overall new planting area.

The new scheme of authorisations is not expected to impact the structure of vineyards at national level either. From producers’ perspective it is much more difficult to implement than the previous legislation. The bureaucracy is a burden in implementation of the new scheme and the requests for plantings forwarded within previous years are an example and certifying those stated by the beneficiaries. However, it is premature to evaluate how the new scheme is to affect the balance between the demand and supply as well as the impact on economic value of vineyards.

Overall, after two years of implementation, the new scheme of authorisation of vine plantings is less effective than expected, the operators avoid forwarding requests as of the bureaucracy which is the main burden. Collectively, the national authorities and operators concluded that the old planting rights scheme was easier to be implemented than the new scheme.
5. THEME 3: WINE PRODUCTS DEFINITION, RESTRICTIONS ON OENOLOGICAL PRACTICES AND AUTHORIZED WINE GRAPE VARIETIES

5.1 Detailed description of the implementation at Member State and regional level

IQ 5.4-5.5

According to national authorities the oenological practices are in accordance with the enacting legislative normatives which are respecting the EU legislation. **In Romania wines with specific oenological practices do not exist.** The oenological practices are allowing the improvement of wine market as of legislation requirement fulfilment.

Table 13: Description of main local specificities in oenological practices and authorised varieties

<table>
<thead>
<tr>
<th>Geographical level for the rule (MS or region)</th>
<th>Type of wine product concerned</th>
<th>Description of the specific rule (compared to EU standards defined in the regulation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oenological practices</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **DOC TÂRNĂVE**                              | White wines: Traminer aromat (Gewurztraminer), Chardonnay, Pinot Gris, Muscat Ottonel, Sauvignon, Neuburger, Riesling Italian, Riesling de Rhin, Fetească Regală, Fetească Albă, Furmint, Kerner, Radames, Selena, Blasius. Red wines: Cabernet Sauvignon, Pinot Noir, Fetească Neagră, Syrah, Merlot, Zweigelt; | a) Enrichment
In case of unfavorable weather in certain wine years it is possible to increase the natural alcoholic strength in volume of grape musts, partially fermented must and/or wine under fermentation.
The must to be enriched to obtain wines must have a minimum sugar content of 155 g/l for PDO – wine from grapes harvested at full maturity.
Increase in natural alcoholic strength by volume of grape must, partially fermented or fermented wine can be made:
(a) by addition of concentrated grape must obtained from grapes produced in the same vine area delimited for PDO “Târnave”;
(b) by addition of rectified concentrated grape must.
In years with exceptionally unfavorable weather conditions, a request of increase of natural alcoholic strength by 0.5% may be forwarded after receiving an agreement on behalf of European Commission based on a prior request of ONVPV.
Total alcoholic strength by volume of grape must, grape must partially fermented, wine in fermentation which has undergone such treatment can not be increased up to a maximum limit of 12% vol.
For red wine, the total alcoholic strength by volume of products subject to enrichment may reach the maximum limit of 12.5% vol.
b) Sweetening
The sweetening of a wine with a "Târnave" PDO is carried out according to the legislation in force and may be carried out with:
- grape must or concentrated grape must, which comes from the area delimited for PDO "Târnave";
- rectified concentrated grape must.
The total alcoholic strength by volume of the wine concerned may not be increased by more than 4% vol.
Sweetening of wines is allowed only at the production stage. |
| **Authorised wine grape varieties**          | White wines: Traminer aromat    | The harvesting can be done manually or mechanically. The quality of the grapes is determined at the time of their... |
(Gewurztraminer), Chardonnay, Pinot Gris, Muscat Ottonel, Sauvignon, Neuburger, Riesling Italian, Riesling de Rhin, Fetească Regală, Fetească Albă, Furmint, Kerner, Radames, Selena, Blasius.

Red wines: Cabernet Sauvignon, Pinot Noir, Fetească Neagră, Syrah, Merlot, Zweigelt;

Red wines: Cabernet Sauvignon, Pinot Noir, Fetească Neagră, Syrah, Merlot, Zweigelt;

reception at the winery. It is forbidden to transport grapes in polyethylene bags.

For grapes intended for the production of wines with a designation of origin, the following qualitative conditions shall be established:

- 100% pure variety for the production of wines to be used with variety designation;
- good health - the proportion of damaged grains can not be higher than 10%, except grapes harvested at overmaturation, with noble mold attack on grains;
- a minimum sugar content, established as follows:
  a. for D.O.C. - C.M.D. - 155 g / l minimum;
  b. for D.O.C. – C.T. – 220 g / l minimum;
  c. for D.O.C. - C.I.B. - at least 240 g / l;

5.2 Competitiveness distortions due to specific rules on oenological practices

5.2.1 Description of competing wines

The differences of oenological practices of Romanian wines in respect to other competing wines are not an issue which may raise competitiveness distortions and main differences in oenological practices and variety authorised between Romanian and EU and/or third countries wines were not identified.

Table 14: Specificities oenological practices of main competing wines

<table>
<thead>
<tr>
<th>PDO/PGI wine</th>
<th>Main differences in oenological practices and variety authorised</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU competitor 1</td>
<td>NOT THE CASE IN ROMANIA</td>
</tr>
<tr>
<td>Abroad competitor 1</td>
<td></td>
</tr>
<tr>
<td>Varietalwine</td>
<td></td>
</tr>
<tr>
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5.3 Synthesis of the interviews

5.3.1 Effects of oenological practices on marketing conditions for producers and traders

5.10 Did oenological practices as applied in your Member State/region/PDO-PGI territory help to improve the marketing conditions of concerned wines?

According to national authorities and local producers’ organization, the oenological practices are one of the factors which contributed to improving the quality of wines and consequently the marketing conditions, and surely impacted the marketing costs, which amount to a percentage of 25% of the overall product cost. Producer A, for example, explained that a better control of oxygen intake had a great impact, and for this purpose the company started collaboration with various consultants.

IQ 5.11 Were oenological practices as applied in your Member State/region/PDO-PGI area more or less constraining than for main competing wines?

To the viewpoints of all the stakeholders the oenological practices in Romania are not more or less restrictive in comparison to other MSs. However, from the viewpoint of the local producers’ organization, the oenological practices might be more constraining in comparison with the wine from third countries (e.g. Argentina, Chile, New Zealand).

IQ 5.12 Are the decisions of the EC concerning the changes in marketing standards taken in a timely manner? Can you provide examples?

All the interviewed stakeholders are considering that the EU is communicating the legislative modifications in time, but unfortunately Romania has problems in implementing the EU legislation directly at national level. For example, the Law of wine entered into force in 2015, but only after one year, in 2016, the corresponding legislative norms of this law were issued. However, other examples could not be provided.

5.3.2 Effect of oenological practices on the safety and quality of the products

IQ 5.1 How do EU rules on oenological practices contribute to the safety of EU wine products?

The control body of the national authorities specified that the inclusion of allergens on labels is a fact which contributes to the safety of EU wine products. This fact was highlighted by the 2nd authority interviewed. On the other hand, the representative of producers stated that the oenological practices are an insurer of wine identity.

However, the consumer organization requested that the national authorities should intensify their work in respect of controlling the safety issues with regard to EU wine products. The procedures for controlling the safety of EU products and particular EU wine products should be improved.

IQ 5.2 Was there any major safety issue related to EU wine products in your Member State during the last 10 years?

The national authority mentioned that within the last years there were no problems in respect to the safety issue of the wine products.

IQ 5.3 How do EU rules on oenological practices contribute to offering a standard degree of quality for EU wine products?

The controlling body of the national authority is considering that the EU rules on oenological practices are clearly established, delimiting the forbidden and allowed oenological practices, but in the opinion of the second authority interviewed the labelling is more important in informing the consumers on a standard degree of quality of the EU wine products. The same position was provided by the national representatives of producers.
5.3.3 Relevance and added value of specific oenological practices and restrictions on varieties

14.1 - Please describe the specificities of restrictions regarding varieties as applied in your Member State/region/PDO-PGI territory?

The Romanian national authorities stated that varieties included within the so-called “catalogue of varieties” are the traditional Romanian varieties and some international varieties as well. Only these varieties are allowed for planting. Within the EU legislation there are 6 hybrid varieties (Noah, Othello, Isabelle, Jacquez, Clinton and Herbemont) allowed for harvesting only in households and only for personal consumption, not for commercialization. These varieties are National and some are international varieties. These are known as interspecific hybrids and are forbidden for being planted for the purpose of commercial wine production.

According to Art. 11 of national Methodological Norms (585 of 2016), section 2, the instalment of new plantings of interspecific hybrids as Noah, Othello, Isabelle, Jacquez, Clinton şi Herbemont is forbidden. The hybrid plantings are allowed only in the urban areas situated outside the viticular areas, for ornamental purposes or for family consumption, on a surface of not more than 0.1 ha per family.

14.2 - For what reasons were these restrictions regarding varieties initially set up?

According to Romanian authorities, local producers’ organizations are establishing the so-called “cahier des charges” (caiete de sarcini) for PDO/PGI wines, which are practically establishing the varieties with better adaptability regarding both the production and quality of those wines. In their opinion, the hybrid varieties were restricted at EU level (Article 81 of the CMO Regulation 1308/2013) as they are not very productive and the wine resulted is less strong from alcohol strength viewpoint.

14.3 - Are these initial justifications of restrictions still relevant today?

The national authorities consider that the restrictions regarding the hybrid varieties are still justified from the moment that Romania should restructure its wine sector and produce high quality wine. The interviewee is meaning that the restriction regarding the hybrids were introduced in order to restructure the vineyard structure in Romania as about 50% of the overall wine surface is planted with hydrids and owned by natural persons.

IQ 14.4 Today, what are the issues at stake regarding the use of varieties in wine production?

In what it concerns the issues at stake regarding the use of varieties in wine production, the national authorities did not enter into detail but stated that there were some problems in respect to planting material commercialized by the three main producers, which was infested. The other stakeholders represented by wine producers, small wineries, wine growers and their representatives mentioned that there are no problems regarding this issue. However, Small winery B has some doubts in respect to varieties’ capacity of resisting to weather conditions in Romania, even if the planting material is certified in accordance with the legislation. The responder was referring to the fact that old planting varieties from Romania did behave very well with the climatic conditions in Romania for a whole life cycle. The producer has doubts that the international varieties (which are not produced in Romania but certified by Romanian authorities) will be capable to resist to Romanian climatic conditions for a long period of time.

14.5 - Today, what are the issues at stake regarding competitiveness and the use of varieties in wine production?

According to authorities, producers in the majority of cases are employing traditional varieties which are leading to high quality production and the demand at national level for these wines is high. The industry union also specified that in their opinion the spread of traditional inland varieties should be increased considerring the high demand at domestic level of traditional wine products.

14.6 - Today, what are the other issues at stake regarding the use of varieties in wine production?
According to national authorities and producers’ national representatives there are no other issues at stake regarding the use of varieties in wine production.

16.1 - What are the main differences between EU definitions of wine products and OIV ones?

According to national authorities there are no main differences with the exception of aromatized wines and sparkling wines.

16.3 - Are there examples of third countries who also use definitions for wine products distinct from OIV ones?

The national authorities consider that different definitions may be found in Republic of Moldova.

IQ 16.4 What would be the consequences of applying strictly OIV definitions, rules on oenological practices and rules concerning authorised wine grape varieties in the EU?

None of the stakeholders could reply to this question.

5.4 Comments and conclusions of the expert

5.4.1 On the effectiveness of EU rules on competitiveness and quality

There are no restrictions regarding the varieties from the “catalogue of varieties” which is practically providing information on the traditional and international varieties allowed for planting in Romania. The enacting EU and national legislation is forbidding 6 hybrid varieties (Noah, Othello, Isabelle, Jacquez, Clinton si Herbeumont) allowed for harvesting only in households and only for personal consumption, not for commercialization. These so-called interspecific varieties are forbidden for being planted within known vine areas as it is demonstrated to be less productive and with less alcohol content. These restrictions regarding the hybrids were needed for facilitating the restructuring of Romanian wine sector.

Nowadays, in Romania, the stakeholders do not encounter significant problems regarding quality, competitiveness and the use of varieties in wine production. However, national authorities mentioned a series of problems in respect to planting material provided by private companies, and there are producers which doubt the resistance of international varieties to Romanian climate.

However, the oenological practices in Romania are not more constraining than for main competing wines, but could be more constraining in comparison with the wines from third countries (e.g. Argentina, Chile, New Zealand), as the price of these wines are lower, which is significantly increasing their competitiveness to the detriment of Romanian wines and not only. The oenological practices, which are the guarant of EU wines quality, should be exploited as an asset in promoting the high-quality EU wines, which will surely improve the competitiveness of EU wines (not only Romanian) at international level.

The changes in marketing standards are taken in a timely manner at the level of EU. However, Romania is not all the time capable of updating its legislation in a timely manner. For example, the new Law of wine entered into force in 2015, but only after one year, in 2016, the corresponding legislative/methodological norms of this law were issued as of the difficult decision-making system, which assumes prolonged debates with national stakeholders. However, fortunately, in spite of legislative modifications, the competitiveness and the quality of wine products were not affected and the overall wine market in Romania increased.

5.4.2 On the relevance of EU rules and their added value compared to OIV rules

In perception of interviewees there might be differences in respect to definition of varietal and sparkling wines between EU and OIV, but could not give examples. The EU legislation from the viewpoint of the stakeholders seems to be more restrictive in respect to oenological practices in comparison to the one of countries from third countries, but this aspect can be exploited at international level as an asset and added value in respect to the quality of EU wine products.
6. THEME 4: EU RULES ON LABELLING AND PRESENTATION

6.1 Description of the labelling rules applied at Member State and local level

6.1.1 Description of specific labelling rules applied in your Member State, region or main PDO/PGIs (including restrictions applied to wines without GI)

Article 38 of Law 164 of 2015 legislates that through traditional mention allowed for use in the case of PDO and PGI wines is understood:

a) a product which has PDO or PGI protected through provisions of European Union law or national;

b) a method of production or maturation, quality, color, place of provenance or one special event related to the history of the product;

c) the traditional mentions specified in the PDO and PGI specifications, as formulated and defined by law.

On the other hand, the traditional terms used are: (a) "reserve", (b) "wine of winery" and (c) "young wine".

The Order 266 of 2017, in chapter V, art. 11, is providing the obligation of labelling for the PDO, PGI and varietal wines, with a new sign which is provided as adhesive personalized hologram, under the shape of a 20mm circle with a rectangular extension of about 10 x 12 mm which will contain the following information:

a) the name of national authority providing the sign: "OFICIUL NAŢIONAL AL VIEI ŞI PRODUSELOR VITIVINICOLE";

b) the text "CERTIFY ORIGIN AND AUTHENTICITY" in characters that are easy to read;

c) the logo of the national authority: ONVPV logo;

d) an unique series consisting of 9 alphanumeric characters (2 letters and 7 digits) as "letter-letter-digit-digit-digit-digit-digit-digit" model, in black color;

e) the unique 2D bar code that generates the online link to the verification and advanced authentication portal.

f) other security features embedded in the certification mark.

The administration of the hologram is the responsibility of ONVPV and below a picture of a sample is provided:

![Hologram Example]

Regarding the definition of varietal wine, for commercial purpose, this wine product may use the name of grape variety in case it is obtained of at least 85% of the variety used for labelling. The varietal wine can be produced of the following varieties: Aligoté, Burgund mare, Băbească neagră, Chardonnay, Cabernet Sauvignon, Fetească neagră, Fetească regală, Merlot, Muscat Ottonel, Pinot gris, Pinot noir, Riesling italian, Sauvignon blanc and Syrah.

The Governmental decision no. 512 of 2016, Chapter V – Wine and wine products commercialization, Section 2 – Packaging, labelling, presentation, art. 47-48, is regulating the labelling rules of wine products in Romania.

For labelling wine products, compulsory and optional particulars can be used. The compulsory particulars should be grouped within the same visual “field” and should be presented with clear, readable and proper fonts for being visible on the background and distinct in respect to other written and drawn specifications. The compulsory particulars should be introduced on label in Romanian for the wine products produced in Romania.
| Compulsory particulars | a. the name of the wine product category as defined by legislation within the annex 3 of the methodological norms; The art. 48 of Governmental decision is precisining that the category of wine product is a compulsory particular for all the wines categories in Annex 3 of this governmental decision. |
| b. For PGO/PGI wines: the “PGO and/or PGI” mention, as well as the PDO/IG nomination. |
| c. alcohol strength; |
| d. origin country; |
| e. bottler company name, and for sparkling wines, the name of producer or trader; |
| f. name of importer (in case of imported wines); |
| g. category of wine, based on sugar content for sparkling wine, quality sparkling wine or aromatized quality sparkling wine. The sugar content should not vary more than 3g/litter within the limits of the category mentioned on the label. Specific Romanian requirement |
| h. nominal volume of recipient; |
| i. number of the wine lot which should allow identification of bottling date; |
| j. indications regarding “sulphides” or “sulphur dioxide”, “eggs”, “egg proteins”, “egg product”, ”lysozyme from eggs” or “albumin of eggs”, “milk”, “milk products”, “milk casein” or “milk proteins” or corresponding pictograms. These particulars are compulsory. Instead of written indications you can use pictograms. However, you can use both pictograms and written specifications. |
| k. for sparkling wine, quality sparkling wine or aromatized quality sparkling wine, based on sugar content, the type/category of wine should be mentioned; case the product has a content of sugar that allows it to be included in two categories, one of them will be used, by choice; |
| l. for sparkling wine or perlant wine the mention “obtained through carbon dioxide addition”; |
| m. for the compulsory particulars below, the way of enrolling in the labeling is as follows: |
| 1. (i) the compulsory particulars relating to the importer and the batch/lot number and the indication “contains sulphites” or “sulfur dioxide”, “eggs”, “egg proteins”, “egg products”, “egg lysozyme” egg albumin “,” milk “,” milk products “,” milk casein” or “milk protein” and others like, may be included outside the visual field containing the other compulsory particulars; |
| 2. (ii) the indication of the actual alcoholic strength by volume is given in units or semi-units of percentage by volume; without prejudice to the tolerances laid down by the method of analysis used, the difference between the indicated alcoholic strength and the alcoholic strength determined by the analysis should not deviate by more than 0,5%; for vintage wines stored in glass bottles for at least three years and for sparkling, frothy, petiant and liqueur wines, without prejudice to the tolerances laid down in the method of analysis used, the difference between the alcoholic strength indicated and the determined alcoholic strength through analysis shall not exceed 0,8% vol.; |
| 3. (iii) the alcoholic strength by volume is included and written on the label for wines bottled in Romania with characters of at least 5 millimeters in height case the nominal volume is greater than 100 centilitres, at least 3 millimeters if the volume is less than or equal to 100 centilitres and more than 20 centilitres and not less than 2 millimeters if the volume is less than or equal to 20 centilitres cl. |

| Optional particulars: | a. the harvest year with the restriction that at least 85% of the quantity of grapes used in the production process is harvested in that year; |
| b. the name of one or more wine grape varieties. The varities’ name may be used for labeling only if: |
| - are admitted for harvesting in viticole areas in Romania; |
| - are used to designate a wine with PDO/PGI, in accordance with the “caietele de sarcini” (chahiers des charges); |
| - are used for the designation of a varietal wine and are approved by order for this purpose; |
| - where the name of a single vine variety or a synonym is used, the product must have been
obtained of at least 85% of that variety;
- where two or three varieties of vines or their synonyms are used, the product in question has been obtained 100% of the varieties mentioned, the varieties must be mentioned in decreasing order of proportion by using characters of the same size;
c. mentions indicating the sugar content, with the exception of sparkling wine, quality sparkling wine or quality sparkling wine of the aromatic type;
d. in the case of wines with PDO or PGI, the name of another geographical unit which is more narrow or larger than the area which determines the designation of origin or the geographical indication.
e. traditional indications for PDO/PGI wines;
f. the symbol of EU indicating PDO/PGI;
g. indications regarding the production methods;
h. for description of PDO/PGI sparkling wines of a third country or high quality wines, indications/mentions as "fermented in glass containers by the traditional method", “traditional method”, “classical method” or “classical traditional method” may be included case the wine became sparkling only after second fermentation in glass bottles, have been kept permanently in the presence of yeast for at least nine months on the same vineyard from the time of production, have been separated from yeast by evacuation.
i. in the case of PDO or PGI wines., the name of a geographical subunit that is more narrow than the area causing PGO or PGI;
j. the specific color;
k. trademarks;
l. the distinctions granted, only for the lot in question;
m. pictograms as the ones below:

Besides, according to article 49, the commercial nominations used for description, presenting and advertising can not contain words, part of words, signs or illustrations which may confuse consumers.

On the other hand, according to Romanian legislation (GD 512), the label used to describe wines from the European Union or from third countries may not contain marks in which words, parts of words, signs or illustrations appear, which in the case of:

a. wine, liqueur wines, semi-sparkling/petiant wines and pearled wine, to include the name of a PDO/PGI wine;
b. PDO wines, contain the name of a wine;
c. imported wines, contain the name of a PDO/PGI wines used in Romania;
d. PDO/PGI wines or imported wines, contain false information on geographical origin, vine variety, harvest year or references to a higher quality;
e. wines, liqueur wines, semi-sparkling wines and aerated semi-sparkling wines shall contain indications of a geographical origin, a vine variety, an exceptional production year or other reference referring to a higher quality;
f. imported wines, to create confusion through an illustration used to characterize a wine, a liqueur wine, a petiant wine, a pearl wine, a PDO wine or imported wine described by means of an PGI wine.

Considering the protection of designations of origin and geographical indications, where the name of a grape variety contains or consists of a protected designation of origin or a protected geographical indication, that name shall not be used in the labelling system.
In the labelling of wines, it is prohibited to use a trade mark or denomination containing all or part of the name, the controlled designation of origin and the geographical indication.

For labelling of PGI wines, the use of a trade mark which contains all or part of the name or sub-denomination of the origin or the variety from which the wine is obtained is prohibited.

It is forbidden to inscribe or to apply medals and distinctions national and international for wine lots which have not been awarded.

The labelling of sparkling wines, pearled wines, quality sparkling wines and quality aromatic sparkling wines shall be subject to specific rules:

- in the labelling, the words “sparkling wine” and “pearled wine” shall be supplemented by the words “obtained by addition of carbon dioxide” or “obtained by the addition of carbon dioxide”, written in characters of the same type and size, unless the language used indicates that there is an addition of carbon dioxide;
- the terms "obtained by the addition of carbon dioxide" or "obtained by the addition of carbon dioxide" shall be added even if the wine is composed of a PGI wine;
- for sparkling PDO wines the description on the label indicates the name of the variety from which the grapes originate or mentions "obtained from groups of aromatic varieties”.

The compulsory particulars used for the labelling of wines originating from third countries shall include:

- the sales name: consisting of the word 'wine' which must be accompanied by the name of the country of origin;
- for wines imported in bottled form: name and address of the importer;
- the name, location and country of the bottler and, for containers of a nominal volume greater than 60 liters, the name of the bottler;
- for imported wines in bulk, the name of the importer;
- for wines imported and bottled within the EU: name and address of the bottler.

On the label of imported wines, the optional indications may be written in Romanian.

Compulsory indications on the label are mandatory in one or more official languages of the European Union, one of which is Romanian, so that the final consumer can easily understand each information.

For products of EU origin and intended for export, mandatory information expressed in an official EU language may be translated into another language.

In the case of products originating in third countries, the use of an official language of the third country in which the product was obtained may be used provided but the compulsory indication should be expressed in an EU official language.

Regarding the oenological practices, in what it concerns the use of wooden pieces of oak in production and maturation of wines, including the fermentation of fresh grapes and grape musts, the label must indicate the origin species or botanical species of oak and the intensity of a possible heating, conservation conditions and safety measures. The pieces of oak wood should not provide substances in concentrations that would pose potential risks for health.

6.1.2 Description of the system set up for controlling the labelling

The Law 164 of 2015, Chapter 5, Wine and wine products commercialization, within the Section 2: Packaging, labeling and presentation, art. 28 provides that the labeling rules and the conditions for labeling and
presentation of wines and wine products are established by methodological norms for the application of this law. Moreover, it is mentioned that wines and wine products not labeled according to the provisions of the law shall be withdrawn from commercialization at the time of the finding of non-compliance and on the basis of the verbal process drawn up by the State Inspection Advisers of The Service for Inspection, Verifications and Technical Control, which is coordinating the activity of inspections, verification and technical control at the level of the Ministry. The State Inspectorate for Viticultural and Technical Control is the main component within the Service for Inspection, Verifications and Technical Control (ISCTV) for accomplishing its responsibilities in respect to labelling conditions, ISCTV with customs, police and fiscal organs. National Authority for Consumer Protection also has responsibilities in respect to labelling of wines.

The article 65. of Law 164 is providing that the following facts are contravened:

- the labeling or application of medals and distinctions of national and international contests for wine lots which have not been awarded or awarded awards;

- failure to comply with the rules on labeling and presentation of wines and other wine products in violation of the provisions laid down by the implementing rules of this law;

- violation of the provisions on the marketing of wines with PDO or PGI without the application of the quality certification marks and the provisions of Art. 32 par. (4);

- violation of the provisions on the marketing/commercializing of a product under a traditional term which it is not entitled to bear.

6.2 Existing national data on non-compliance with labelling rules

The data available in the reports provided by the national authorities (ISCTV) and the reports of The National Sanitary Veterinary and Food Safety Authority (ANSVSA) are not presenting any data on non-compliance with labelling rules.

6.3 Synthesis of the interviews

6.3.1 Effects of labelling and presentation rules on the adequate information of consumers

IQ 6.1 Please describe the specificities of labelling rules as applied in your Member State, in particular concerning restrictions on variety labelling for non PDO-PGI wines?

According to national authorities and representatives of producers at national and local level, there are no specificities of labelling rules, for all the wines there are established compulsory (alcohol strength, PDO/PGI information, volume, producer or bottler (sparkling wines a.s.o.) and optional particulars (e.g. name of variety, vintage year) which should be included on labels. The local producers’ representative also mentioned that through their knowledge the labelling procedure is quite similar for PGO/PGI wines and non-PGO/PGI ones. The consumers’ representatives were not able to provide an answer on this specific question.

IQ 6.2 Do EU rules on labelling allow an adequate, clear and sufficient information on the products?

All the stakeholders interviewed, including the consumers’ representative, do consider that the rules on labelling include adequate, clear and sufficient information on wine products. However, through the authority responsible for control, both the name of the wine producer and wine bottler should be included as compulsory information on the label.

IQ 6.3 Is the information provided sufficient as regards health warnings, alcohol content, calorie and nutritional aspects?

In the opinion of national authorities and of national representatives, the information provided by labelling in respect to alcohol is sufficient, there were no problems, but the information regarding the calories and ingredients is practically not stimulating the consumption and to a large extent it might frighten the consumers.
IQ 6.4 For foreign wines sold on the local market, do the languages used allow an adequate, clear and sufficient information on the products?

The information is more than sufficient in the case of foreign wines sold on the local market, and the languages used allow an adequate, clear and sufficient understanding, according to national authorities. However, the control authority mentioned that their activity is not focused on wines from third countries, they are not sampling those wines in high quantities, and thus they cannot provide an answer.

IQ 6.5 Is there any other type of information that would be necessary to add on the labels to ensure an adequate, clear and sufficient information on the products?

According to national authorities, national producers’ representatives and consumers’ organization, the information already included on the label is more than sufficient, thus other information should not be necessarily detailed or included. Additional information may increase the degree of difficulty in reading and understanding the main information on the label.

IQ 9.1 To what extent do consumers understand the specificities of PDO/PGI labelling compared to non-PDO/PGI labelling?

National authorities are convinced that at the time being the Romanian consumers are able to differentiate the label of PDO/PGI wines to the one of non-PDO/PGI. The Romanian consumers started to make the difference as of the new national hologram for PGO/PGI wines. A QR code is actually included but there is no specific legislation in this sense. The answer of representatives of producers at national level is on the same line with that of the authorities, but the consumers’ representatives consider that the Romanian consumer does not understand the specificities of labelling but the national hologram will surely foster differentiation between the two types of products. As it can be noticed, the stakeholders have opposite opinions, but unfortunately, there is no report/study or other document at national level which may sustain the affirmations.

IQ 9.2 Without labelling restrictions applied to PDO/PGI wines, to what extent would consumers be misled?

The national authorities are considering that the main elements, such as variety, producer, nominal volume at packaging unit, allergens, a.s.o. are sufficient for ensuring the security of the product and its traceability. Their absence might be exploited by various operators to misled consumers but cannot be appreciated to what extent and consumers may lose access to high quality wines. The representatives of producers could not provide an answer to this question.

The consumers’ representatives consider that the number of fake wine products identified on the market will increase as at the time being, even if restrictions exist, the number of fake product is still very high. The restriction on labelling should not be removed in case the number of thematic controls did not increase. As in the case of the question IQ 9.1, at national level there is no conclusive data in support of this statement which is practically a personal opinion of the interviewee.

6.3.2 Effects of labelling and presentation rules on marketing conditions and fair competition between operators

IQ 6.6 Did the new rules on labelling allow an increase in the quantity of production marketed/traded?

None of the stakeholders could evaluate whether the new rules on labelling allowed an increase in the quantity of production marketed/traded.

IQ 6.7 Did the new rules on labelling allow an increase in the value of production marketed/traded?

None of the stakeholders could evaluate whether the new rules on labelling allowed an increase in the value of production marketed/traded.

IQ 6.10 Do the new rules contribute to ensure a fair competition between operators?

National authorities confirmed that the new rules are clearly guaranteeing the traceability of the product as
well as the fair competition between the operators. The national representatives of the sector could not provide an answer, while the local producers’ representatives stated that the labelling rules ensure operators that a big part of fake wines is not introduced on the market.

IQ 6.11  In your opinion, what changes would be necessary in the labelling rules to ensure a fair competition between operators?

All the stakeholders agreed that there is no need for changing the labelling rules as the actual rules ensures a fair competition between operators.

IQ 6.8  Were the rules on labelling simple to implement?

All the stakeholders confirmed the fact that the labelling was simple to implement. However, the labelling itself seems to be very expensive as a process. The labelling is not difficult, but the most important issue is the fact that it is very difficult for small growers to certify their wines, as local producer organizations are setting too strict conditions within the specifications of “cahiers des charges”, which are not easy to be accomplished.

IQ 6.9  What would be the consequence of rules requiring more detailed information (on ingredients for instance)?

Additional information detailed or included on label would create confusion at the level of consumers and decrease the importance of most important details regarding wine quality according to national authorities.

IQ 6.10  If you could change some of the labelling rules for non-PDO/PGI wines, what would you change? What additional quantity of wine would this change in the rules allow to sell? What would this represent in value?

The producers’ organization as well as the operators consider that the labelling rules of non-PDO/PGI wines should not change. A set of new rules for labelling will not impact the wine quantity sold. Moreover, a change of rules for non-PDO/PGI wines will not necessary increase the quantity sold. However, the national representatives consider that the concept of varietal wine should be removed from legislation.

IQ 6.11  Please describe the system set up for controlling the labelling of non-PDO/PGI wines

The controlling authority of national authority specified that the order 266/2017 regulates the control system of labelling and wine inspectors do control everything from producers to vinification, wine in the shelves as well as transportation. The activity of controlling authority of national authority is aiming to ensure consumers that the varietal wines are not “offensing” in any extent the PDO/PGI products. The producers’ representatives precised that ISCTV (Service for Inspection, Verifications and Technical Control) and ANPC (National Authority for Consumer Protection) do have competencies in controlling the labelling. The local producers’ organization could not reply to this question.

IQ 6.12  Are there any audits or reporting data existing on non-compliance with EU labelling rules?

According to controlling authority there is no audit available on the non-compliance with EU labelling rules, but the annual activity report of ISCTV is available. However, for ensuring efficiency of the control system, protocols are concluded with customs, police and fiscal organs.

6.4 Comments and conclusions of the expert

6.4.1 On the effectiveness of labelling rules on the adequate information of consumers

1. The Law 164 of 2015 and the methodological norms are laying down the labelling rules for wine products in Romania.

2. The new labelling rules are simple to implement from the viewpoint of all the stakeholders but the labelling itself is quite expensive.

3. The labelling is ensuring sufficient and clear information on the wine products; none of the stakeholders consider that any additional information should be included. However, there are stakeholders who consider
that the information regarding the calories and ingredients may not stimulate consumption as it may raise concerns.

4. For the foreign wines the information on labelling should be translated in one or more EU official language, but one should be Romanian.

5. Any additional information included on labels is considered not necessary, as it might increase the degree of difficulty for reading the main important information about the wine product.

6. The new national hologram which is used for labelling the PDO/PGI wines is allowing consumers to differentiate the wines of non-PDO/PGI wines as it is easy recognizable on the packaging.

7. The absence of restrictions in respect to labelling of PDO/PGI wines would be exploited by various producers for misleading consumers, but can not be appreciated to what extent.

6.4.2 On the effectiveness of labelling rules on marketing conditions and fair competition between operators

1. According to interviewees’ responses and opinions, on the basis of their financial figures which were not provided and in the absence of statistical data, the rules for labelling might have fostered consumption of PDO/PGI wine, but the overall quantity of wine consumed did not change.

2. It is difficult to appreciate if the labelling rules increased the value of production marketed/traded, there are many factors of influence.

3. The labelling rules are a guarant of the traceability of the wine products and are consequently ensuring fair competition among operators.

4. The new labelling system is more than sufficient for ensuring fair competition among operators.

5. There are no changes in respect to labelling system which might foster the sales. None of the non-PDO/PGI producers consider that the quantity sold is linked to labelling system.

6. Unfortunately at the national level, there are not reports regarding the non-compliance with the EU labelling rules, only the ISCTV and ANSVSA annual reports and press releases are providing information on the controls actions, but no information on non-compliance on labelling could be found.
7. THEME 5: CERTIFICATION PROCEDURES, MONITORING AND CHECKS

7.1 Description of the local implementation of the rules

7.1.1 Description of certification procedures applied in your Member State and region

In Romania the certification procedure for PDO/PGI wines and for non-PDO/PGI wines is similar, as well as the one for exported wines. The procedure was issued on the 30th of August 2017, and is called “Procedura de atestare, control și verificare pentru certificarea vinurilor cu denumire de origine controlată, vinurilor cu indicație geografică și vinurilor varietale”. There are no further modifications of the herein procedure.

Before certification, the producers do have to split the wines of their annual production into lots, and afterwards can participate to certification. The following steps should be followed within the certification procedure:

1. **Wine control** – is the first stage in ensuring the conformity of PDO/PGI wines and of non-PDO/PGI wines and implies the verification of both quantitative and qualitative parameters of wines which are supposed to be certified.

The control of quantitative parameters is realized through the system of compulsory declarations, “cahier des charges” and norms for control and verification of varietal wines (Decision 143 from 31.08.2017). The most difficult step of certification in Romania is the compliance with the specifications of the “cahier des charges”. For example, the small producers prefer to not certify their wines as of technological difficulties and their lack expertise as well. Consequently, small producers prefer to sell their wines as bulk wines at a lower price (about 1-1.3 euro/liter).

The control of qualitative parameters is realized through:

- **Physical and chemical analysis** within authorized laboratories. The analyzing fiche should include information on: the alcoholic strength gained, sugar content, overall acidity, volatile acidity, non-reducing extract, free sulphur dioxide free, overall sulphur dioxide content. The conclusion may include recommendations on the quality category (PDO/PGI or non-PDO/PGI).

- **Sensory analysis** is realized by the **Tasting Commissions** established at county level through decision of General Director of ONVPV. The Tasting Commission encompass an odd number of members (min. 5, max. 9). The Tasting Commissions should meet at least 4 times per year. For any appeal, the Appeal Commission will re-examine the wines at headquarters of ONVPV.

In charge with compulsory declarations is the wine inspector as representative al ISCTV within the County Directorate for Agriculture and the control of compliance with the “cahier des charges” is territorial inspector of ONVPV. The territorial inspector (wine inspector) of ONVPV is responsible for centralization of analyzing fiches from the labs gathering physical and chemical analysis.

2. **The Tasting Commissions** perform “blind tasting” of the samples collected by the producers (preferable conditioned and filtered). The tasting order is the following: white wines first, rose wines and red wines ordered by variety, in accordance with the **sugar content**.

For being included within a certain category the wines should reach a score within the limits (thresholds) presented below:
- for PDO wines – minimum 75;
- for PGI wines – minimum 70;
- non-PDO/PGI – minimum 65.

The tasting commission gathers at least 4 times per year and performs the tasting for all the wines.

The examination includes:

- Visual examination: Limpidity, colour, defects
- Olfactory examination: Bouquet (flavor), intensity, defects
- Tasting examination: balance (acidity, alcohol, softness), structure, defects
- General appreciation: harmony, quality, aromatic persistence, final impression, defects

The wines not qualifying for a certain category may be downgraded, or can participate to next tasting sessions or can be re-evaluated within 15 days by the Appeal Commission.
The Evaluation Report of the Tasting Commission is provided to the producer within maximum 15 days.

3. The categorized wines will remain in the monitoring of the territorial inspector (wine inspector) in all the following stages: storage, conditioning, maturation, bottling and aging. The evolution of quality will be periodically or through sampling checked. The wines not fulfilling the specific qualitative parameters are to be downgraded to the lowest qualitative category. The wines categorized remain in the monitoring responsibility of the territorial inspector (wine inspector) of ONVPV in all further stages (storage, conditioning, maturation, bottling and aging). The evolution of categorized wines is periodically or through sampling check at anytime.

4. The wine quantity certified is verified by the territorial inspector (wine inspector) and afterwards the Certificate is provided. All the wine lots categorized receive a codification (B2B) and the producer may afterwards forward a request for launching on the market the wine product. As annexes, the harvest and production declarations should be attached. The number of certification marks is calculated by dividing the quantity to 0.75l recipients. The certificate is elaborated by the territorial inspector (wine inspector) in three original exemplaries (one for the producer, one for the territorial inspectorate, and one for ONVPV, transmitted in maximum 48 hours from issuing date).

5. Follow-up reports should be provided by the producer to territorial inspector (wine inspector) within 5 days from the finalization of the bottling process and the territorial inspector (wine inspector) is sending the reports within the following 5 days to ONVPV headquarter. The certificate is valid as the lots are corresponding to conditions established by the “cahier des charges”.

It is important to distinguish and specify which administrations / organizations are involved in each step of the certification procedures (see the list below). It will help as well to identify the stakeholders to whom you can ask data on administrative burden and time spent on the control procedures.

From the answers received from the operators, the procedure does NOT seems to be complicated, in spite of the recent modifications and difference in comparison with the previous procedure within which:

1. the varietal wine was not defined. As quality wines only PDO and PGI wines could be fond.

2. a deadline of maximum 4 months was provided for sampling.

3. in maximum 4 months from the end of the fermentation process, the producer should have asked for the qualitative evaluation of the wine lot(s). The new legislation specifies that the evaluation can be done after the end of fermentation process.

4. the producer should have drafted and sent monthly to the territorial institution in charge a Report of utilization of the certification signs. The new legislation is stipulating the fact that the Report of utilization of certification signs should be provided after finalizing the bottling process of each wine lot.

On the other hand, the enacting procedure clearly stipulates the minimum scoring which should be obtained by a wine in order to be classified as PDO, PGI or varietal by the tasting commission.

From the viewpoint of the producers of PDO/PGI wine with strong reputation and from the growers of “young” plantings, the procedure is not difficult as the operators do have at their disposal the technology and expertise (oenologist).

For many wine producers the PDO/PGI certification seems to be a compulsory step in ensuring their access to the market – a standard for basic good quality wine. The wine producers are starting to be more interested in developing their own standards (e.g. imposing limitations to grape quantity per hectare) for producing superior (premium or super premium) wines.

7.1.2 Description of monitoring and checks procedures applied in your Member State and region

The General Directorate for Control, Antifraud and Inspections (DGCAI) is organized as directorate under the Ministry of Agriculture and Rural Development and its main responsibility is to ensure integrated control, complex and for evaluation of management quality, of public expenditure (national and European), as well as of ex-post control. Within DGCAI the Service for Inspection, Verifications and Technical Control coordinates the
activity of inspections, verification and technical control at the level of the Ministry. The State Inspectorate for Viticultural and Technical Control is the main component within the Service for Inspection, Verifications and Technical Control (ISCTV).

Within the Chapter VII, “Regulatory authorities, attributions and competencies. Coordination and control of wine production”, of the Law 164 of 2015, the responsibilities regarding the activities within the wine sector as well as the coordination and the specialized technical control in respect to production and commercialization of wine products are attributed to State Inspectorate for Viticultural and Technical Control.

**Figure 5: Organization of monitoring and checks system in Romania**

In accordance with the Annex to the MADR Order no. 410 of 01.04.2016 of REGULATION AND OPERATION OF THE MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT, PART I on THE ROLE AND FUNCTIONS OF THE MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT, the DGCAI collaborates, on the basis of protocols, with other ministries or control institutions (ANSVSA, ANAF, DIPI, IGPR, ANPC), in order to comply with national and Union legislation. After analyzing the documents provided by the persons controlled and the acts committed directly or indirectly by these persons, the DGCAI counselors draw up reports or notes proposing measures to eliminate the established dysfunctions and restore legality and compliance that is submitted for approval to the Minister of Agriculture and Rural Development. The control notes are confidential documents and are communicated to other institutions and / or individuals or legal entities only with the written consent of the DGCAI management.

The organigram of State Inspectorate for Viticultural and Technical Control is consisting of 4 wine inspectors working in the headquarters of the institution and 56 wine inspectors working within the County Directorates for Agriculture. Depending on the development of wine sector in each county, one to three wine inspectors are delegated to execute their duties.

The wine inspectors under the State Inspectorate for Viticultural and Technical Control are in charge with the following duties:

1. verification of compliances with the provisions of the law on the production, marketing, storage and transport of wine products. (Art. 48)

2. ensuring the enforcement of law in the production of grapes, wines and other wine products and are empowered to carry out official controls for quality assurance and conformity. (Art. 49)

For accomplishing its duties ISCTV works with a R&D institution accredited for performing physical and chemical analysis of wine products: The Institutul de Cercetare-Dezvoltare pentru Viticultura si Vinificatie - Valea Calugareasca which has 4 branches at national level. These laboratories may be requested to perform...
classical physical and chemical analysis on wine products. For more specific analysis as isotopic analysis, ISCTV collaborates with other two R&D centres at national level: Institutul Național de Cercetare și Dezvoltare pentru Tehnologie Izotopică și Moleculară from Cluj Napoca and Institutul National de Cercetare-Dezvoltare pentru Tehnologii Criogenice și Izotopice - ICSI Rm. Valcea. These two institutes have access to European databank of isotopic data.

Regarding the compulsory declarations:

The natural and legal persons producing, storing, purchasing and marketing wine products shall elaborate and submit in due time the documents for the wine production, namely the declaration of stocks, harvest and production, the location of operators where they processed their production, grapes and / or musts have been commercialized, and the situation of the grapes and / or musts for wine production. Documents shall be filed and registered with the County Directorate of Agriculture (including Bucharest) as three copies, as follows:

a) one copy shall be sent to the ISCTV to check and centralize the entered data;

b) a copy, in the case of wines with PDO wine, PGI wines and varietal, shall be transmitted to the territorial inspectorate of the ONVPV;

c) one copy shall be kept with the declarant.

The stock declaration shall be elaborated and deposited by wine producers, depositors and traders and other wine products, other than retailers, by 15 August of each year for the production in stock at the date July 31 of the current year. The stock declaration does not include wine products obtained from grapes harvested in the same calendar year.

The traders whose economic activity consists in commercializing small quantities of wine products, directly to the consumers, are exempted from drawing up and submitting the declaration of stocks, except for those who use specialized warehouses or sell in a quantity of more than 2,000 l of wine products in one year. The grape producers, natural or legal persons, shall elaborate and submit at the end of the harvesting campaign, but not later than 10 December of the current year, to the county agricultural directorates where the vineyards are located the harvest declaration and the situation of the winegrowers, the grapes and/or musts were sold.

The following natural or legal grape producers are exempted from completing and making this declaration: (a) grape producers whose total production is intended for unprocessed consumption or is intended for direct drying or processing into grape juice; b) producers holding up to 0.1 ha of vineyard area, and the whole grape production obtained processed it in its own wineries or third parties, in its own name, and the entire production of wine obtained is not traded ; c) winegrowers holding up to 0.1 ha and delivering the whole harvest.

Producers of wine and / or other wine products shall complete and submit at the end of the winemaking campaign, but not later than 10 December of the current year, to the county agricultural directorates where the wineries are located, the production declaration and the situation of the origin of grapes and / or musts for obtaining wines. The natural or legal persons who obtain by their own wineries up to 10 hl of wine which is intended for family consumption are exempted from providing the production declaration. Producers of wine and / or other wine products processing grapes through service contracts shall record in their own production declaration the data relating to the products and the quantities resulting from the processing. The quantities of wine or other wine products used up to the date of elaborating the production declaration shall be included in the total of the products resulting from the winemaking campaign. The quantity of wine to be included in the production declaration shall be the total quantity obtained at the end of the alcoholic fermentation, including wine lees.

The inspectors of ISCTV in the county agricultural directorates where the declarations are completed and registered shall verify the correctness of the data entered in the declarations and the due deadlines for their submission and registration.

For failing to submit in due time or erroneous or incomplete registration of the data in the content of the declarations, the inspector for the wine technical control shall apply the sanctions provided in art. 66 lit. a) for
the offense provided in art. 65 par. (1) lit. s) of the Law on Wine in the system of the common organization of the wine market no. 164/2015.

The information provided in the declarations referred to in art. 1 will be centralized by the wine inspectors of county agricultural directorates where they are submitted and recorded and will be sent to ISCTV within the Ministry of Agriculture and Rural Development, within 60 days of the expiration of the submission deadlines. After verification and centralization, the declarations provided shall be submitted to the operators of the Vineyard Register at county level for their operation within 90 days from their submission.

**Regarding the movement and the control of marketed products:**

For the transport of bulk wine produced by natural / legal producers in containers greater than 60 liters, the accompanying documents and the analysis bulletin issued by an authorized laboratory are required.

Bulk wine is marketed is subject to specific approved provisions. The qualitative and compositional parameters for wines and wine products commercialized must be found in the analysis bulletin for the product in question. It is mandatory for the analysis bulletin to accompany any wine product at the time it is marketed.

Responsible for the composition and quality of wine and wine products marketed in bulk is the economic operator that introduces the product on the market, while for bottled products the bottler is responsible. In Case wine analyzes reveal nonconformities of the wines under review, the bulk wine vendor or the bottler may require further analyzes, within 10 working days of notification, from an accredited / authorized laboratory by using as comparison the witness sample.

For products intended exclusively for export to third countries, other oenological practices and treatments as well as other compositional limits authorized in third countries may be used, at the request or with the consent of the external customer, in accordance with recommended and published oenological practices and treatments by OIV. The imported wine and wine products must comply with the qualitative and compositional criteria established by European Union legislation. The must, wine and other wine products intended for bulk marketing shall be accompanied by accompanying documents of bulk wine products and analysis bulletins issued by an accredited and authorized laboratory under the law.

**Regarding the Vineyard Register**

The Vineyard Register is the main component of the National Vine and Wine Information System (NVVIS) and a basic tool for the implementation of support measures in the wine sector, comprising plots grown under vines for wine grapes and recording plantings, grubbing-up, changes to the data contained in the electronic records of existing vineyards, based on the national legislation in force.

ONVPV is the nationally responsible institution with the management of the vine planting system for grape vines. ISCTV is responsible for certifying the grubbed-up areas, certifying the planting / replanting of vines and certifying the modification of the data of a vineyard. County Directorates for Agriculture are responsible for the operation and updating of the data contained in the Vineyard Register, under the training and technical support of ONVPV.

The certification of vineyard planting / replanting is carried out by ISCTV, based on a request for planting / replanting the vine and enrolling in Vineyard Register. Upon submission to County Directorate for Agriculture, of the request for planting / replanting vines, applicants must submit documents certifying the right of ownership or the right to exploit the land for which they applied for planting / replanting and to submit the authorization for planting / replanting issued on their behalf. The certification of the grubbed-up areas shall be carried out by ISCTV, based on a declaration of the grubbing-up. Upon submission to County Directorate for Agriculture of the declaration of grubbing-up, applicants must submit documents attesting the right of ownership or the right to exploit the vineyard parcels for which the grubbing-up declaration of the vineyard parcels has been made. In order to certify the modification of some data recorded in Vineyard Register by ISCTV, the applicants have to submit documents justifying the requested modifications data in the Vineyard Register.
In 2017, a collaboration protocol was concluded between ONVPV and AFIR for allowing AFIR’s experts to visualize the National Information System of Vine and Wine in order to avoid the double financing of the projects submitted under the NSP and NRDP 2014-2020.

7.1.3 Description of the control system related to NSP implementation

The control system related to NSP implementation is defined within the NSP strategic document and detailed by the guide of applicants for each measure. The control system is implying administrative and on-field ante- and post- implementation controls as well as controls during project implementation.

Regarding the Restructuring/reconversion measure:

The administrative control is performed by APIA after receiving the application. The on-field eligibility control is performed by the same institution. In case during the control performed by APIA, inspectors or other competent control body establish that the eligibility conditions laid down by the regulations and in the national normative acts are not fulfilled, the return of the file or the refusal of the aid shall be communicated to the applicant in writing. Within 15 working days from the rejection notice the applicant may send a letter of appeal. In this case, the application will be reconsidered by another verification team that measures the same measure.

Quantitative and qualitative reception of measures implemented under restructuring / reconversion programs is carried out by APIA through the structure in charge. The on-field check is realized by the APIA inspector for the final acceptance of the eligible measures implemented no later than 30 working days from the date of submission by the applicant of the declaration of completion of the measure.

Reception of eligible measures under individual plans will be done both quantitatively and qualitatively for each execution work within the approved individual plan. The applicant for the restructuring / conversion programs shall notify the territorial inspector within County Directorare of Agriculture for quantitative and qualitative finalization of implementing the restructuring / conversion operations at least 48 hours before. The applicant shall submit APIA or to the body empowered the declaration of completion of the eligible measures or, in the case of an application for advance payment, the declaration of commencement of the implementation of the measure. The determination of the areas of the vineyard parcels subject to the restructuring / conversion programs shall be carried out via GPS measuring device in compliance with the provisions of Article 44 of Commission Implementing Regulation (EU) 2016/1150 laying down rules as regards the national support programmes in the wine sector.

Verification of the density of plants shall be carried out through determinations on each vineyard by dividing the area per hectare, expressed in m², into the nutrition area of each plant, calculated by multiplying the distance between the rows and the distance between the plants on row.

The minutes of receipt of the measure “design, planting ground and installation of tutors” in the restructuring and / conversion program drawn up by the approved inspection body shall be accompanied by the results of the measurements realized via GPS device for the registration of parcels vines in Vineyard Register.

In order to carry out quantitative and qualitative reception, the performance of fertilization works is proved with the result of agrochemical cartography as a result of fertilization, compared to the initial agrochemical cartographic values. The category of biological material used for planting is proven by copies conforming to the original of the biological value certificates.

The support system (scrubber and wire) used for planting is proved by copies of its certificates of conformity / quality. In the case of compulsory grabbing-up for the purposes of planting, applicants must submit documents issued by the plant protection authority within the planting area, stating that the area under the program is free from organisms harmful to the phytosanitary status of the vineyard plantations. Upon receipt of the completed measure, the inspector shall request the beneficiary to complete a centralizer with the required areas and resulting from the conversion and a centralizator with the costs incurred for the measure received, signed and stamped by the beneficiary and by the inspector, which also includes a declaration on his / her own responsibility assuming responsibility for the legality, regularity and reality of the documents in the centralizer.
Should the field inspector establish, following the GPS measurement, some noncompliance with the physical blocks, will inform the recipient of this irregularity. The beneficiary will have to complete and submit to the territorial office of API a Reporting Form for comments on physical block and/or M1 form - Change of surface declaration. These forms shall be lodged in the next legal deposit period. The beneficiary accomplishes all the needed steps for performing corrections in the physical blocks, as appropriate, and then correctly records both the surface resulting from the GPS measurement and the physical block in the computerized datasheets of the Vineyard Register. After registration in the Vineyard Register the beneficiary has the obligation to submit to the area inspectors of the ONVPV a copy of a series of documents, according to OMADR no. 1763/2014, as amended and supplemented, point 8.4 and the Delegation Framework Agreement no. 14910/09.05.2014 concluded between the Payment and Intervention Agency for Agriculture and the National Office of Vine and Wine Products (declaration of vineyards grabbing-up, the GPS measurement report issued by APIA prior to grabbing; Annex no. 1 to the Rules on the management, procedure and conditions for the granting of new planting rights, replanting or planting on a reserve of vine for wine grapes, approved by the Order of the Minister of Agriculture and Rural Development no. 166/2012; the report on the quantitative and qualitative reception of measures for the restructuring/reconversion of vineyards; the GPS measurement report issued by APIA after planting). Upon receipt of the centralizer with the costs incurred, the inspector will check whether the beneficiary has correctly prepared it and will determine the value of the actual costs used by the applicant for their realization. After the cost centralization and the declaration on own responsibility given by the beneficiary, the documents checked shall be filed with the final minutes of the quantitative and qualitative reception of the measure.

Regarding the **Promotion** measure:

The control of actions implementation over the duration of the grant for actions taking place in Romania and which are to be selected for control shall be carried out by the staff of APIA. For actions carried out in Romania or outside the national territory, APIA will consider any element that confirms the action: photos, articles and press releases, advertising spots broadcast through T.V. networks, local protocols sent by the representatives of the foreign trade promotion offices of Romania within the embassies and consulates of Romania in the countries covered by programs, paid invoices, local press extracts, confirmations from the organizers of fairs and exhibitions, chain stores or restaurants where information and promotion actions are carried out, semi-annual/annual reports communicated by the beneficiary, external evaluation reports, etc.

Monitoring the implementation of actions in third countries or Member States aims to verify that the actions are implemented in accordance with the relevant regulations, the program and the approved materials, the timetable communicated by the beneficiary, the products concerned, the EU PGO/PGI, organic farming, the co-financing message, logo EU, Romania and beneficiary, etc.

Ex-post control is carried out, according to the specific legislation and procedures, by the specialized structure of the MADR.

Regarding the **Harvest insurance** measure:

When submitting a payment reimbursement claim, APIA is performing the administrative check. In case the surface of vineyard for which the reimbursement is requested was measured before, APIA is not performing the on-field check. In case the surface of vineyard was not be measured after 2007, APIA is performing on-field check and only afterwards the reimbursement is done.

Regarding the **by product distillation** measure:

The reimbursement is realized after finalization of administrative checks on payment claim but also, in case it is needed, after on-the-spot checks realized by APIA.

### 7.2 Existing national data on non-compliance and workload

#### 7.2.1 Existing data on fraudulent manipulation of wine

The control body of the national authorities highlighted that within the last years they confronted a series of problems with fake wines. Actually, fake wines were discovered for the last time in 2018, but similar problems
were encountered in 2011 and 2015 as well. Besides, the certification of wines is a problem also in respect to labeling of varietal wines.

The consumers organization drawn attention on the fact that to its opinion the authorities in charge are not running thematic controls but just controls based on complaints from consumers or market operators. The level of fines is too low in comparison to the level of doubtful products on the market. The controls for verify the degree of quality of the wine products should intensify.

According to the letter 221299 from 03.05.2018 provided by ISCTV in 2017:
- 4816 operators have been controlled;
- 989 wine samplings have been collected;
- 56 authorizations for the wine commercializing spaces for bulk wines have been withdrawn;
- 52 written warnings have been provided;
- 16 contravenient fines have been issued with a total value of 151000lei;
- 8 criminal complaints have been forwarded to in charge authorities;
- 3 fiscal complaints to fiscal authority for recalculation of excise duty;
- 20781 liters of wine products have been withdrawn from commercialization.

On the other hand, National Authority for Consumer Protection gave the following examples of non-conformity found:

In 2015, in Arges County, "semi-sweet white table wine", of 10.5% alc., without the indication "Contains sulphites" on the label, has been identified to have sulphites, according to the analysis bulletin. In Ialomita County, bulk wine with an alcoholic concentration lower than the real one has been identified but also bulk wine not labelling the alcoholic volume. Moreover, in Teleorman County, demi-dry wine with no indication on wine category, sugar content, production year, price, has been identified. In Covasna County, the label of a series of wines of Hungarian origin the identification elements as well as other characteristic ones, were not translated in Romanian. In May 2017, a thematic control of ANPC has been performed, but data for public are not available.

In 2015, according to REPORT ON IMPLEMENTATION OF THE NATIONAL PLAN INTEGRATED CONTROL for Romania, provided by ANSVSA:

In Ialomița County, the exceedance of the total sulphite concentration in a Red Wine product – Viata Lunga was registered according to Test Report no. 502/2016 of the Laboratory for Physical, Chemical and Microbiological Testing CRSP Tg. Mureș. By Address no. R1 / 948 / 02.15.2016 DSP Ialomița declares that the company was warned about the deficiencies found and was sanctioned with a warning according to Law 180/2002.

In Tulcea County, it was found that the total sulphite concentration was exceeded in a Merlot wine product according to Test Report no. 517/2016 of the Physical, Chemical and Microbiological Testing Laboratory CRSP Tg. Mureș. By post no. K11 / 888 / 16.02.2016 DSP Tulcea informed that a control team went to the respective trading company, finding that bottled wines were not in stock, but only a stock of 8427 l Merlot as bulk wine from 2013. The Chief Engineer of the facility was sanctioned contravened with a warning, and it was recommended that within 15 days the operator should carry out for bulk wine Merlot laboratory tests to quantify the total sulphite parameter.

In Brăila County, according to Test Report no. 482/2016 of the Physical, Chemical and Microbiological Testing Laboratory CRSP Tg. Mureș, the total sulphite concentration was exceeded in a product called Premiat – demi-dry white wine.

**10.3 - Did you encounter any difficulties or problems in the implementation of this system?**

According to the body responsible of the national authority, till the time being there were no problems encountered in respect to monitoring and checks addressing the risks of fraudulent manipulation of wine. The article 48 from the Law 164 of 2015 is describing in detail the system.

**10.4 - Are there some reporting data or audit reports available on the system of monitoring and checks addressing the risks of fraudulent manipulation of wine?**
The same national authority stated that there are no reporting data or audit reports available on the system of monitoring and checks addressing the risks of fraudulent manipulation of wine. The only document available is the annual report on activity of ISCTV.

10.5 - Can you assess the workload related to this system of monitoring and checks?

The body in charge could not provide a quantification of the workload related to the system of monitoring and checks.

10.6 - Is there any quantification of frauds available? (evaluated in € rather than in quantity)

In respect to quantification of fraud, as mentioned at point 10.4, the only report available is related to annual activity of ISCTV; in 2017 the level of fines issued reached 151000 lei (about 33000 euro) for 21000 liters of wine withdrawn from the market.

7.2.2 Existing data on non-compliance with NSP rules

Data on non-compliance with NSP rules are not available at the level of Romanian authorities.

7.3 Synthesis of the interviews

IQ 7.1 to 7.3 Is the certification procedure simple to apply? Please distinguish wines with PDO/PGI, wines without PDO/PGI and traded wines

All the stakeholders interviewed mentioned that the certification procedure is not difficult at all, however, the national representatives of producers requested for special attention in respect to varietal wines certification. From the viewpoint of local producers’ organization, which is not familiar with the procedure for non-PDO/PGI as its members do not produce non-PDO/PGI wine, the procedures should be similar. The procedure for exported wines is similar.

IQ 7.4 When change occurred in the certification system, did it allow an increase in the quantity of wine marketed or exported?

The national authority and representatives of producers stated that when changes occurred regarding the certification system, there were no changes in respect to wine marketed or exported.

IQ 10.1 Did you encounter any difficulties or problems in the implementation of monitoring and checks of EU requirements?

The national authorities did not mention any difficulties or problems in the implementation of monitoring and checks of EU requirements and emphasized the fact that all the audits of the EC are confirming the high degree of correctness in implementing the NSP. The Local producers’ organization highlighted the fact that at the time being in respect to restructuration/ conversion measure the procedures simplified significantly. However, according to beneficiaries of promotion measures, the bureaucracy is getting to a higher level, and too many details and information are needed for reimbursing the expensing. When implementing a project, the beneficiaries are focusing more on administrative issues than on technical issues that might increase the impact of the project.

IQ 10.2 Did you encounter any difficulties or problem in the implementation of the control system related to NSP implementation?

Both the national authority and paying agency stated that they did not encounter difficulties or problem in the implementation of the control system related to NSP implementation.

10.7 - Can you describe in detail the organisation of the control system related to NSP implementation?
According to paying agency, the institution realizes both administrative and on-field checks at the premises of all the beneficiaries. The institution does sample the beneficiaries in its control activities. All the beneficiaries are controlled before concluding the projects, and afterwards, in the implementation phase as well.

10.8 - Did you encounter any difficulty or problem in the implementation of the NSP control system?

According to the paying agency, the institution did not encounter any difficulties in respect to the control system of the NSP. There are no issues to be highlighted. However, even if the procedures simplified in the last years, the improvement of the control system of NSP can be done further. However, the representatives of producers mentioned that the lack of competences on behalf of personnel of public institutions in charge is leading to a series of difficulties (e.g. the paying agency is lacking specialists able to validate technically the wineries modernization projects).

10.9 – Are there some audit reports available on the control system related to NSP implementation?

At the level of paying agency there are some audits available, such as: Internal audit of APIA, the audit of certification organism, the audit of the European Commission (six were realized to date, and NO financial correction was applied) and the audit of the European Court of Auditors.

Regarding the accompanying documents for ensuring the traceability of the wine products, according to Romanian legislation, the bottled PDO/PGI and varietal wines are allowed to travel within the territory of the country based on their PDO/PGI certification and on the basis of the invoice.

However, according to the Order 80 from 2010, for the following EU and imported bulk wines a distinct system of evidence and conformity check throughout their movement should be established. This category of wine products encompasses: grapes for wine, grape must, grape must in fermentation, concentrated grape must, rectified concentrated grape must, wine, new wine still in fermentation, wine vinegar and wine yeast by-product.

Operations for the reception and unloading of consignments of bulk wine products, both from import or intra-EU, shall be done only in the presence of the county representative of ISCTV. Intra-EU operators and traders of bulk wine products have the obligation to notify, in writing, for every delivery, at least two business days prior to the arrival, the County Directorate of Agriculture where the products are to be received and unloaded.

The notification is realized for ensuring the presence of ISCTV representatives at the location and at the time of wine products unloading simultaneously with the representatives of Customs authorities.

The imported wine products should be accompanied by the VI 1 Document, which should carry the visa of the competent authority from the origin country.

The accompanying document for the transport of wine products [Please note that this rule is valid for all intra-EU transports of wine, no matter if in bulk or bottled.] should be completed by all operators delivering on the national territory wine products of Union origin or imported, including those not owning a warehouse. The shipment must be accompanied by a copy of the similar documents issued by the competent authority of the country of origin and should carry the visa of the body wine inspection in the country of loading.

At destination, after verification of the accompanying documents for transport of wine products from intra-Union trade or import and after prevailing samples for product’s compliance check, the wine inspector may certify the accompanying documents and verify the registration of these products in register.

In the absence of accompanying documents or in case the documents are filled-in incorrectly or incomplete, the representative of ISCTV may request the operator to correct any material errors or request the competent body of the country of origin to issue a new document or may forbid the product to be unloaded and / or marketed until the situation is clarified.

The operators which are marketing and/or purchasing, storing, bottling, including merchants without warehouse which are shipping bulk wine products from import or trade them within the EU, have the obligation to establish and complete operational records of these products' records.
The registers are:

a) The entry / exit register for importers and intra-EU traders without deposit;

b) The entry / exit register for importers and intra-EU traders who are depositories and distributors wholesale;

c) The entry / exit register for importers and intra-EU traders who are depositories and bottlers.

The registers are encompassing fixed number of sheets, numbered ascending and stamped on each page by territorial inspector of ISCTV.

The records of bulk wine products or intra-EU trade are filled-in separately for each category of wine product, batch acquired and provenance.

The data entries in the records of bulk wine products from import or trade intra-EU should be done as follows:

- for entries, the registration is done on the day of reception and unloading;

- for exits, the registration is done at the latest on the third working day following the date of shipment.

The records of imported and intra-EU bulk wine products should be completed, updated and preserved at every point of purchase, storage, bottling and marketing the product.

Regarding the movement of excise goods, since 1 April 2010, EMCS (Excise Movement and Control System) system replaced the paper document (Accompanying Administrative Document - DAI) with electronic messages sent by the sender to the recipient via the administrations of the Member States. Thus, as of 1 January 2011, the DAI Accompanying Administrative Document is no longer used and all movements with excise goods under a duty suspension arrangement are initiated using the EMCS application for issuing the e-DA electronic administrative document. In Romania, the provisions of National Fiscal Authority Vice-President Order no. 829 / 23.02.2016 for the approval of the Norms regarding the access of economic operators to EMCS-RO applications controlling movements of excisable products under excise duty suspension regime and online submission of declarations regarding the status of acquisitions and deliveries of excisable products. The operators may access the EMCS platform through the portal of Customs General Directorate, www.customs.ro.

The e-DA should be drawn up by the consignor and sent to the administration tax / customs in whose area of competence they operate. This authority validates the e-DA reference data (shipment, consignee, and product excise codes), then allocates to e-DA a unique reference code called ARC, which is returned to the consignor. Only after receiving the ARC, the products may leave the authorized place of delivery.

When the excise goods arrive at the place of destination, the consignee draws up a receipt report which is submitted to the tax / customs administration in whose area of competence it carries out its activity. The tax / customs administration validates the document and compares it with other complementary information. After validation, the receipt report is returned to the consignee and to all Member States concerned, including the Member State of dispatch, which will automatically send it to the sender.

The e-DA document can be completed in advance, as draft e-DA and saved locally. This draft (draft electronic administrative document) may be submitted no later than 7 days before the date stated on this document as the date of dispatch of the excise goods concerned. If validated, it can no longer be modified. On the other hand, the movement cannot be initiated before the date of shipment to be entered on e-DA.

The movement of excise goods under suspension of excise duty must be accompanied by a printed copy of the electronic administrative document. In the case of the movement of excise goods under suspension of excise duty from another Member State to a Romanian consignee authorized to receive excisable products, may be accepted as accompanying document either a copy of the printed electronic administrative document or any another commercial document mentioning the clearly identifiable administrative reference number accepted by the competent authority of the Member State of dispatch.

In what it concerns the chemical and analytical analysis of wine products, the control body of the national authority, ISCTV, is working with four laboratory branches able to perform isotopic characterisation of wine
products. The R&D institutes capable of performing these types of analysis are Institutul Național de Cercetare și Dezvoltare pentru Tehnologie Izotopică și Moleculară from Cluj Napoca and Institutul National de Cercetare-Dezvoltare pentru Tehnologii Criogenice si Izotopice - ICSI Rm. Valcea. These two institutes are requested to perform various analysis case the classical physical and chemical analysis are not relevant. For accomplishing their tasks, the results are benchmarked their results with the data available in the European databank of isotopic data.

7.4 Comments and conclusions of the expert

In August 2017 a new certification procedure for PDO/PGI wines and for non-PDO/PGI wines in line with the provisions of the new Law on wine of 2015 was issued. The certification procedure is establishing clear steps to be accomplished by the producers for certifying their wines. From the viewpoint of the producers the new procedure is not very complicated but rather the specifications of the “cahiers des charges” established by the local producer organizations. Overall, the new certification procedure and the specifications of the “cahiers des charges” guarantee the high level of quality of all the certified wines produced at the time being in Romania.

In what it concerns the control system related to NSP implementation, the authorities are performing on-field and administrative checks at the level of each beneficiary of NSP measures. Basically, the beneficiaries of the Restructuring and conversion of vineyards (Art. 46) did not complain about the control actions of the funding authorities, but the beneficiaries of the Promotion measure (Art. 45) were highlighting the fact that the reimbursing procedures are too complicated due to the bureaucracy and the documents requested for expenses reimbursement by the authorities. All the beneficiaries of the promotion measure were requesting a simplification of the reimbursement procedure and, to their opinion, the complicated reimbursement system is the main reason of low number of beneficiaries of the promotion measure as well. However, according to the authorities, the control system is ensuring a high degree of rigourity regarding the public expenses incurred, which was also confirmed by the audits carried out in the last years by national and EU competent bodies.

Regarding the wine products control system in Romania, according to consumers’ representatives, the procedures are quite complicated and not very clear. The main body of the ministry involved in the system is the Service for Inspection, Verifications and Technical Control (ISCTV), which is a structure with territorial representatives in each county. The number of territorial wine inspectors seems to be insufficient for accomplishing all the attributions and duties in respect to control of production, wine processing, transport, labelling and commercialization. For accomplishing its regular tasks, ISCTV is cooperating on the basis of institutional protocols with other national institutions, such as ANSVSA - The National Sanitary Veterinary and Food Safety Authority, ANAF – National Authority for Fiscal Administration, DIPI - The Department of Intelligence and Internal Protection, IGPR – General Inspectorate of Romanian Police, ANPC - Consumer Protection Office. However, the consumers’ representatives are raising the problem of the absence of clear procedures of the bodies in charge with the control system for performing regular thematic controls and the fact that the number of control operations should be increased.
### ANNEX 1 – DESCRIPTION OF THE NSP MEASURES

**Table 15: Description of the measures eligible under the National Support Programmes**

<table>
<thead>
<tr>
<th>Eligible measures</th>
<th>Content of the measure</th>
<th>Implementing conditions</th>
<th>Type of aid</th>
<th>Existing in the 2008 Wine CMO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion (Art. 45)</strong></td>
<td>Support for information or promotion measures concerning Union wines either (a) in MS to inform consumers about the responsible consumption of wine and PDO/PGI or (b) in third countries to improve their competitiveness (in this case, only PDO/PGI wines or wines with an indication of the wine grape varieties are eligible).</td>
<td>Beneficiaries shall be professional organisations, wine producer organisations, associations of wine producer organisations, temporary or permanent associations of two or more producers, inter-branch organisations or bodies governed by public law. Private companies are only eligible for Point (b) of the measure. Support granted shall last no longer than 3 years for a given beneficiary, and, for Measure (b), for a given third-country market; it can be extended for a maximum of two years if justified by the effects of the operation. Information in Member States: priority shall be given to operations concerning several MS / several administrative or wine regions / several PDO and PGI. Promotion in third countries: priority shall be given to new beneficiaries or beneficiaries targeting a new third country.</td>
<td>Union contribution: Max. 50% of the eligible expenditure</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Restructuring and conversion of vineyards (Art. 46)</strong></td>
<td>Support for MS that submitted the inventory of their production potential. Support can cover: varietal conversion, relocation, replanting of vineyards following mandatory grubbing up for health or phytosanitary reasons and improvements to vineyards management techniques.</td>
<td>Beneficiaries are wine growers, i.e. natural or legal persons who farm an area planted with vines. Replanting of vineyard following a mandatory grubbing-up for health or phytosanitary reasons shall be eligible under certain conditions.</td>
<td>Union contribution: Up to 50% of the costs incurred with restructuring and conversion (up to 75% in less developed regions) and Compensation up to 100% of the loss of revenue due to the implementation of the measure</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Green harvesting (Art. 47)</strong></td>
<td>Support for total destruction or removal of grape bunches still in their immature stage, reducing the yield of the relevant area to zero.</td>
<td>Beneficiaries are wine growers, i.e. natural or legal persons who farm an area planted with vines. Areas concerned must be kept in good vegetative conditions and no negative impact on the environment shall result from the application of the measure. MS can restrict the measure according to timing of different varieties, environmental or phytosanitary risks, etc. No support shall be granted in case of complete or partial damage of the crops. Green harvesting support cannot apply to the same parcel for two consecutive years.</td>
<td>Flat rate payment / ha (not exceeding 50% of the costs of removal and loss of revenue)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Mutual funds (Art. 48)</strong></td>
<td>Support for the setting-up of mutual funds</td>
<td>Beneficiaries are wine growers or producers of wine products. Support period shall not exceed three years.</td>
<td>Temporary degressive aid covering the administrative costs of the fund</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Harvest insurance (Art. 49)</strong></td>
<td>Support for the subscription of harvest insurance safeguarding producers' incomes after losses caused by natural disasters, adverse climatic events, diseases or pest infestations.</td>
<td>Beneficiaries are wine growers. Member States may grant the support through insurance companies as intermediaries under certain conditions, but the amount of the support must be transferred in full to the producer. Member States must ensure that the support does not distort competition in the insurance market.</td>
<td>Financial contribution to the insurance premium, not exceeding 80% in case of insurance against adverse climatic events assimilated as natural disasters and 50% in other cases (insurance against losses caused by any adverse climatic events / by animals, plant diseases or pest infestations).</td>
<td>Yes</td>
</tr>
<tr>
<td>Eligible measures</td>
<td>Content of the measure</td>
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<tr>
<td>Investments (Art. 50)</td>
<td>Support for tangible and intangible investments in processing facilities and winery infrastructure, marketing structures and tools, intended to improve the overall performance of the enterprise and its adaptation to market demands, as well as to increase its competitiveness.</td>
<td>Beneficiaries can be wine enterprises producing or marketing the wine products, wine producer organisations, associations of two or more producers or interbranch organisations. Eligible actions are immovable property, new machinery and equipment, architect/engineer and consultation fees, feasibility studies, computer software and patents/licences/copyrights. Replacement investments are not eligible. Support cannot be granted to operations benefiting from promotion support. Priority must be given to operations likely to have positive effects in terms of energy savings, global energy efficiency and environmentally sustainable processes.</td>
<td>Support at its maximum rate dedicated to small/medium-sized enterprises, with maximum aid rate of 40% of the eligible investment costs (50% in less developed regions, 75% in outermost regions, 65% in the smaller Aegean islands)</td>
<td>Yes</td>
</tr>
<tr>
<td>Innovation in the wine sector (Art. 51)</td>
<td>Support for tangible or intangible investments aimed at the development of new products, processes and technologies, intended to increase the marketability and competitiveness of EU wine products.</td>
<td>Beneficiaries can be wine enterprises producing or marketing wine products, wine producer organisations and associations of two or more producers. Research and development centres may participate and interbranch organisations may be associated with the operation. Support is granted for tangible and intangible investments including for knowledge-transfer for the development of new products, processes and technologies, or other investments adding value at any stage of the supply chain. Priority must be given to operations likely to have positive effects in terms of energy savings, global energy efficiency and environmentally sustainable processes; including an element of knowledge transfer; and ensuring the participation of research and development centres.</td>
<td>Aid rate up to 40% of the eligible investment costs (50% in less developed regions, 75% in outermost regions, 65% in the smaller Aegean islands)</td>
<td>No</td>
</tr>
<tr>
<td>By-product distillation (Art. 52)</td>
<td>Support for voluntary or obligatory distillation of by-products of wine-making. The alcohol resulting from the supported distillation must be exclusively used for industrial or energy purposes.</td>
<td>Beneficiaries are distillers that process the by-products delivered to distillation into alcohol with an alcoholic strength of at least 92% by volume, to be used exclusively for industry or energy purposes. Support includes an amount to compensate the costs of collection, to be transferred to the producer when relevant.</td>
<td>Aid paid to distillers that process by-products into raw alcohol of min. 92% by volume. A lump-sum amount covering the cost of collection of by-product must be transferred from the distiller to the producer when relevant.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Agrosynergie based on Regulations (EU) No 1308/2013 and 2016/1149