

# The case of Romania

## Funding forests into the future?

How the European Fund for Rural Development affects Europe's forests



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A report produced by FERN, March 2008



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This paper was funded by the European Community, Directorate-General for Agriculture and Rural Development and the Dutch Ministry of Environment and Spatial Planning.

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This paper is part of a series of six country reports that includes Bulgaria, Czech Republic, Finland, Hungary, Portugal and Romania. All are available at [www.fern.org](http://www.fern.org)

Cover photo: George Dinicu - WWF

*March 2008*

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## Acronyms

CAP	Common Agricultural Policy
CSG	Community Strategic Guidelines
EAFRD	European Agricultural Fund for Rural Development
EAP	Environment Action Programme
EC	European Community
ENA-FLEG	Europe and North Asia Forest Law Enforcement on Governance and Trade
EU	European Union
FAP	Forest Action Plan
FSC	Forest Stewardship Certification
IACS	Integrated Administrative and Control System
MADR	Ministry of Agriculture and Rural Development
NRDP	National Rural Development Programme
NSP	National Strategy Plan
RDP	Rural Development Programme
RDR	Rural Development Regulation
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEA	Strategic Environmental Assessment
SWOT	Strengths Weaknesses Opportunities (analysis)
WFD	Water Framework Directive

## 1 The forestry sector in Romania: background

About 27 per cent of Romania's territory is covered by forests. This is less than the European average, and well below what researchers consider possible, given the country's natural conditions. The optimal threshold is estimated at between 32 per cent and 35 per cent of the country's total territory.

In the year 2004, the national forest land totalled 6,382,000 hectares (ha), of which 6,222,000 ha was effectively covered by forests (30 per cent coniferous and 70 per cent deciduous). The remaining 160,000 ha of so-called forest land was made up of land for afforestation, land serving forestry cultivation, production or administration needs, and non-productive land etc. included in forest management schemes.

At the end of 2005, the national forests covered an area of 6,391,000 ha. Of this, 6,233,000 ha consisted of exclusively forested land (29 per cent resinous and 71 per cent broadleaved). The remaining 158,000 ha consisted of land designated for further afforestation, lands allotted for culture, production and administrative purposes, or unproductive lands included in forest management plans (INS 2006).

Significant areas of the Romanian forests (51.9 per cent) are located in the mountains, while 37.2 per cent are in hilly areas and 10.9 per cent in plain areas. Standing wood volume of forests from the national forest fund is 1.341 million m<sup>3</sup>. The average of wood volume is 218 m<sup>3</sup>/ha. The unitary average growth of forests is 5.6m<sup>3</sup>/year/ha (according to MADR's study of the Status of Romanian Forestry, 2005).

The legal framework on land property restitution was developed in three stages in 1991, 2000 and 2005. As a result, it is estimated that the private and local public property will comprise 65 per cent of the overall national area of forests. Since the start of the process of land restitution, when fragmentation of property became a new feature of Romanian forests, the current approach has been either to create associations of forest owners, or to try and join forests together, in order to enable forests to be managed in a sustainable way.

Strengthening of the private ownership of forests under both these structures has increased efficiency, and complying with forest norms represents a high priority for the forest sector in Romania. Private owners are required to organise themselves in forest districts and to hire forest rangers, or to contract out this service to Romsilva or other private forest districts. So far 106 private forest districts have been set up, and these manage over 1 million hectares of forests.

In 2005 the total volume of wood exploited was 15,671,000 m<sup>3</sup>; of this, 11,783,000 m<sup>3</sup> was supplied to economic operators, while the remainder (3,888,000 m<sup>3</sup>) went to the general population (INS 2006).

Wood harvested from state forests is sold by public auction, while private forest owners can sell their wood independently. In both cases, logging is done by authorised economic operators. In Romania there are currently around 3,200 authorised economic operators.

Forest roads cover less than 42,000 km (about 6.4 m/ha), which represents a major constraint on the proper management of the national forest reserve. This results in more than 2 million ha of forests being practically out of reach for technical and economic reasons. The huge energy costs and poor infrastructure (lack of roads, cableways and railways) typically limit the amount harvested at lower levels, leading to over-logging in the easily accessible areas, and causing the introduction of unsuitable technologies in the areas where access is difficult. The poorly maintained roads further contribute to erosion during the process of exploitation.

Despite this, the sector continues to contribute over 9 per cent of country's exports, and 1.2 per cent of country's import value.

Over recent years the area of forested land has remained virtually constant (6,366,000 ha in 1998,

compared with 6,382,000 ha in 2004). However, there have been numerous cases of illegal logging, in connection with the process of forest land restitution as well as due to the need to provide a livelihood for people in areas with a low standard of living. One of the long-term objectives of the forestry sector is the enlargement of the area of forested land, from 27 per cent (the present share) to about 32 per cent. Illegal logging represents one of the main forms of anthropic pressure upon biodiversity in Romania. According to the objectives stated in the National Forest Programme, an increase in forested area will also contribute to:

- Biodiversity preservation
- Satisfying the demand for timber, as a renewable energy source
- Diminution of the effects associated with natural risks (flooding, drought, erosion)
- Diminution of glasshouse gas emissions (see the Kyoto Protocol).

### **1.1 Biodiversity conservation in forestry**

Regarding the relationship between forestry and biodiversity management, Romania is one of few remaining European countries which still has virgin forests. These are located mainly in the mountain areas, and amount to approximately 300,000 ha.

All forests have multiple functions. They serve as wildlife habitats (especially those situated in potential Natura 2000 sites); they help in soil and water conservation in hydrographical basins; and they perform an important social function for human communities. Where one or all of these functions are considered to be of high or critical importance, forests may be classified as forests with high conservation value. By the end of 2005, some 1,100,700 ha of Romanian forest had been certified under the Forest Stewardship Certification (FSC) System.

Over 9 per cent of the forest area (574,878 ha) is located in protected areas, where there is an emphasis on management according to the principles of biodiversity conservation. (Source: Romsilva National Forest Administration 2006 – management of forest area within National Parks.)

## 2 Content of the Rural Development Programme in Romania

From all the rural development measures provided by the Rural Development Regulation 1698/2005 of the European Commission for the period 2007–2013, Romania, as a recent Member State (from 1 January 2007), has selected to adopt and implement 27 measures. These rural development measures have either been partly approved, or are due to be approved and implemented gradually during 2008 and later in 2009/2010 (Natura 2000 in forests).

The total amount that Romania negotiated and obtained for its National Rural Development Programme for the period 2007–2013 is €8.02 billion. This amount is topped up by 20 per cent from direct payments and a surplus from the previous rural development programme (SAPARD) available in the pre-accession period. Tables 1 and 2 give details of the financial plan allocation per axis and by percentage.

**Table 1 – Financial plan by axis**

Axis	Public contribution (€)	Total public EAFRD contribution rate (%)	EAFRD amount (€)
Axis 1	3,967,311,581	80.00	3,173,849,264
Axis 2	2,293,413,375	82.00	1,880,598,967
Axis 3	2,473,739,880	80.00	1,978,991,904
Axis 4	235,074,871	80.00	188,059,896
Technical assistance	376,119,793	80.00	300,895,834
Complements to direct payments	625,136,100	80.00	500,108,880
<b>Total</b>	<b>9,970,795,600</b>	<b>80.46</b>	<b>8,022,504,745</b>

**Table 2**

Axis	Financial allocation (%)
Axis 1 – Improving the competitiveness of the agriculture and forestry sector	43.95%
Axis 2 – Improving the environment and the countryside	26.05%
Axis 3 – The quality of life in rural areas and the diversification of the rural economy	27.40%
Axis 4 – Leader	2.6%

In total, the NRDP will account for over €10,000 million in public support to the investments in the sectors, compared to €1,278 million in total public expenditures under the SAPARD programme. The new amount, which is almost eight times higher, reflects the needs in rural Romania; but it will also entail a major challenge if there is to be adequate use, uptake of funds and well trained staff and prepared institutions. A total of €12,316 million is expected to be invested under the programme between 2007 and 2013.

### 2.1 The Rural Development Fund and forest-related activities

Nine measures<sup>1</sup> of the NRDP directly or indirectly target the forestry sector (vocational training and advisory measures: 111, 'Vocational training'; 143, 'Providing farm advisory and extension services');

<sup>1</sup> The budget for advisory (€158.69 million) is split into two measures: measure 114 (€95.2 million) and measure 143 (€63.5 million). It is foreseen that measure 114 will start being implemented in 2010.

and 114, 'Using advisory and consultancy services'). In cases where agriculture and forestry are both approached by the same measure, the financial allocation is not separated distinctively on agriculture and forestry. The measures and their financial allocations are:

Professional training, information and knowledge dissemination (measure 111)

- Financial allocation : € 119,019,359
- Public expenditure: € 119,019,359
- Private investment: € 0
- Number of beneficiaries: 99,183
- Average allocation/beneficiary: € 1,200

Use of agriculture consulting services by farmers and forest owners (measure 114) and providing farm advisory and extension services (measure 143)

- Financial allocation: € 158,692,479
- Public expenditure: € 158,692,479
- Private investment: € 0
- Number of beneficiaries: 105,795
- Average allocation/beneficiary: € 1,500

Improving the economic value of the forests (measure 122)

- Financial allocation: € 360,664,724
- Public expenditure: € 198,365,598
- Private investment: € 162,299,126
- Number of beneficiaries: 2,404
- Average allocation/beneficiary: € 150,027

Increased value added of farming and forestry products (measure 123)

- Financial allocation: € 2,142,348,464
- Public expenditure: € 1,071,174,232
- Private investment: € 1,071,174,232
- Number of beneficiaries: 2,482
- Average allocation/beneficiary: € 863,154

The financial allocation on measure 123 represents 36.46 per cent of the funds allocated on Axis I, but the budget is not split between agriculture and forestry.

Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry (measure 125)

- Financial allocation : € 634,769,915
- Public expenditure: € 634,769,915
- Private investment: € 0
- Number of beneficiaries: 2,401
- Average allocation/beneficiary: € 264,377

Financial allocation on measure 125 represents 10.8 per cent of the funds allocated on Axis I.

- Financial allocation : € 158,692,479
- Public expenditure: € 158,692,479
- Private investment: € 0
- Number of beneficiaries: 105,795
- Average allocation/beneficiary: € 1,500

First afforestation of agricultural land (measure 221)



- Financial allocation: € 137,596,009
- Public expenditure: € 137,596,009
- Private investment: € 0
- Number of beneficiaries: 13,629
- Number of hectares: 52,418
- Average allocation/beneficiary: € 10,096
- Average allocation/hectare: € 2,625

#### First afforestation of non-agricultural land (measure 223)

- Financial allocation: € 75,677,805
- Public expenditure: € 75,677,805
- Private investment: € 0
- Number of beneficiaries: 12,108
- Number of hectares: 40,361
- Average allocation/beneficiary: € 6,250
- Average allocation/hectare: € 1,875

#### Natura 2000 payments, forests (measure 224)

- Financial allocation: € 16,052,868
- Public expenditure: € 16,052,868
- Private investment: € 0
- Number of beneficiaries: 5,351
- Number of hectares: 26,755
- Average allocation/beneficiary: € 3,000
- Average allocation/hectare: € 600

The beneficiaries will consist of forest owners/holders or their associations and communes, towns or municipalities which have forests in their possession or their associations.

From all the measures mentioned above, only three measures ('Increased value added of farming and forestry products', 'Improving and developing the infrastructure, in connection with the development and adjustment of agriculture and forestry', and 'First afforestation of agricultural land') will start being implemented in 2008; the rest of them will be implemented from 2010. One of the main reasons for this delay is that the cadastral maps and evidence of forests properties are not yet compatible with the IACS (the paying agency's IT system), making it impossible to operate the payments per hectare. Also, the conservation management requirements for Natura 2000 haven't been finalised (most of the protected areas designated as Natura 2000 sites are yet to have a management plan.)

## 2.2 Funding for commercial forestry, environmental practices, training and education

The first chapter of the Romanian NRDP explains and justifies the selection of measures meant to address the needs of the forestry sector. It has a range of premises regarding the economic and environmental aspects of the current situation of forestry sector, which can be summarised as follows:

- The forests of Romania are some of the finest in Europe, having historically been managed to an excellent standard and having significant economic potential
- Forest land in private ownership is characterised by relatively small holdings and by fragmentation, which poses a challenge to the realisation of their economic potential in a sustainable manner. There is also little capacity to raise the co-financing needed for accessing the measures
- The process of restitution means that many private forest owners are relatively new to forest management, and may require significant amounts of training and advisory support in order to

manage their forests in a sustainable manner

- The restitution of land to private individuals also poses significant challenges to the legal and regulatory framework, particularly in tackling problems such as illegal logging
- The capacity to realise the economic potential of forestry is further limited by the poor accessibility of most forests
- The wood-processing sector has significant growth potential, even though there are significant capacity constraints (regarding the ready availability of raw material, relatively low labour costs and proximity to important western European markets)
- Romania has important forest diversity and it is one of the few European countries that still have virgin forests. Many of these forests play an important environmental role, but they are also used as areas for recreation, research and leisure and have important economic value too
- Forests can play a major role in the regulation of water flow, in ensuring water quality and in the protection of water supplies for local communities that have no alternative water resources. Forests also play an important role in securing soil stability, including the control of soil erosion, landslides and avalanches. Afforestation with native tree species will be directed primarily towards agricultural lands with erosion problems and at high risk for landslides.

It is on these facts that the objectives and the selection of measures (see Table 3) have been based.

**Table 3**

Strategic objectives	Specific objectives	Measures (public expenditure)
<b>Educational/vocational</b>		
Improving the skills of farmers and people working in the agri-food and forestry sectors, to allow better management of the agricultural and forestry holdings	Support to farmers and people working in the agri-food and forestry sectors for human capital improvement by enabling them to adjust to the new context	111: Professional training, information and knowledge dissemination (€ 119 million)
		114: Utilisation of counselling and consultancy services (€ 95.2 million)
		143 Providing farm advisory and extension services (€ 63.5 million)
<b>Total / education and training (together with agriculture):</b>		<b>€ 277.7 million</b>
<b>Competitiveness (commercial)</b>		
		122: Improvement of forest economic value (€ 198.4 million)
Restructuring and modernisation of the sectors processing and marketing agricultural and forestry products	Improvement and development of forestry products	123: Increasing the value added to agricultural and forestry products (€ 1,071.2 million)
		125: Improving and developing the infrastructure related to the development and adaptation of agriculture and forestry (€ 476.1 million). Out of which € 59,509,673 foreseen for forestry
<b>Total/competitiveness (together with agriculture)</b>		<b>€ 1,269.6 million</b>
<b>Environmental</b>		
Promoting sustainable management of forest land areas	Enlargement of forest land areas on agricultural land in order to contribute to soil erosion diminution, to flood prevention and for supporting the actions against the climate changes	221: First afforestation of agricultural land (€ 137.6 million)
	Enlargement of forest land areas on non-agricultural land in order to contribute to soil erosion diminution, to flood prevention and for supporting the actions fighting against the climate changes	223: First afforestation of nonagricultural land areas (€ 75.7 million)
	Support to forest land owners by compensating for the specific disadvantages resulting from the implementation of Natura 2000 network, on the basis of obligations resulting from the Birds and Habitats Directives	224: Natura 2000 payments for forestland (€ 16.1 million)
<b>Total/environment</b>		<b>€ 229.4 million</b>
<b>Total (together with agriculture)</b>		<b>€ 1,713.2 million</b>

The overall financial allocation for the measure regarding consulting services is justified, but it seems unlikely that the allocated funding of an average of € 1500 per beneficiary will provide a sufficiently high quality consultancy service. The vocational and advisory measures have been adopted with a view to helping a total of 20,000 beneficiaries involved in forestry activities, and 3,000 persons trained to implement the first afforestation of agricultural land.

Most of the activities eligible under the commercial heading are targeting the development of the forestry infrastructure in order to ensure the competitiveness of the forestry sector, i.e. building and/

or modernising the forestry infrastructure (forestry roads, forestry railways and funiculars). This type of activity also has the biggest share in the total budgets of Axis 1 and the NRDP.

The first afforestation of agricultural land measure is dedicated to the entire country (except the grasslands), targeting mainly the areas with soil erosion problems. The rate varies from € 1,900 in plain area to € 1,560 in mountain area. The measure contains a list of native tree species (Resinous, Broadleaves) complying with the characteristics of each of the geographical areas.

With regard to protecting Romania's forests, the amount allocated to the forestry sector (which in territorial terms amounts to 26.7 per cent of Romania's land mass) is less than 10 per cent of the budget of Axis 2, which is much too low, as Axis 2 already has the lowest allocation allowed by RDR 1698/2005. The NRDP forestry measures do not include any justification for the allocation compared to needs and compared to the cost of investing in afforestation of agricultural or non-agricultural land. The same applies with regard to justification for the allocation compared to needs in the Natura 2000 forestry areas, which seems insufficient in view of the extent of the surfaces covered by forests in the Natura 2000 sites. On the other hand, most of these payments will start being implemented in 2010, when it is foreseen that there will be a reallocation and redistribution of funds according to the level of absorption of various other measures already implemented.

### **2.3 The National Strategy Plan for Rural Development, the national biodiversity action plan, and the National Forest Programme**

Romania has a National Forest Programme (2005), elaborated by the Department of Forestry within the Ministry of Agriculture and Rural Development, together with forest owners and managers' associations. The programme is available on the Ministry website and represents the main strategic document of the forestry sector.

Within the NSP, it is not just the National Forest Programme that is mentioned for the strategic objectives to be in line with, but also the European Union Forestry Strategy.

Within the subchapter on 'Convergence and complementarity within national programmes in the forestry field', the national document states that there is convergence between the National Strategy Plan for Rural Development 2007–2013 and the national programmes in the forestry field because they both have the same purpose – to develop of the forestry sector, with the aim of raising its contribution towards quality of life based on sustainable forest management.

The EU forestry strategy provides for the improvement of forest management by forest protection measures. It also emphasises the multifunctional role of forests and sustainable forest management based on their social, economic, environmental, ecological and cultural functions for the development of society and, in particular, rural areas and the contribution that forests and forestry can make to existing Community policies.

The National Biodiversity Action Plan is not distinctly mentioned as a strategic document in the NSP, but in terms of consistency with other EU strategies and priorities, the activities proposed under Priority Axis II are highly compatible with the priorities set out in the Sixth Community Environment Action Programme (6th EAP), especially those priorities with the following thematic strategies:

1. EU Biodiversity Strategy (Natura 2000 Network) – the 6th EAP calls for 'establishing the Natura 2000 network and promoting the integration of biodiversity considerations in agricultural policies and encouraging sustainable rural development, multifunctional and sustainable agriculture'. In Romania the Ministry of Environment and Water Management is responsible for establishing and managing the Natura 2000 network, and many sites include agricultural areas that can be supported through rural development measures. In particular, the following Axis 2 measures will be important for Natura 2000 site management and achievement of the Göteborg commitment to reduce biodiversity decline by 2010.

Less-favoured-areas. Payments to farmers will favour the continued maintenance of extensive management practices on high nature value farmland within Natura 2000 sites

Agro-environment payments will significantly enhance the management practices for biodiversity conservation on high nature value farmland within Natura 2000 sites

Non-productive investments will support those agro-environment payments targeting high nature value farmland, for example by supporting the infrastructure associated with traditional grazing systems

Natura 2000 compensatory payments will directly compensate farmers in Natura 2000 sites for the specific disadvantages resulting from the implementation of the obligations of the Birds and Habitats Directives

2. Water Framework Directive (WFD) – the overall objective of the WFD is to establish a framework for achieving good chemical and ecological status for all waters. Since the management of agricultural land impacts upon water quality in many ways, the agro-environment measures proposed under Axis 2 will be a useful tool for supporting implementation of the WFD – notably those measures with the objectives of reducing nutrient losses, protecting soil from erosion and promoting organic farming.

## **2.4 The RDP and the National Strategy Plan for Rural Development**

The National Strategy Plan was elaborated mainly during 2006 (before Romania's accession to the EU) and the first half of 2007, its approval going in parallel with the elaboration of the NRDP.

The strategic objectives (SO) of the NSP are:

- SO1: Improving the skills of farmers and other persons involved in the agri-food and forestry sectors, as a means of encouraging the better management of the agricultural and forestry holdings and processing units
- SO 2: Improving the competitiveness of the commercial and semi-subsistence farms and their associations, while observing the principles of sustainable development
- SO 3: Restructuring and modernising the agricultural and forestry product processing and marketing sectors, while observing the principles of sustainable development
- SO 4: Contributing to the continuous use of agricultural land in less favoured areas and promoting sustainable farming
- SO 5: Preserving and improving the status of natural resources and habitats
- SO 6: Promoting the sustainable management of forestry lands
- SO 7: Maintaining and developing economic activities through increasing the number of jobs
- SO 8: Increasing the attractiveness of rural areas
- SO 9: Developing the abilities and raising the awareness of local stakeholders regarding the importance of local governance
- SO 10: Promoting the endogenous potential of territories
- SO 11: Improving local governance.

The NRDP was officially submitted to the European Commission on 29 June 2007. After a few months of technical meetings and negotiations, the consolidated text of the NRDP was sent to the EC on 12 December 2007. It is expected to be approved in February 2008, within the Rural Development Committee, and the official decision is expected in March 2008.

The NRDP addresses Romania's rural territory (i.e. where the population density is lower than 150 inhab-

itants/km<sup>2</sup>). Romania's rural area amounts to 93.6 per cent of the country's total area, and 48 per cent of the country's total population live there. The programme therefore represents the most important funding source for the various and complex needs of rural space, being implemented at a period of significant change for Romanian agriculture as it takes its first steps into the EU, and the full effect of the CAP reforms will take place during this period. So the main objective of the RDR is to support the competitiveness of the agricultural and forestry sectors.

The general objectives of the NRDP are as follows:

1. Increasing the competitiveness of the agri-food and forestry sectors.
2. Improving the environment and rural areas by the sustainable use of agricultural and forest land
3. Improving the quality of life in rural areas and encouraging the diversification of the rural economy
4. Establishing and operating local development initiatives.

The NRDP responds to the requirements stated generically in the objectives. However, considering Romania's incipient experience in promoting environmentally friendly agricultural practices (especially in the domain of surface payments for environment services provided by farmers and foresters) – the intervention of Axis 2 (26.05 per cent of NRDP budget) is limited to the minimum financial allocations foreseen by Regulation (EC) no. 1698/2005 (minimum 25 per cent).

The NRDP is generally in line with the NSP, and the NRDP represents a good structured programming document with clear and specific strategic objectives. However, both documents contain too many tables and summarised diagrams, which are not always supported by text explaining and justifying the interventions. This is not a crucial shortcoming, but it would have contributed to the transparency of the NRDP. Both documents mentioned reference strategic papers on forests, such as the National Forest Programme (incorporating the objectives of FAP, especially regarding the multifunctional role of forests).

The allocations are in compliance with the strategy and reflect the programme's heavy emphasis on modernisation and the restructuring of Romanian agriculture. The relatively high allocations for Axis 3 place the overall balance of the programme in line with the intentions of the regulation. It is also important to consider how Axis 3 can contribute to the welfare of the forester communities. Allocations for Axis 4 are in line with the requirements of NSP.

Text within different chapters of NSP and NRDP is not very comprehensive or transparent, it is difficult to follow the figures and the descriptions of the forestry sector in both documents. For example, Chapter 3 of the NRDP document states that 'The surface covered by forests and other forest vegetation represents 28.28 per cent of the total surface. Of this area (6,742,800 ha), 92.4 per cent is covered by forests (2006)'. The NSP document, by contrast, states that 'Less than 27 per cent of Romania's territory is covered by forests, which is under the European average'. In the SWOT analysis, 'Weak private forestry administration management' is said to represent a weakness (not further explained), while the NRDP portrays the administrative system in forestry as a strong point, with a long and good tradition of managing the forests.

While the NSP, as a more general document, sets out to identify and shape the priorities of the sector, within the NRDP there should be detailed justifications for selecting measures such as the afforestation of both agricultural and non-agricultural land, and Natura 2000 (which it would have helped by negotiating and reallocating funds for a better conservation status of the forests in Natura 2000 sites).

## **2.5 The RDP and its contribution to the Natura 2000 network and related EU targets**

The RDR 1698/2005 has brought many changes for all the member states, by its apparent simplification, by the integration of various EU programmes that used to be run individually (Natura 2000, Leader Programme etc.), and by proposing a challenging architecture of rural development programmes at the national level. We can tell that the Romanian NRDP carefully includes the main relevant conditions and criteria that all these EU programmes and agreements are bringing in. And it is understandable that Romania, a state with some of the biggest problems in agriculture and forestry in the EU and without a long and successful history of programming and implementing EU funds, has to be cautious in mentioning all the strategic documents that the NRDP should be in line with. However, this issue is not more serious than the need to have a strong and clear strategy for the sector.

So, in the run-up to implementation, the Romanian NRDP currently covers (on paper) all the main environmental issues concerning the biodiversity of agriculture and forest areas.

Since it is premature to provide a realistic evaluation of how the RDP will (or will not) contribute to the biodiversity targets, monitoring the indicators and impact of measures during the first years of implementation will be an essential tool for improving and amending it when the mid-term review of the RDR is due.

Bearing in mind that the forestry sector has always been regarded as profitable, and has not relied on support from the national budget, the financial allocation proposed by the NRDP for forestry actions is likely to be insufficient for resisting the pressures which the same NRDP will bring, just like the other major national programmes for economic development funded by the EU. In addition, in the commercial measures concerning both agricultural and forest activities, there is not a distinct percentage or submeasure stating the financial commitment for forestry measures, so the projects are competing for funds within the same measures. The forestry measures available as from 2008 have not been piloted, and it is likely that they are not targeted on the most needed areas (e.g. afforestation in areas with soil erosion).

### **2.5.1 The EU target 2010 (stopping biodiversity loss by 2010)**

The programme does not explain the National Biodiversity Action Plan clearly enough, or include sufficient information about it. The only axis concentrating on biodiversity targets is Axis 2, which sets out to preserve and improve the rural landscape. According to the measures of Axis 2, high nature value areas are financially supported and farmers compensated for their efforts in conservation of the grasslands, bird habitats, and ensuring that there is food for small mammals in the winter.

Axis 1 is primarily a set of measures for investments, which aims to ensure the continued exploitation of forests. This will most probably cause damage (e.g. when money is used to improve infrastructure with the aim of allowing better access for forest exploitation). Although its main goal is to ensure commercial, not environmental benefits, axis 1 is accompanied by a range of environmental conditions (also suggested and imposed by SEA), which may contribute indirectly to stopping biodiversity loss e.g.: forbidding the plugging of grasslands (cross-compliance), and encouraging investment in the construction of waste basins. Thus the minimal financial allocation for Axis 2 is compensated for by a considerable 'green' side with Axis 1, its purpose being: (a) to avoid any possible negative effects on the environment, which may result from possible contradictions between the measures, and (b) to encourage, where possible, a proper mixture of the measures in order to maximise the synergic effects in order to obtain benefits for the environment. This approach is consistent with CSG no. 5, referring to the implementation of the priorities into (solid) programmes.

### 2.5.2 Natura 2000

The Natura 2000 programme is still at an early stage, and faces major challenges. If Romania, before its accession to the EU, was struggling to designate a relatively high percentage of its territory (22 per cent) as Natura 2000 sites, a greater challenge still lies ahead, namely addressing appropriate management solutions. It will also not be easy to explain to farmers and foresters the role and benefits of Natura 2000, but equally to other institutions that are currently running big programmes funded by EU funds (especially the transport sector). These aspects have significantly affected the capacity to accede and absorb the funds for biodiversity conservation in protected sites.

The financial support provided by the NRDP through the measures 'Natura 2000 payments on agricultural land' and 'Natura 2000 payments on forestry land' is foreseen to be implemented from 2010, because currently there are no management plans for the Natura 2000 sites (and by implication, there is no information regarding restrictions for farmers and forestry land owners), and it is not yet known which agricultural and forestry lands will be included in these sites. Thus the budgets available for these measures are currently subject to some very general estimates, due to the lack of information regarding the level of the payments/ha, the restrictive nature of the requirements, and the potential eligible surfaces.

The allocation for this measure is € 16,052,868. This allocation may cover around 0.2 per cent of the total area proposed for the Natura 2000 network; but it is difficult to make any judgements as to the fairness or otherwise of this allocation, in the absence of any estimate of the total agricultural land in the Natura 2000 network.

### 2.5.3 Other related EU policies (the EU Forest Action Plan, the FLEGT Action Plan and the Biomass Action Plan)

**FLEGT Action Plan.** Illegal logging in Romania currently amounts to around 100,000m<sup>3</sup> annually. The main causes of illegal logging are people's need to make money quickly, the poor living standards of the inhabitants of rural areas, the inadequate size of their own properties, and poor organisation in the wood-processing sector. Approaches to control the problem include legislative, administrative and institutional measures. To combat illegal logging and the illicit trade in wood, the law regarding penalties in forestry was modified and enforced through the legal framework for the control of forest regime application. Romania is also acting in this field according to the pan-European ENA-FLEG programme. With regard to the land areas affected by illegal logging, any forest whose land has been deforested by illegal logging must be regenerated within two years of the actual deforestation having taken place.

**Biomass Action Plan.** Romania does not have a national plan on biomass. In the NRDP, however, there is a special emphasis on investing in biofuel, biomass and other renewable energy sources, due to the need to reduce emissions of greenhouse gases.

For example, within measure 123 ('Adding value to agricultural and forestry products'), support is granted for tangible and intangible investments for the processing and marketing of renewable wood energy from forestry biomass.

In addition, the objectives of measure 221 ('First afforestation of agriculture land') is to prevent natural hazards, reduce soil erosion, improve water retention capacity, improve air quality, produce biomass (including good-quality wood) and mitigate climate change, while maintaining or, as the case may be, enhancing biological diversity. According to the quantification of monitoring and evaluation indicators, one of the indicators is 'Growth of biomass (forestry)' – output as a regional resource (energy, regional value added) being assumed to generate 10 m<sup>3</sup> increase per ha.



### 3 The process of developing the programme

In the NRDP document, many pages are devoted to explaining and describing the consultation process in great detail. In reality, however, there were few meetings at which the overall programme was discussed. WWF was invited and involved in meetings about both the NSP and NRDP, but mainly on agro-environmental and forestry measures. The meetings where progress on the NRDP was presented were poorly organised in the early stages, with unwieldy documents and materials having to be read by participants just hours before the meeting; there was also little possibility for anyone to contribute significantly, as the meetings consisted almost entirely of a long series of presentations of different measures. Over time, however, a more efficient and participatory style of consultations developed, through letters and comments officially submitted at the Ministry, with reference numbers being allocated to each so that it was possible to keep track of them. The meetings on working groups proved to be more efficient and interactive. The input provided (sometimes in collaboration with BirdLife Romania) was taken into account most of the time. Unfortunately, the forestry department suffered structural changes within the administration of the Ministry, and the level of uptake and involvement of the experts from the Ministry declined sharply. In addition, the consultations on forestry measures were much poorer compared with other measures.

The consultation on the SEA was almost non-existent. The stakeholders involved in the previous consultations on the NRDP only found out about the meeting after it had already been arranged. In fact one of the EC representatives noticed that the consultation was set to take place just one day after the SEA had been submitted, meaning that the partners had almost no time to prepare comments.

WWF, together with another three environmental NGOs (BirdLife Romania, Save the Danube Delta, Adept Foundation) have officially been nominated as members of the Monitoring Committee for NRDP. The first forestry measure to be submitted will be 'adding value to agricultural and forestry products' in March.

Article 6 of the RDR was strongly invoked from the very beginning of the programming period. The idea of partnership was tested from both sides, i.e. the Ministry and stakeholders. In general there has been good communication with the Rural Development Department in the Ministry of Agriculture and Rural Development; the Ministry has provided support, encouraged input in the elaboration of measures, facilitated seminars with NGOs on different measures and with a range of experts, and arranged meetings with EC representatives. Despite the lack of adequate debate in the early stages of the programme, there has subsequently been a significant improvement in communication and collaboration, which allows one to conclude that Article 6 has indeed been properly adhered to in Romania.