

IMPACT OF INVESTMENT PROJECTS IN AGRICULTURE AND THE DEVELOPMENT OF VILLAGES

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**Abstract:** The modernization of agriculture and the development of villages in Romania are imperative necessities; the urgency of this problem is highlighted by the financial resources allocated through programs and projects financed by the European Union. The financial support granted to communities in the rural areas has had important and visible effects, with beneficial consequences on the life of the inhabitants of the rural areas. These European funds have represented the main source of improvement of the standard of living of the inhabitants of the rural communities, through the development of the rural economy and of the entire rural area. The National Program for Rural Development (NPRD) had as its main purpose investments in services and utilities and encouraging activities in rural areas. In this paper, the authors present a study on how the NPRD supports the inhabitants of the rural area in order to develop the local economy and, implicitly, to improve the living conditions of the inhabitants.

**Key words:** rural areas, funding, measures, funds, impact

INTRODUCTION

Agriculture and forestry represent 77% of land use in the European Union. The environmental performances of agriculture for the conservation and improvement of natural resources in recent years are different. [1,2,12,13]

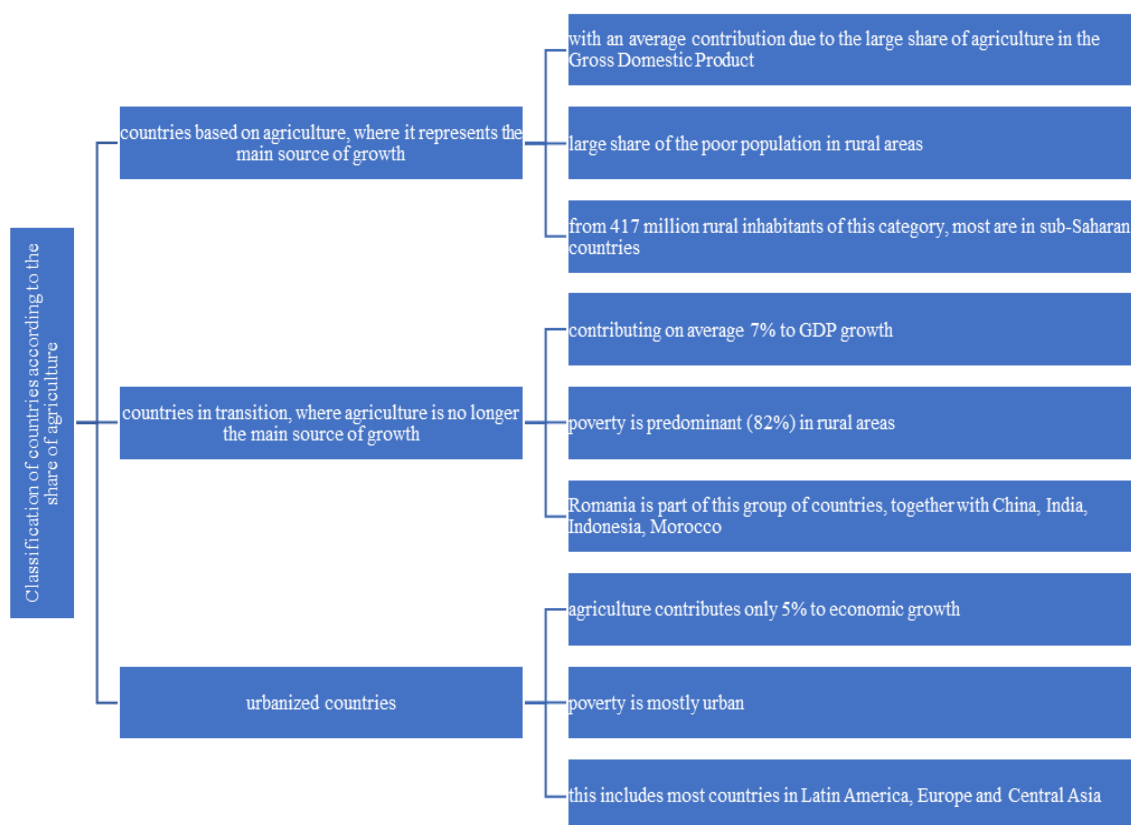


Figure 1. Classification of countries according to the share of agriculture

A classification of countries according to the share of agriculture in aggregate growth, on the one hand, and the share of poverty in rural areas in total poverty, on the other hand, leads to three categories of countries, highlighted in figure 1. NPRD (figure 2) supports the inhabitants of the rural area in order to develop the local economy [5,7,9,11] and, implicitly, to improve the living conditions of the inhabitants. Regarding the financial allocation of the NRDP 2014-2020 program, its amount is 8,015 billion FEADR and 1,347 billion national contribution. [3,4,8,10,14,15]

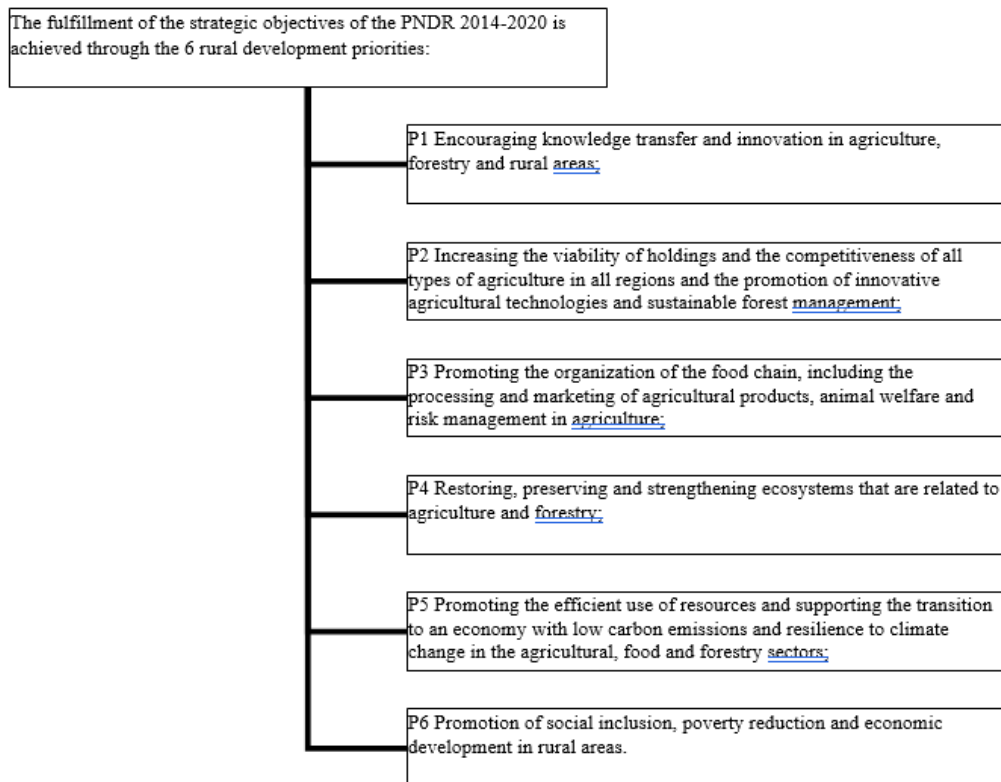


Figure 2. NRDP-specific aspects

An important effect of the National Rural Development Program 2014-2020 is the reduction of bureaucracy, with new measures aimed at encouraging small and medium-sized farmers to create associations with the aim of investing in supply chains. The absolute novelty is the idea of an active farmer. Every farmer who benefits from subsidies worth more than 5,000 euros has the task of proving that he belongs to this category of active farmer through two ways:

- documents whose purpose is to present evidence that the income from agricultural activities constitutes more than a third of the farmer's total income, or that the amount received through the subsidy is more than 5% of his total income;
- through acts that aim to prove that it is integrated or has a form of organization (PFA).

Another novelty is the redistributive payment. In the case of farmers who own between 5 and 30 hectares, they receive additionally 45 euros/ha. In parallel, it is inadmissible to fragment the surfaces just to benefit from redistributive payment.

The financial allocation as a total amount for development in rural areas for the period 2014-2020 shows that, 30% of these funds must, according to the specifications included in the COM regulation proposals for agro-environmental measures, 5% belong to the LEADER axis. In addition, an important value of the available funds is intended for the investment measure in the farm and in rural enterprises.

## MATERIALS AND METHODS

The purpose of this research is to highlight the success of the NRDP 2014-2020 in supporting the development of agricultural activities, the evaluation being carried out statistically, based on the official announcements of the MARD for the stage of access, as a result of the support from the EAFRD for the years 2021 and 2022, so it was used the qualitative case study evaluation method.

## RESEARCH RESULTS

Both the specialists in the field and those directly involved in the activities specific to the rural environment, the owners of agricultural holdings demonstrated a clear interest in obtaining concrete support from the National Plan for Rural Development, underlining in this way the importance of supporting the future development of the Romanian rural space through this type of funding.

At a general level, regarding the stage of access to the NRDP measures, [6,14,15] considering the latest statistical data published by MARD, those from April 2022, the situation is presented in the table below. The total value of the support amounts to 12698518374 lei.

**Table 1.**  
**The stage of accessing measures from the NRDP - general analysis**

2014-2020 NRDP allocation (in the years 2021 and 2022)		Funding applications submitted		Selected funding applications		Contracts/Funding Decisions					
						Contracts/Funding Decisions (ongoing and completed)		Completed Contracts/Funding Decisions		Terminated Contracts/Funding Decisions	
		No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Total	12.698.518.374	103.700	12.280.708.436	60.385	5.865.283.556	57.447	5.514.879.636	42.462	2.542.995.606	848	154.688.081

Source: processing according to MARD information

Analyzing the situation per total funding fund, according to official data, it appears that it was submitted a number of 103700 applications, totaling a value of 12280708436 lei, passing the selection process 60385 applications, with a value of 5865283556 lei.

NRDP 2014-2020 is oriented towards supporting the Romanian rural space as a whole, in this research, we are focusing on statistically analyzing those measures with a direct impact on agriculture and agricultural exploitation, these being:

- measures with a direct impact on the agricultural holding
  1. sub-measure 4.1
  2. sub-measure 4.1 a
  3. sub-measure 6.1
  4. sub-measure 6.3
  5. sub-measure 6.5

**Table 2.**

**The stage of accessing measures from the NRDP – measures with a direct impact on agricultural holdings**

Sub measure	2014-2020 NRDP allocation (in the years 2021 and 2022)	Funding applications submitted		Selected funding applications		Contracts/Funding Decisions					
						Contracts/Funding Decisions (ongoing and completed)		Completed Contracts/Funding Decisions		Terminated Contracts/Funding Decisions	
		No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
<i>Sub-measure 4.1 "Investments in agricultural holdings"</i>	1.601.904.552	6.147	3.329.637.201	1.900	1.056.065.776	1.775	945.182.961	1.409	446.718.924	28	26.723.935
<i>Sub-measure 4.1a "Investments in fruit farms"</i>	419.384.301	1.182	677.769.187	564	310.817.806	510	280.933.257	208	88.805.962	24	12.613.649
<i>Sub-measure 6.1 "Support for installing young farmers"</i>	466.721.858	15.143	622.560.000	10.878	446.420.000	10.742	440.760.000	9.798	402.290.000	60	2.440.000
<i>Sub-measure 6.3 "Support for the development of small farms"</i>	241.590.566	20.618	309.240.000	13.916	208.740.000	13.768	206.274.167	11.362	170.430.000	48	720.000
<i>Sub-measure 6.5 "Scheme for small farmers"</i>	6.000	22	63.296	3	4.882	3	3.294	1	1.733	0	0

Source: processing according to MARD information

- measures with a direct impact on agriculture

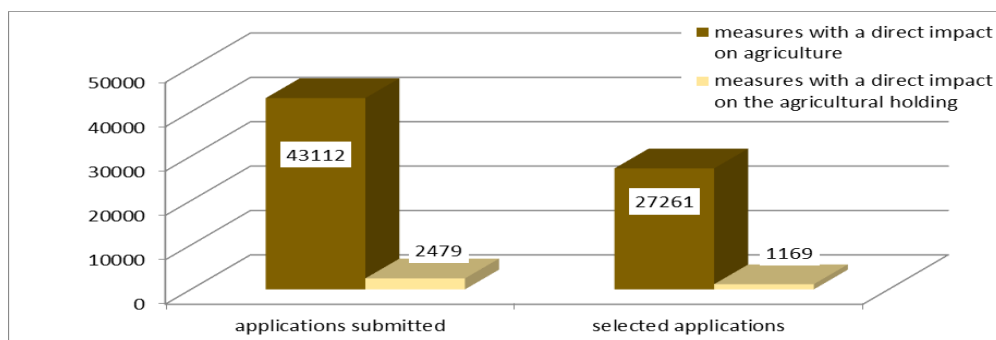
1. sub-measure 4.2
2. sub-measure 4.2a
3. sub-measure 4.3
4. sub-measure 9.1

**Table 3.**

**The stage of accessing measures from the NRDP - measures with a direct impact on agriculture**

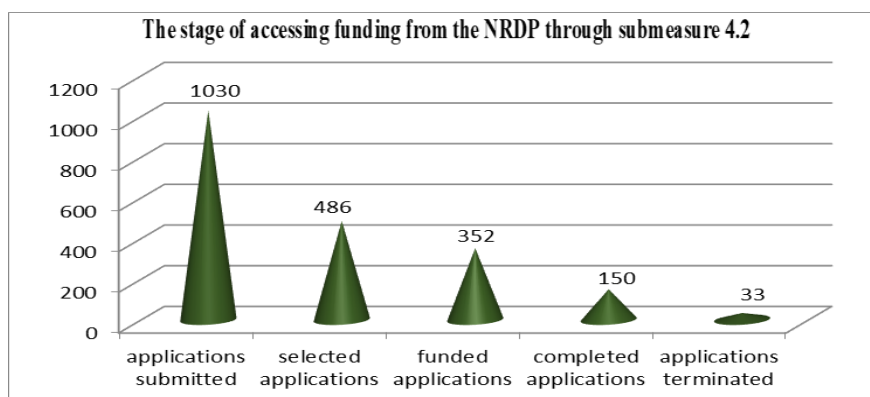
Sub-measure	2014-2020 NRDP allocation (in the years 2021 and 2022)	Funding applications submitted		Selected funding applications		Contracts/Funding Decisions					
						Contracts/Funding Decisions (ongoing and completed)		Completed Contracts/Funding Decisions		Terminated Contracts/Funding Decisions	
		No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
<i>Sub-measure 4.2 "Support for investments in the processing/marketing of agricultural products"</i>	523.941.991	1.030	802.130.884	486	447.678.712	352	316.915.693	150	95.860.637	33	35.881.597
<i>Sub-measure 4.2a "Investments in the processing/marketing of fruit sector products"</i>	45.429.439	132	72.813.629	65	31.552.028	41	21.947.558	8	4.591.590	6	1.000.679
<i>Sub-measure 4.3 "Investments for the development, modernization or adaptation of agricultural and forestry infrastructure - irrigation"</i>	433.978.719	625	618.074.659	440	433.779.051	428	420.141.178	111	107.321.865	5	4.974.980
<i>Sub-measure 4.3 "Investments for the development, modernization or adaptation of agricultural and forestry infrastructure - agricultural access infrastructure"</i>	230.957.310	602	574.884.750	140	134.121.187	104	100.424.754	41	38.989.831	1	971.048
<i>Sub-measure 9.1 "Establishment of producer groups"</i>	36.838.552	90	32.591.025	38	14.015.305	38	14.015.304	8	2.972.203	0	0

Source: processing according to MARD information



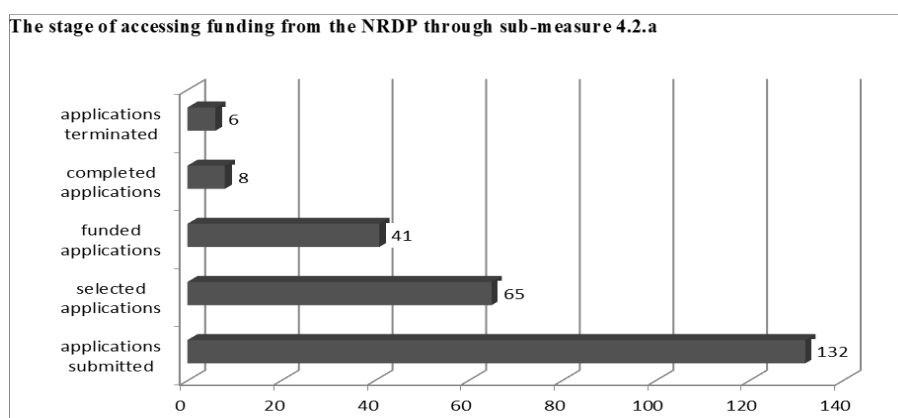
**Figure 3. Accession stage of measures from NRDP – Centralization of measures with direct impact on agriculture and agricultural holdings**

From the 1050 funding applications submitted under sub-measure 4.2, 486 were selected for funding, with a value of 447678712 lei. A number of 150 projects have already been completed, their value being 95860637 lei. A number of 33 projects were terminated. (figure 4)



**Figure 4. The stage of accessing funding from the NRDP through sub-measure 4.2**

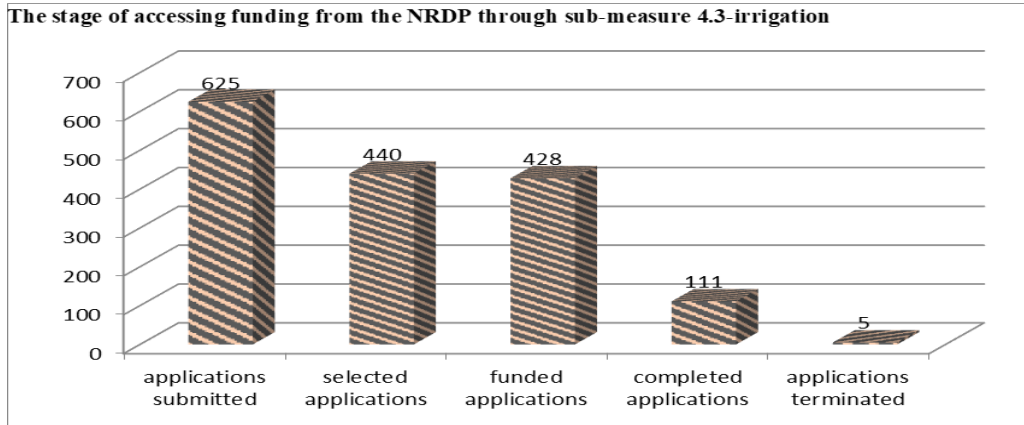
According to the data presented by MARD, 132 funding applications were submitted to sub-measure 4.2.a, 65 were selected, amounting to 31552028 lei. Out of the 65 applications accepted for financing, a number of 8 projects were completed, with a value of 4591590 lei. (figure 5)



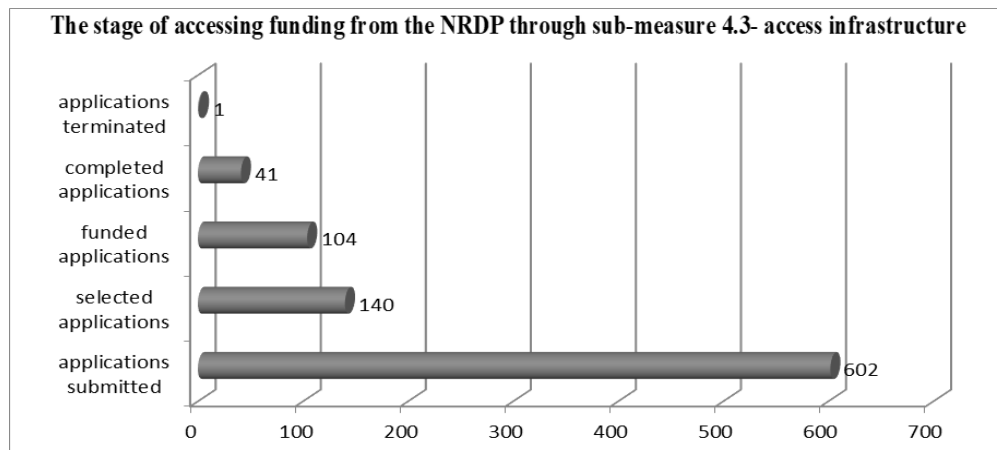
**Figure 5. The stage of accessing funding from the NRDP through sub-measure 4.2.a**

625 funding applications were submitted on the irrigation side and 440 were accepted for funding, totaling 4333779051 lei. A number of 111 projects were completed, their value amounting to 107321365. 5 projects were terminated, totaling 4974950 lei.

A component of sub-measure 4.3 refers to the investments dedicated to agricultural infrastructure on the access side. On this direction, 602 funding applications were submitted, 140 were approved, with a value of 134121187 lei. A total of 41 projects are completed and one has been terminated. (figure 7)



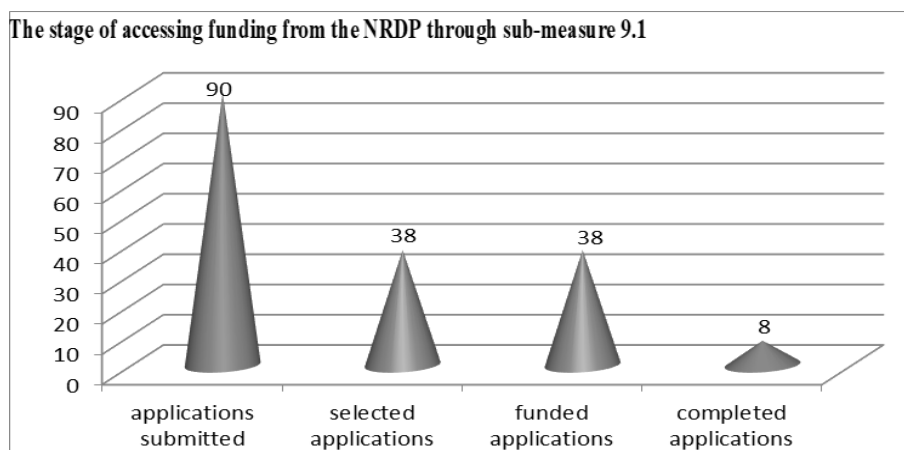
**Figure 6. The stage of accessing funding from the NRDP through sub-measure 4.3-irrigation**



**Figure 7. The stage of accessing funding from the NRDP through sub-measure 4.3-access infrastructure**

As in the case of the other sub-measures, the beneficial effects of the financed projects will be felt over time, but certainly the need for financial support of the irrigation problem is a plus and at the same time a necessity.

The problem of cooperation and association in Romanian agriculture is also a "thorny" one. Support for cooperation and association in agriculture is possible through the funding supported by this sub-measure for the establishment of producer groups. (figure 8)



**Figure 8. The stage of accessing funding from the NRDP through sub-measure 9.1**

Overall, we could say that NRDP 2014-2020 came with beneficial effects for agricultural activity in general, for agricultural exploitation directly, beneficially bringing back into focus on the rural environment and agricultural activities, so the target regarding ensuring sustainability it has been achieved.

## CONCLUSIONS

Although there are some aspects that still need to be worked on, including the bureaucratic part, the NRDP 2014-2020 included financing possibilities both for agricultural holdings and for agricultural and non-agricultural activities that can be developed in the countryside. At a general level, regarding the accession stage of the NRDP measures, considering the latest statistical data published by MARD, those from April 2022, the total amount of support amounts to 12698518374 lei. They submitted a number of 103700 applications, totaling a value of 12280708436 lei, passing the selection process 60385 applications, with a value of 5865283556 lei.

Regarding the purpose of our research, namely, the centralization of measures with a direct impact on agriculture and agricultural holding, the situation at a centralized level is as follows:

- for the measures with a direct impact on the agricultural holding, 27,261 applications were submitted and 1,169 were selected for financing.
- measures with a direct impact on agriculture, 43112 applications were submitted and 2479 were selected for financing.

Overall, NRDP 2014-2020 brought multiple benefits, first of all for the direct applicants for funding, then for the improvement of the public-private cooperation/partnership necessary to achieve the objectives, and not only that. The main broad benefits would be:

- a particular emphasis on supporting the development of the rural environment through agricultural activities, and not only, and of agricultural exploitation directly, ensuring sustainability over time;
- stimulating interest in the agricultural field from the young population, which for a period of time failed to identify the advantages of this field of activity;
- supporting the viable development of agricultural holdings and agricultural activities in general by focusing on how to capitalize on local, agricultural resources.

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