



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate EII. Rural development programmes II
G.4. Pre-accession assistance for agriculture and rural development

AGRI D/16860 09/07/08

Brussels,
GJV/pvd D (2008) 20505

Subject: Sapard programme of Romania – Follow up on the monitoring mission of the Directorate General for Agriculture and Rural development from the 3rd to the 13th of June 2008.

Ref.: My letter n° 005948 of 5 March 2008.
My letter n° 010834 of 5 May 2008.
Payment application 1st quarter 2008, reference 313.689 of 12.06.2008

Dear Ms Bîtu,

The purpose of this letter is to inform you on the state of affairs of the processing of applications for payment by Directorate General Agriculture and Rural Development (DG AGRI) for the Sapard programme of Romania.

Previously I have informed you by letter of 5 March 2008 of the recommendations with regard to strict compliance of the Sapard Agency with accreditation criteria and effective protection of Community financial interests when implementing the measures 1.2 *"Improving the structures for quality, veterinary and plant health controls, for the quality of foodstuffs and for consumer protection"* and 3.3 *"Agricultural production methods designed to protect the environment and maintain the countryside"*.

On the basis of these recommendations, you have been informed by my letter of 5 May 2008 that the amounts declared for the measures mentioned above, of respectively € 1.010.093,44 and € 136.656,42, have been excluded from reimbursements by the Commission and will be assessed again for eligibility on the basis of the outcome of the appraisal by the Commission services of the requested information.

In this letter you have also been asked to inform me on how public procurement provisions are implemented for measure 1.2 and to exclude from future payments applications to the Commission any additional expenditure incurred under measures 1.2 and 3.3.

Ms Alice Cezarina BÎTU
National Authorising Officer
Ministry of Economy and Finance
Bld. Mircea Voda, nr. 44, sector 3
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ROMANIA

In this respect I have taken notice of your payment application for the first quarter 2008 submitted by your letter of 12 June 2008 in which the additional expenditure incurred under measures 1.2 and 3.3 was excluded.

The attachment to this letter contains the formal communication, pursuant to Article 3 and 12, Section A of the MAFA, of the observations and recommendations of the DG AGRI monitoring mission carried out in Romania from 3 to 13 June 2008. In this communication the Romanian authorities are requested to establish an action plan that addresses the control deficiencies regarding accreditation and conformity issues in annex 1 and annex 2 respectively of the attached communication.

I would appreciate to receive this action plan together with a timetable for its implementation as soon as possible and not later than 31 August 2008.

In the light of the above I have decided in accordance with Article 7(6) (f) of Section A of MAFA, to exclude all declared expenditure from reimbursement by the Commission. The concerned amount of additional expenditure of around € 28,3 million, declared with the payment application for the 1st quarter 2008 therefore also remains excluded.

I would also ask you to exclude from future payment applications to the Commission any additional expenditure incurred under the programme.

I will consider resuming the reimbursement of expenditure as soon as I have received your confirmation that the action plan is properly implemented and this is confirmed by an independent audit authority.

In view of the seriousness of the findings referred to in the communication attached it appears to me that the procedures concerning processing payment claims from - and executing payments to - the final beneficiaries do not guarantee the correct application of Article 13 (1) (a) and (b) of Section A of the MAFA as long as the implementation of the action plan for the measures foreseen in the requested action plan has not started. I, therefore, consider that the payments under the measures referred to above to final beneficiaries could restart only once the implementation of this action plan has begun.

Finally I would like to urge the Romanian authorities to take all the necessary steps to ensure that similar deficiencies do not exist in the management and control procedures regarding aid under the Romanian rural development programme.

I would be grateful for your early reply in regard to the above.

Yours sincerely,


Jean Luc DEMARTY
Director General