

STANDARD SUMMARY PROJECT FICHE

1. Basic Information

- 1.1 Désirée Number:** RO-0006.12
- 1.2 Title:** HARMONIZATION OF LEGISLATION AND STRENGTHENING THE CAPACITY TO MANAGE THE ACQUIS ON WINE
- 1.3 Sector:** Agricultural restructuring (AG)
- 1.4 Twinning component:** RO2000/TB/AG/04
Harmonization of legislation and strengthening the capacity to manage the acquis on wine
- 1.5 Location:** Romania

2. Objectives

2.1 Wider Objectives:

To continue and accelerate the development of legal, institutional and operational harmonization with EU standards, relating to:

- wine production, quality and hygiene standards applying to domestically-produced and imported wines;
- recognition, protection and control of name of wines according to the EU norms and regulations;
- improvement of conditions for production and marketing of wines in accordance with the principle of quality, mutual benefit and reciprocity.

2.2 Immediate Objectives:

2.2.1 Quality

- harmonization of legislation taking particular account of Council Regulation 1493/1999 on the common organization of the market in wine, and rules for the implementation of this regulation which will be adopted by the Commission in future.
- define a winegrowing policy aiming to steer production towards quality and better adjustment to demand
- establish a strategy and create the instruments to make the industry undertake routine testing of product quality and hygiene, leaving Government services to test industry procedures and samples for compliance with Romanian and EU requirements
- develop through provision of assistance, training and equipment the necessary government service competencies to undertake their new roles

2.2.2 Protection of wine denomination

- harmonization of legislation with the EU regulations for recognition, protection and control of wine names

- define and start to apply cost-effective policies for improving identification and origin of products, through systematic product identification.
- Define, introduce and test a system to draw up inventories, which would allow collection of data on areas, varieties and plant right-essential data for any effective action relating to winegrowing structure.
- Improve coordination between MoAF and National Commission for Statistics for developing reliable wine statistics. .

2.3 Accession Partnership and NPAA priority

Romania 1999 ACCESSION PARTNERSHIP- priorities and intermediate objectives (Draft) provides the following:

Short-term measures:

- Sustained implementation of the agreement concluded with the European Union
- Make measures to ensure the functioning of a land market and establishment of a national- wide land and property register
- Reinforcement of institutional and administrative capacity of the Ministry's services.

Medium term measures:

- Consumers' protection: Continuing alignment and strengthening market surveillance and enforcement authorities, including reinforcement of food control administration
- Upgrading certain food processing establishments, management practices and testing and diagnostic facilities to meet EU food hygiene and quality standards;
- Reinforcement of agricultural policy management, reinforcement of food control administration.

June 1999 version, 1st volume, Chapter 3.4 «Sector policies», sub-chapter 3.4.2.2 «Viticulture & Vinification sector», pages 148- 149.

2.4 Contribution to National Development Plan*Not applicable*

2.5 Cross Border Impact..... *Not applicable*

3. Description

3.1 Background and justification:

Traditionally Romania is a vinegrowing country member of the International Office for Vineyard and Wine since 1927 and a traditional exporter with worldwide recognized wine brands. Presently Romania is situated on the 19th place in the international export with wine (0.9%), and the 12th in the

European export (1.8%). The wine sector has considerable importance for the Romanian economy with high potential for both internal market and export.

Out of 278,800 ha of vineyard in 1998, 230 000 ha represent grape wine and only 24,000 ha have been cultivated with table grapes. Following the privatization of land the wine sector is currently represented by 148 000 small winegrowers with 1,2 ha in average representing 70% the vineyard area. Private vineyards and grape producers have limited technical skills and technology resources and also lack financial assets. The state sector is based on 58 wineries holding 45 000 ha. There are other medium 146 private commercial companies holding 9000 ha.

In the last ten years the wine growing potential has declined due to the uncontrolled planting of Direct Producing Hybrid (DPH). In 1997 about half of the vineyard area was cultivated with HPD. Between 1989 and 1997 the planting of DPH have doubled, increasing from 52,200 ha to 108,500 ha representing now 43.7 % of the Romanian vineyards area.

The national production of wine in the last five years has been between 5 and 8 million-hl the white wine covers 70% of the production and the red wines 30%. Romanian export of wine in 1998 was 569,500 hl out of which 290,000 in the European Union.

Romania has a preferential wine agreement signed with European Union in 1993 and extended three times. It provides for mutual tariff quota with reduced duties following rules similar to those of the Association Agreement. Another agreement covers reciprocal protection of geographical wine names. New Agreements are being negotiated in this year. In order to ensure an effective protection of geographical wine names used in the UE Romanian has to develop an appropriate technical and administrative capacity. Financial support is requested from the two pre-accession financial instruments Phare and SAPRD to develop this capacity.

Institutional Framework

A new legal framework has been established through approval and enforcement of Law 67/1997 Law of Wine and Vineyards. Through subsequent amendments approved by the Parliament in January 2000 Romanian primary legislation framework is now fully established and harmonized with EU Regulations.

Also the primary legislation is now in place, secondary legislation need to be approved and enforced to implement the measures regulating oenological practices, control and guarantee the healthiness and quality of the production, traceability of the production (production declaration, registers, accompanying documents, etc.), rules relating to the description, designation, presentation and protection of certain products, in particular quality wines produced in specified regions.

The Law 67/1997 set up principle regulating the authorization of new planting, replanting, grubbing, production declaration, registers etc. It also foresees the creation of the institutional framework necessary for winegrowing policy

development, designation, protection and control of wine quality. The law stipulates the creation of the wine cadaster system, which fall under the responsibility of the Ministry of Agriculture

The necessary legal framework regarding the land registration is set up since 1997 through the Law on General Cadaster and real estates publicity. The Government secures a 25 Million USD from World Bank to start the development of a Land registration system, which will secure land transactions and will facilitate the development of the land market. The existing legal framework allows the development of specialized cadaster such as agricultural cadaster, wine cadaster, forestry cadaster, etc.

The development of the wine policy and all related measures requires the creation of an effective and easy to operate wine inventory system. Therefore the setting up a **wine cadaster** is a prerequisite for the development and management of the wine policy.

The legal framework set up until now foresee the creation of the following institutions:

- The state inspection for Viticulture and Vinification Technical Control;
- National Office for wine and Vineyard;
- National Office for Denomination of Origine for wine and other wine by-products;

All these are new institutions, which requires strengthening and development and their administrative capacity. Also development of quality control capacity needs to be developed. The Ministry resources are quite limited and therefore request for Phare financing is necessary.

3.2 Linked activities

Support has been provided under previous Phare assistance to develop land registration system, crop information system, and agriculture extension system. Institution building support is now provided using twinning instrument as well as more classical technical assistance for adoption of the acquis in the field of food quality and standards, animal health and diagnosis, phitosanitary control. A working group on wine is receiving assistance, and training under the Project EU alignment and policy reform and Twinning for restructuring of the Ministry of Agriculture.

Some limited assistance has been provided through TAIEX missions and from bilateral sources, to help review compliance of Romanian wine arrangements, controls and industry practices with EU and export market requirements. There have been no substantive direct assistance projects dealing with the wine sector only

Further information on Romanian compliance with the acquis was provided from the multilateral screening in February 1999 and the subsequent bilateral screening in November 1999. Assistance relevant to establishment of a National Office for Origin Denomination was obtained during a TAIEX

mission to France in October 1999

3.3 Results:

- Secondary legislation harmonized with the EU wine acquis prepared for approval; Possible enforcement may be considered according to the Government legislative agenda.
- Designed of the structure and mandate of the any of three institutions set up by the Law 67/1997 which would may not be defined before the implementation of this project: State Inspection for Viticulture and Vinification Technical Control, National Office for Wine and Vineyard; National Office for Denomination of Origin for Wine and other Wine by-products.
- Staff trained and the above institutions strengthened in a effective way to fulfill their mandate;
- Increase capacity of the Ministry and its subordinated institutions to develop winegrowing and wine marketing policy.
- Design a wine cadaster system and establish the plan for its implementation nation-wide. Implementation of the system would follow at a later stage. Financing for the system will be sought from SAPARD.
- Establish the system for registering grapevine production units and areas, inspection and monitoring arrangements and the necessary legal framework;
- Criteria for geographical indication, traditional expression, protected name, presentation, labeling packaging and protection of trade mark established by the institutions in charge;
- Method for defining wine products by chemical analysis and origin will be clearly established, and the capacity to implement these arrangements will have been strengthened.
- The State Inspection for Viticulture and Vinification Technical Control will be equipped with basic testing and quality control equipment.
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- Public laboratories designated by the Ministry to carry out wine quality control test will be equipped with necessary laboratory equipment;

3.4 Activities:

3.4.1

3.4.1.1 Assistance will be provide for institutional development and strengthening of the three organisms set up by the Wine and Winery Law to manage the wine policy in Romania. Policy advice on the national operation of the wine acquis, with particular concentration on the inventory of production potential in line with the provisions of Council Regulation 1493/1999, as well as aspects relating to wine quality and description, designation, presentation and protection of quality wine produced in specific regions constitute the core of the policy advice. Provision of information, legal advice for drafting secondary legislation and further harmonization of

legislation taking into account the implementation regulation to be adopted by the Commission in future, technical advice for designing wine cadaster system, criteria for recognition, protection and control of wine names will be provided. Twinning with a member state administration will be used for provision of the assistance.

3.4.1.2 Design of wine cadaster system and the implementing plan. A cost benefit analysis will be performing to assess the cost of the system to be implemented national wide.

3.4.1.3 Training programme, on management and administration of the institutions in charge with wine policy management. Specific training modules will be organized for wine inspection, policy and economic analysis, and methods for protection and control of wine names. Training related with institutional strengthening will be designed under the twinning package. Training on technical modules may be organized outside the twinning envelope and this will be considered when the twinning covenant will be prepared.

3.4.1.4 Supply of IT equipment will be provided to allow proper functioning of the three designated institutions to carry out their daily tasks. Supply of testing and control equipment will be provided for the Wine Inspection at central level and ten regional inspection offices. Quality control equipment will be provided for a central and two regional public laboratories performing quality control. The suppliers will provide basic training for use of equipment.

3.4.1.5 In association with the advice and training from 3.4.1. equipment and data will be purchased to help establish and test means of establishing a wine producer registration system compliant or capable of compliance with EU requirements

3.4.2. Inputs.

- (a) One PAAs from a member state (for 18 months) with proven experience in wine policy and administration. A medium term expert specialized in wine cadaster inventory system will work with the Ministry to design the system and the implementing plan. Short term technical experts from member state administration specialized in wine acquis, legal drafting, wine inspection, laboratory methods, management, institution building. Training and short-term internship of Romanian staff in a member state administration with tradition and experience in wine.

- (b) Training package under the twinning project for: institutional development (in house training and internship in MS), inspection (training and internship in one MS), policy and economic analyses (local training). Specialized training on laboratory methods inside the twinning or separately through a TA contract.
- (c) IT and communication equipment for proper functioning of State Inspection for Viticulture and Vinification Technical Control, National Office for Wine and Vineyard; National Office for Denomination of Origin for Wine and other Wine by-products at the central level. (no more that four computers per organization with printers and other necessary devices).
- (d) Testing and control equipment for the Wine Inspection at central level and the regional inspection offices (one set per office to be designed by the expert under the twinning project at the beginning of the twinning project).
- (e) Quality control equipment will be provided for a central and two regional public laboratories performing quality control. The experts under the twinning project will advise on appropriate equipment for the laboratories. Two separate laboratories from two different regions (one in Transilvania and one in East/West part of the Country) will be chosen to perform quality control for the surrounding vineyards.

3.4.3 Profile of PAA

The PAA will be a senior civil servant with proven experience in wine administration of one of the member states with tradition in wine growing. He/she should have sound knowledge on wine acquis and proven experience in management of the administration dealing with CMO of wine in one Member State. Strong communication facilities and ability to work in difficult environment will be an asset.

He/she should have had experience of the systems and organization for vineyards identification and registration systems, their organization, operation and financial requirements and financing. He should have had experience of the negotiations and registration of wine delimitation areas and of organizing operational relations with control laboratories on one part and professional organizations on the other.

He/she should be experienced in all the main aspects of planning and implementing the acquis in the field of wine quality and related policies, as well as wine cadastre.

He/she should also have ability to link with EU professional and sector organizations and with EU institutions in general.

4. Institutional Framework

MoAF is responsible for national policy matters, including legislative adjustments and the definition of the systems. The PAA will be located to the Ministry headquarters. If the National Office for wine will be established before the project

start then the PAA will be assigned alongside this office.

The specific policy and legislative adjustments will be developed in a Wine Sector Working Group, comprising MoAF officials and experts and sector specialists from the Institutes of Research of the sector. The working group should be either closely working with the National Office for Wine and Winery or integrated inside this office which according to the law is in charge with wine and winegrowing policy.

The Inspection Service for Viticulture & Vinification Technical Control has recently been created as described above. MoAF has direct responsibility for this Service at present, but it is planned to transfer these responsibilities to the National Office for Wine. There are 29 staff, 3 person at central level and 26 at local level.

Preparations are being made to establish the National Office for Wine by the end of 2000. The primary enabling legislation has been adopted. This institution will undertake a number of trade-related functions and activities along the lines of wine producer organizations in Member States. As regards quality, it is intended in 2000 to transfer to the National Office for Wine those regional laboratories testing for wine quality and hygiene, currently owned and managed by local academic scientific institutes.

The National Office will be responsible, with existing local country (judet) registration wine register offices for operation of the new wine register. Control and certificates of origin will also fall under the responsibility of the National Office for Wine. At present, Romanian rules on certification on wines, are implemented by the trade body – The National Organization for Wine. Their functions and staff will be transferred to the National Office for Wine, when established.

5. Detailed Budget

- Meuro -

	Phare Support					
	Investment Support	Institution Building	Total Phare (=I+IB)	National Cofinancing	IFI*	TOTAL
Twinning: Policy, alignment and institutional development		0.75	0.75			0.75
Twinning or TA: Labs training development		0.25	0.25			0.25

IT, communication and laboratory equipment	1.0		1.0	0.25		1.25
Total	1.0	1.0	2.0	0.25	-	2.25

6. CFCU is the Implementing Agency while the Implementing Authority is the Ministry of agriculture and Food. The project will be implemented through the Ministry of Agriculture and Food-State Inspectorate for Technical Control of Vine and Wine. For the vine cadastre component MAF will designate staff from the Department for Agricultural Cadaster to work with the Twinning expert in designing the wine cadaster.

Equipment provided for these laboratories under this programme before transfer of the laboratories to the National Office will be the property of the MoAF. The question of accountability and ownership after transfer of the laboratories will be settled by MoAF in consultation with the Commission Delegation.

Contact person for twinning: Mr. Oliviu Peru, Chief inspector Ministry of Agriculture and Food

Address: Blvd Carol I, 24, Bucharest, Phone: 092 264411, Fax: 40 1 311 22 76

7. Implementation Schedule

Activity	Start of tendering	Contracting	Completion
Twinning component	02.01	04.01	10.02
Investment component	10.01	02.02	09.02
Training component	06.01	08.01	08.02

8. Equal Opportunity N/A

9. Environment N/A

10. Rates of return N/A

11. Investment criteria N/A

12. Conditionality and sequencing

- a) Legislative and institutional reform and alignment:
Ministry of Agriculture and Food/ Government implements the commitments to establish the National Office of Origin Denomination of Wines (while the State Inspectorate for Technical Control of Vine and Wine was created based on GD 314/ 99).
- b) Inspection training facilities and equipment:
Ministry of Agriculture and Food will provide maximum policy, financial and

other support for staff volunteering for training and relocation; will provide adapted accommodation and utilities the central and local specific institutions to be built.

- c) Slower than expected wine cadastre establishment.
Due to general land registration and certification falling behind schedule.
- d) For all projects with the Ministry of Agriculture, Phare support is conditional on the Ministry of Agriculture providing sufficient qualified full-time personnel for project preparation and implementation. Prior to signature of the Phare 2000 Financing Memorandum the Ministry will provide information satisfactory to the EC Delegation in Bucharest concerning the allocation of appropriate human resources for the Programme Implementing Unit and the various specialised services concerned with specific Phare projects, and these staffing levels will be maintained throughout the duration of the programmes.
- e) Projects to be implemented through **twinning** require the full commitment and participation of the senior management of the beneficiary institution. In addition to providing the twinning partner with adequate staff and other resources to operate effectively, the senior management must be fully involved in the development and implementation of the policies and institutional change required to deliver the project results."

ANNEXES TO PROJECT FICHE

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)

Annex 1 Logframe matrix

Project title Harmonization of legislation and strengthening the capacity to manage the acquis on wine.	Project number RO-0006.12	Date of drafting February 2000	
	Contracting period expires: 30.11.2002	Disbursement period expires 30.11.2003	
	Total budget 2.25 Meuro	Phare contribution 2.0 Meuro	
Wider objective	Indicators of achievement	Sources of information	Assumptions and risks
To continue and accelerate the development of legal, institutional and operational harmonization with EU standards, relating to: <ul style="list-style-type: none"> wine production, quality and hygiene standards applying to domestically-produced and imported wines; recognition, protection and control of name of wines according to the EU norms and regulations; improvement of conditions for production and marketing of wines in accordance with the principle of quality, mutual benefit and reciprocity 	Romanian legislation partially aligned with the EU wine acquis. Wine administration organized in an effective way to carry out the tasks defined. Effective protection of wine names originated in Romania and EU Improvement of wine trade between Romania and EU	Romanian Official Journal Twinning quarterly reports New Agreement on reciprocal recognition, protection and control of wine name signed and enforced.	National resources (staff, funds, premises) allocated for setting up wine institutions
Immediate objectives	Indicators of achievement	Sources of information	Assumptions and risks
<ul style="list-style-type: none"> Harmonization of legislation taking particular account of Council Regulation 1493/1999 on the common organization of the market in wine, and rules for the implementation of this regulation which will be adopted by the Commission in future. define a wine-growing policy aiming to steer production towards quality and better adjustment to demand establish a strategy and create the instruments to make the industry undertake routine testing of product quality and hygiene, leaving Government services to test industry procedures and samples for compliance with Romanian and EU requirements develop through provision of assistance, training and equipment the necessary government service competencies to undertake their new roles harmonization of legislation with the EU regulations for recognition, protection and control of wine names Define and start to apply cost-effective policies for improving identification and origin of products, through systematic product identification. Define, introduce and test a system to draw up inventories which would allow collection of data on areas, varieties and plant right- essential data for any effective action relating to winegrowing structure. Improve coordination between MoAF and National 	<ul style="list-style-type: none"> Twinning guaranteed resulted achieved No of staff trained at central and regional level The three institutions set up by law 67/1997 set up and operational Wine inspection operational and able to perform its tasks in an effective way. Internship in MS successfully completed Institutions dealing with wine administration and policy properly equipped. Laboratory equipped and staff trained 	<ul style="list-style-type: none"> quarterly reports of PAA Certificates of acceptance for equipment supplied and purchased Trainees report on internship Trainers assessment report Statistical bulletins 	Available staff and resources to develop the administrative capacity. Political commitment to develop an effective wine growing and wine marketing policy

Commission for Statistics for developing reliable wine statistics			
Outputs	Indicators of achievement	Sources of information	Assumptions and risks
<ul style="list-style-type: none"> - State Inspection for Viticulture and Vinification Technical Control, National Office for Wine and Vineyard; National Office for Denomination of Origin for Wine and other Wine by-products set up and fulfilling their designed tasks. - Secondary legislation harmonized and enforced; - A new wine growing and marketing policy designed; - Wine cadaster system design and implementing plan agreed; - Up-grading Romanian Government services efficiency at managing the vine and wine policies; - Staff of the newly created institution trained and able to fulfill their tasks - Laboratory for wine control properly equipped 	<ul style="list-style-type: none"> - institutional framework set up - implementation of the wine acquis - number of trained personnel - number of training sessions organized in Romania - Wine cadaster project and implementing plan ready for implementation 	<ul style="list-style-type: none"> - quarterly reports of experts - Romanian legislation harmonized - training reports of the Romanian trainers 	<ul style="list-style-type: none"> - keep the trained staff - availability of governmental resources
Inputs			
<ul style="list-style-type: none"> - PAAs, Medium term expert on wine cadaster, short term experts - Training packages under the twinning and a separate training module for specialized training. - IT and communication equipment for proper functioning of State Inspection for Viticulture and Vinification Technical Control, National Office for Wine and Vineyard; National Office for Denomination of Origin for Wine and other Wine by-products at the central level. - Testing and control equipment for the Wine Inspection at central level and the regional inspection offices - Quality control equipment will be provided for a central and two regional public laboratories performing quality control. 		<ul style="list-style-type: none"> - Six-monthly programme review reports by MoAF - PAA quarterly reports - Procurement contractor quarterly reports - Quarterly reports of experts 	

Annex 2 Detailed implementation Chart for the Project: Strengthening the capacity to manage the acquis on wine
Project number: RO-0006.12

Year	2000		2001				2002				2003		
Detailed Project Implementation	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Twining request	X												
Tender launching		X											
Contract Twining			X										
Twining development					X	X	X	X	X	X			
Training				X		X		X		X			
Procurement of IT and communication equipment			X										
Procurement of labs equipment					X		X						
Installing equipment								X		X			
Inception report twinning				X									
Quarterly reports twinning					X	X	X	X	X	X			
Final reports											X		

Annex 3 Cumulative contracting and disbursement Schedule

Project: Strengthening the capacity to manage the acquis on wine

(2.0 Meuro)

A. Contracting

Project	1 Q 01	2 Q 01	3 Q 01	4 Q 01	Total
Twinning	0.75	0.75	0.75	0.75	0.75
Training		0.25	0.25	0.25	0.25
Procurements		0.25	1.00	1.00	1.00
Total	0.75	1.25	2.0	2.0	2.00

B. Disbursement

Project	2 Q 01	3 Q 01	4 Q 01	1 Q 02	2 Q 02	3 Q 02	4 Q 02	1 Q 03	Total
Twinning		0.12	0.24	0.36	0.48	0.60	0.72	0.75	0.75
Training		0.05	0.05	0.15	0.20	0.25	0.25	0.25	0.25
Procurements	0.25	0.25	0.75	0.75	1.00	1.00	1.00	1.00	1.00
Total	0.25	0.42	1.04	1.26	1.68	1.85	1.97	2.00	2.00