

## ROMANIA

Restructuring and  
developing physical  
potential and promoting  
innovation

**Location**  
Dobroesti

**Programming period**  
2007 – 2013

**Measure**  
M123 - Adding value to  
agricultural and forestry  
products

**Funding (EUR)**  
Total budget 1 289 384  
EAFRD 207 775  
National/regional 51 944  
Private 1 029 665

**Project duration**  
2009 – 2012

**Project promoter**  
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Financed by the Romanian rural development programme, a small patisserie and confectionary workshop upscaled its business by constructing a new building to increase its production capacity and offer utility areas to customers.

### Summary

Out of passion for culinary art, three women started a small family patisserie and confectionary workshop. Despite its small scale and limited rural market the business became more and more successful. As the old workshop did not allow to meet EU standards and increase production capacity, RDP support contributed to build and equip a new workshop.



RDP support was used to build a two-level building of 669.13 sqm. The building had spaces for confectionery and pastry production, areas for presentation and sales. Financing was also used to purchase and install the lighting system, fat separator, mini-station for water softening, air treatment system and a valve convector for recirculating the air; central heating; a cooler and a boiler.

### Results

In 2015, the confectionery turnover reached one million lei (about 250 000 Euro).

The turnover of the workshop was 828 000 lei in 2014. This was 32% more than in 2013e and 127% higher than in the first year of activity in 2012.

The confectionery currently has 9 full time employees.

At present, there is no competitor in the local market to compete with the products of the company.

### Lessons & Recommendations

- A detailed analysis of what should be done is necessary, so that the documentation submitted for RDP support is as close as possible to what will be put into practice; subsequent changes require time and additional approvals.
- The beneficiary's involvement in the development of the documentation is critical at all stages, even if it is drawn up by consultants.
- The timely provision of cash-flow for pre-financing and co-financing the project is very important.



## Context

In 2000, out of passion for culinary art, Ms Petruta Anca Tecso with her mother and her aunt, opened a patisserie using traditional recipes in the village of Dobroesti. Initially, they started as a local family business with a few resources and a small space. The business became more and more successful despite operating in a small rural market. In October 2006, they decided to scale up by setting up a new company. The initial location did not allow for the necessary changes to meet the veterinary and food safety requirements imposed by the community legislation. Thus, they applied for support under the RDP 2007-2013 to build a modern workshop and purchase new equipment.

## Objectives

The overall objective of the project was to adapt the enterprise to the EU standards regarding processing and distribution of the confectionery products. Specific objectives of the project were:

- to build a modern patisserie workshop with an exhibition space;
- to increase the capacity and competitiveness of their business;
- to become a model business unit at local level;
- to provide a place where local customers and tourists can spend quality time and enjoy their products.

## Activities

The preparations for the project started in 2007, when the exact location to build the new workshop was decided. The project owners considered the technology developments in the sector and identified the necessary machinery and equipment to be purchased. Supported by experts the specifications of the new workshop were finalized. In 2008, the project owners prepared and submitted the required documentation for obtaining a grant under RDP measure 123.

In 2009, after a one year process a loan from a bank was acquired. In 2010 and 2011, they build a two-level building of 669.13 sqm. The building had spaces for the confectionery and pastry production workshop, as well as areas for presentation and sales. The equipment that was purchased and installed included: lighting systems; a fat separator; a mini-station for water softening; an air treatment system and a valve convector for recirculating the air; central heating; a cooler and a boiler. Finally, they hired more experienced personnel as well as young people too from the area.

The new workshop was set up with advanced, automatic or semiautomatic processing of raw materials, allowing to produce a wide range of quality products. The production equipment controls the doses of raw materials. This enables to standardize the recipes and to optimise the quality of the products. At the same time, the new workshop allows for increased food security, and contributes to improved working conditions for the employees.

On the first floor of the building they set-up a dining room with tables and chairs, where customers can enjoy the workshop's products.

## Main results

In 2015, the confectionery turnover reached one million lei (about 250 000 Euro).

The turnover of the workshop was 828 000 lei in 2014 (32% more than the 2013 figure and 127% higher than in the first year of activity in 2012).

The confectionery currently has 9 full time employees.

At present, there is no competitor in the local market to compete the products manufactured by ANIRA. Confectionery customers recommend the products and from one year to another the sales are rising.

## Key lessons

It is key to make a detailed analysis of what should be done, so that the documentation submitted for RDP support is as close as possible to what will be put into practice; subsequent changes require time and additional approvals.

The beneficiary's involvement in the development of the documentation is critical at all stages, even if it is drawn up by consultants.

Significant amount of documentation had to be prepared and most difficulties encountered were mostly related to the elaboration and obtaining approval of the procurement dossiers.

The timely provision of cash-flow for pre-financing and co-financing the project is very important.

As the credit application was filed at a time when the real estate market in Romania was declining, the credit approval process was tedious and lasted more than a year. During this time, the beneficiaries had to support the investment from our own sources. As a result, the work was delayed and the project finished almost one year later (July 2011) later than the initial planning.