

**ANALYSIS OF THE RURAL DEVELOPMENT POLICY OF ROMANIA
THROUGH THE NATIONAL PROGRAM OF RURAL DEVELOPMENT FOR
2014-2020**

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***Abstract:** The European Union is one of the most prosperous and competitive areas worldwide, both from the points of view of the level of economic development, and of the development potential. However, it is known that there are still major differences concerning prosperity and productivity of the member states or between their region. That is why, the policy of rural development of the European Union must be adapted to the specific needs of the regions and defined under common consent with the regional and local authorities. The first version of the national policy of rural development 2014-2020 was launched in July last year and transmitted to the European Commission for approval. The new program brings important changes as concerns the rural development measures. In this work, the authors proposed to analyze the priorities aimed through the rural development policy in the immediate following period.*

Key words: rural development, allocation level, measures, sub-measures

INTRODUCTION

European Agricultural Fund for Rural Development contributes at the development of rural areas, to develop a more balanced agricultural sector in terms of territory and environment, more beneficial for the climate, more competitive and more innovative.

The support regarding rural development for the period 2014-2020 aims to achieve the following objectives:

- a) fostering the competitiveness of agriculture;
- b) ensuring the sustainable management of natural resources and combating climate changes;
- c) obtaining a balanced territorial development of rural economies and communities, including creating and maintaining jobs.

EAFRD intervenes in the Member States through rural development programs. The rural development Regulation (EU Regulation no. 1305/2013 of the European Parliament and of the Council from 17th December 2013 on support for rural development) requires either the development of a rural development program at the national level or a set of regional programs. Regardless the chosen programming method (national or regional), every program must contain a series of measures, with quantified targets based on the European Union priorities in what concerns rural development. In this respect Romania has chosen the option of preparing a program of rural development at national level (NRDP 2014-2020) which was submitted for approval to European Commission in March 2014.

As a novelty, the member countries have the opportunity to adopt the sub thematic programs with higher support rates to meet specific needs in areas of particular importance to them. These sub thematic programs aim:

- Young farmers;
- Small farms;

- Mountain areas;
- The creation of short supply chains;
- Women in rural areas;
- Climate change mitigation and adaptation to these, and biodiversity.

MATERIALS AND METHODS

The methods used were analysis, synthesis and method of comparison. The data used were taken from statistics of European Commission (Eurostat) and the national statistics, as well from various national and international publications, on which we made personal calculations and interpretations.

RESULTS AND DISCUSSIONS

NRDP 2014-2020 (financed by the European Agricultural Fund for Rural Development) supports the strategic development of the rural space through the strategic approach of the following **objectives**:

- Restructuring and increasing viability of agricultural holdings;
- Sustainable management of natural resources and combating climate changes;
- Diversification of economic activities, creating jobs, improving infrastructure and services to improve the quality of life in rural areas.

The accomplishment of the strategic objectives of the NRDP 2014-2020 will be achieved through six priorities of rural development:

- P1 Fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- P2 Increasing farms viability and of competitiveness of all types of agriculture in all regions and promoting innovative agricultural technologies and sustainable management of forests;
- P3 Promoting food chain organization, including processing and marketing of agricultural products, animal welfare and risk management in agriculture;
- P4 Restoring, preserving and enhancing ecosystems that are related to agriculture and forestry;
- P5 Promoting the efficiency use of resources and supporting the shift towards a low carbon emissions economy and resilient to climate change in the agricultural, food and forestry sectors;
- P6 Promoting social inclusion, poverty reduction and economic development in rural areas.

Compared to the period 2007-2013, in the current programming period, to Romania it has been allocated a smaller amount from the Community budget for supporting rural development, 8.015 billion euros to 8.124 billion euros. Of higher allocations than in the previous programming period benefit countries like France, Spain, Italy, which made as well the order of countries in the top EU-28 in terms of rural development support from Community sources to change, Romania slid off fourth to sixth place. The situation regarding the amounts allocated to each Member State and by year, is presented in the table below.

Table 1

The amounts allocated to Member States for rural development (2014-2020,EUR)

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Contry	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
Poland	1569518	1567454	1565347	1563197	1561008	1558703	1555975	10941202
Italy	1480213	1483373	1486596	1489882	1493236	1496610	1499799	10429711
France	1404876	1408287	1411769	1415326	1418941	1422814	1427719	9909731
Spain	1187489	1186425	1185344	1184244	1183113	1182138	1182076	8290829
Germany	1178779	1177252	1175694	1174103	1172484	1170779	1168761	8217851
Romania	1149849	1148336	1146793	1145218	1143614	1141926	1139927	8015663
Greece	601052	600534	600005	599465	598916	598337	597652	4195961
Portugal	577031	577895	578776	579674	580591	581504	582317	4057788
Austria	557807	559330	560883	562468	564085	565713	567266	3937552
Hungary	495669	495017	494352	493673	492981	492253	491392	3455336
United Kingdom	371474	370520	369548	368558	367545	366577	365936	2580157
Finland	335441	336934	338456	340009	341593	343198	344777	2380408
Bulgaria	335499	335058	334608	334178	333680	333187	332604	2338784
Croatia	332167	332167	332167	332167	332167	332167	332167	2325172
Ireland	313149	313059	312968	312874	312780	312669	312485	2189985
Czech Rep.	314349	312969	311561	310124	308660	307149	305522	2170334
Slovakia	271155	270798	270434	270063	269684	269286	268815	1890235
Sweden	248859	249015	249174	249336	249502	249661	249769	1745315
Lithuania	230393	230412	230432	230452	230472	230484	230443	1613088
Latvia	138327	138361	138396	138431	138467	138499	138499	968982
Slovenia	118678	119007	119342	119684	120033	120384	120721	837849
Estonia	103626	103651	103676	103702	103729	103751	103751	725887
Denmark	90288	90169	90048	89924	89798	89666	89509	629401
Lower Countries	87118	87004	86887	86767	86646	86518	86366	607305
Belgium	78342	78500	78660	78824	78991	79159	79314	551791
Cyprus	18896	18893	18891	18889	18886	18883	18875	132214
Luxembourg	14226	14272	14319	14366	14415	14464	14511	100575
Malta	13880	13965	14052	14140	14230	14322	14413	99001
Total EU-28	13618149	13618659	13619178	13619709	13620250	13620801	13621364	95338109
Techn Assist.	34131	34132	34133	34135	34136	34137	34139	238942
TOTAL	13652280	13652791	13653311	13653843	13654385	13654938	13655503	95577052

Source: Regulation (EU) 1305/2013 on European Agricultural Fund for Rural Development

From the community menu of rural development measures, found in Regulation (EU) no. 1305/2013 of the European Parliament and of the Council from 17th December 2013 regarding the support for rural development granted by the European Agricultural Fund for Rural Development, Romania has selected 14 development measures that are following to be implemented in our country in the period 2014-2020. The indicative allocation by measures of NRDP are presented in the following table:

Table 2

The financial allocation of NRDP by measures and sub-measures

Nr. crt.	MEASURES NRDP 2014-2020	No. measure	UE mil. euro	National budget mil. euro	Public allocation mil. euro
1	Investments in physical assets (a+b+c) of which :	M 4.	2.057,03	366,93	2.423,95
	a) Investments in agricultural exploitations	SM 4.1.	1.017,97	180,44	1.198,40
	a.1. fruit growing		260,00	46,08	306,08
	a.2. other investments		757,97	134,35	892,32
	b) Support for investments in processing/ marketing of agricultural products	SM 4.2.	469,04	85,71	554,75
	b1. fruit growing		40,00	7,31	47,31
2	Development of holdings and enterprises, of which:	M 6.	866,36	127,10	993,46
	a) Support for young farmers installation	SM 6.1.	400,36	44,48	444,84
	b) Support for the creation of non-agricultural activities in rural areas	SM 6.2.	100,00	17,77	117,77
	c) Support for the development of small farms	SM 6.3.	216,00	38,19	254,18
	ongoing commitments from NRDP 2007-2013 for M141semi-subsistence farms (estimate value)		66,00	11,67	77,67
	d) Investments in the creation and development of agricultural activities	SM 6.4.	150,00	26,66	176,66
3	e) Scheme for small farmers - will make the transfer from Pillar I, to Pillar II	SM 6.5.	-	-	-
	Producer groups (sub-program measure orchards), of which:	M 9.	8,00	0,92	8,92
	ongoing commitments of producer groups, , from the NRDP 2007-2013		3,00	0,35	3,35
4	Basic services and villages renewal in rural areas	M 7.	1.100,60	197,33	1.297,93
5	Advisory services	M 2.	50,39	8,90	59,29
6	Knowledge transfer and information actions	M 1.	50,39	5,60	55,98
Measures of the environment and climate, of which:			2.387,14	421,26	2.808,40
7	Afforestation and creation of woodlands and forest belts	M 8.	105,70	18,65	124,35
8	Agro-environment and climate, of which:	M 10.	849,97	149,99	999,96
	Agro-environment commitments (M214) (estimative value)		397,91	70,21	468,13
9	Organic farming	M 11.	200,69	35,42	236,10
10	Payments to areas facing natural constraints or other specific constraints	M 13.	1130,80	199,55	1330,35
11	Forest-environmental	M 15.	100,00	17,65	117,65
12	Cooperation of which	M16.	28,02	3,11	31,13
	- fruit growing Sub-program		15,00	1,67	16,67
13	Risk management	M 17.	200,00	35,29	235,29
14	LEADER, of which:	M 19.	652,36	72,48	724,85
	LEADER ongoing commitments of NRDP 2007-2013 (estimative value)		2,14	0,24	2,38
15	Technical Assistance	M 20.	178,37	31,48	209,84
16	Current commitments of the measure "Animal welfare" with budget implications of NRDP 2014-2020	M 14.	437,01	77,12	514,13
TOTAL public allocations (with performance reserve included)			8.015,66	1.347,52	9.363,19

Source: Ministry of Agriculture and Rural Development

The financial support for these measures is of 9363.2 million euros, of which 8015.7 million euros represents support from the Community budget and 1347.5 million euros support from the national budget.

The proposed amounts for rural infrastructure development for the period 2014-2020 are far below the provisions of the previous program and even below the amounts actually consumed until this moment. The highest absorption degree was accomplished exactly at such measures (84%) which demonstrates both the need to strengthen rural infrastructure and capacity of utilization the allocated capital. However, the amount allocated for these activities within the NRDP 2014-2020 is only of 1.281 mil. euros compared to 1,726 million euros set at one time (version X) of NRDP 2007-2013.

CONCLUSIONS

- The proposed NRDP for the period 2014-2020 involves a high degree of dissipation of financial resources due to the fact that, compared to the NRDP 2007-2013, when there were 26 measures, within the current program there are 31 measures.
- The needs, objectives and priorities clearly identified in the proposed NRDP can not find solution in the financial allocations materialized through mentioned measures and sub-measures, being obvious the need for consistency and clarity between what is declared as strategic objectives and priorities with the funding program content;
- The implementation of the Common Agricultural Policy for Romania is supported by significant financial resources allocated from the Community budget and the national budget. The allocations from the EU budget to finance rural development measures amountes to 8.015 billion euros, Romania ranking in sixth place, after the amount allocated in the hierarchy of the EU-28, after Poland, Italy, France, Spain and Germany. In fact, the financial allocation for these six countries represents well over half (65.7%) of EAFRD. Romania's contribution is of 1.3158 billion euros, reaching a total amount of public funds to support rural development measures of 9.3315 billion euros for the period 2014-2020.
- The measures aimed at poverty reduction and economic development of rural areas through non-agricultural activities is only 291 million euros (3.12% of total public funds allocated or 32% of the NRDP 2007-2013).

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