

NATIONAL PLAN FOR RURAL DEVELOPMENT IN ROMANIA IN 2007-2013 A MANAGERIAL APPROACH

Paula AVRĂMIA¹

ABSTRACT

The present study focuses mainly on presenting the importance of implementing the National Rural Development Programme in Romania in 2007-2013. Potential beneficiaries' interest stems from the large number of projects accessed and implemented. The main objective of this approach lies in the comparative analysis of the state of the projects submitted within the period 2007-2013, identifying the most accessed measures in the agrarian field.

The National Rural Development Plan is a tool, a way to solve the main agricultural issues encountered by both Romania and the other EU countries.

The result of the National Rural Development Programme implementation is materialized in successful projects that contribute both to the development of the rural areas and the flourishing of the Romanian economy.

The outcome of accessing European funds in agriculture will be transposed into relevant diagrams, the large number of projects submitted proving a real interest of the applicants to develop successful business.

KEYWORDS: *Sustainable, implementation, european fund, project*

JEL CLASSIFICATION: *Q, Q1, Q14, Q18*

1. INTRODUCTION

This approach aims primarily an analysis of the number of projects submitted in the period 2008-2013, of the most accessed measures, and of the difference between the number of projects submitted, selected ones, and those for which funding contracts were signed. The result of accessing European funds in agriculture is made public on the agency's website that process these funds in the form of monthly reports. For a more realistic highlight there were used representative graphs in which the target was: the number of projects submitted/selected/contracted, the most accessed measures in every year, and the number of projects submitted annually, within 4 measures in the agriculture.

Also there will be mentioned the main measures of new management regarding of how to avoid the risk appearance in ongoing the externally funded projects.

Since joining the EU, Romania was given the chance, along with other Member States, to develop a system for implementing development projects by attracting external funding, system designed in harmony with European legislation. Strategic Action Plan established in 2007, implemented in Romania since 2008 meets the major issues (NRDP 2007-2013, version X, 2012) facing European countries, including Romania: reducing disparities between urban and rural, active population growth in rural areas, safeguarding the environment, renewable energy in the context of depletion of natural resources around the globe, social and human development by creating new jobs and higher living standards in both rural and urban areas, approximation of the laws, and getting products to European standards to support domestic producers participating in the free market of products

¹ The Bucharest University of Economic Studies, Romania, paula_avramia@yahoo.com

(www.apdrp.ro). The sustainable development of agriculture is targeted also through the package of measures implemented in the NRDP, this type of development including after Radulescu (2003) "criteria for the protection of ecosystems, soil, air and water and the conservation of biological diversity taking into account the needs of future generations."

2. BRIEF HISTORY

More than 56 % of the population of EU Member States live in rural areas representing 91% of the EU (http://ec.europa.eu/agriculture/rurdev/index_fr.htm). "Precarious situation" (Smith, 1999) of this sector prompted the need for formulation of a common agricultural policy which would underpin agricultural production.

In order to finance the Common Agricultural Policy (CAP), according to European Council Regulation 1290/2005 there were created two European funds: EAGF - European Agricultural Guarantee Fund, for financing the marketing measures, and EAFRD - European Agricultural Fund for Rural Development, targeting the finance of rural development programs.

After Romania joined the EU in 2007, in order to implement CAP for the development of the romanian village, Ministry of Agriculture and Rural Development has prepared a document called the National Rural Development Programme for the period 2007-2013 in which there were outlined ways of accessing European funds through investment within 4 axes/directions.

3. NATIONAL RURAL DEVELOPMENT PLAN 2007-2013 (NRDP)

After approval of NRDP, the support for rural area was granted by accessing EAFRD (European Agricultural Fund for Rural Development).

In general, NRDP is defined as a program that:

- addresses the needs of rural areas
- targets to reduce socio-economic disparities of Romania to other Member States of the European Union
- meets the requirements of rural development in the context of sustainable development
- complements the operational programs financed from structural funds.

NRDP implementation is done through a series of measures grouped into four priorities / Axes:

- Improving the competitiveness of agriculture and forestry (Axis 1)
- Improving the quality of the environment and the rural areas (Axis 2)
- Improving the quality of life in rural areas and diversification of the rural economy (Axis 3)
- Promote local initiatives type Leader (Axis 4).

Each axis defines the objectives of each measure, the type of eligible beneficiaries, financial allocation and expenditure financed by external funds in agriculture.

Axis 1 - Improving the competitiveness of agriculture and forestry

Main measures:

- 111 - Vocational training, information and diffusion of knowledge
- 112 - Setting up of young farmers
- 121 - Modernisation of agricultural holdings
- 122 - Improving the economic value of forests
- 123 - Adding value to agricultural and forestry products
- 125 - Improving and developing in local infrastructure related to the development and adaptation of agriculture and forestry
- 141 - Supporting semi-subsistence agricultural farms
- 142 - Setting up of producer groups
- 143 - Providing counseling and advice for farmers

Axis 2 - Improving the quality of the environment and the rural areas

Main measures:

- 211 - Support to farmers in mountain less favored areas
- 212 - Support for farmers in less favored areas other than mountain
- 214 - Agri-environment payments
- 221 - First afforestation of agricultural land

Axis 3 - Improving the quality of life in rural areas and diversification of rural economy

Main measures:

- 312 - Support for the creation and development of micro-enterprises
- 313 - Encouragement of tourism activities
- 322 - Village renewal and development, improving basic services for the economy and rural population and upgrading of rural heritage

Axis 4 - Promote local initiatives type Leader

Main measures:

- 4.1 Implementation of local development strategies:
 - 411. Improving the competitiveness of agriculture and forestry
 - 412. Improving the environment and the countryside
 - 413. Quality of life and diversification of the rural economy
- 4.21 Implementing cooperation projects
- 4.31 Operating the Local Action Groups, acquiring skills and animating the territory
 - 431-1. Building public-private partnerships
 - 431-2. Operating of Local Action Groups, acquiring skills and animating the territory

4. RESULTS OF NRDP IMPLEMENTATION 2007-2013

The importance of accessing European funds for Romanian village development and reducing disparities between rural and urban is embodied in the number of contracted projects. But, the path of a project is long and difficult, each step in the development being corroborated with both assuming success factors, and failure of implementation.

To highlight the results of implementing the NRDP in the period 2007-2013 there were made representative graphs. The purpose of these charts is to illustrate comparatively the years, the evolution of the projects submitted, of those selected and of those contracted.

The study aims to address the 4 most accessed measures in the period 2007-2013 which highlights the growing interest of applicants for European funds allocated by EU to agricultural area.

The result of accessing European funds in agriculture is published on the website of the agency that implements the NRDP, in the form of case reports targeting the submitted, selected and contracted projects for the period in question. Thus, the Paying Agency for Rural Development and Fisheries (PARDF) consistently monitors the activity of the departments involved in the management of funds.

In the period 2008-2013 there were a total of 142,919 submitted projects, as can be seen in Chart 1. The submitted projects represent the compliant applications for funding that will flow evaluation process for selection. Of the total number projects submitted, only 89,207 projects were selected, the huge difference between the submitted projects and those selected being determined by: the number of not eligible projects that are not selected, sectors concerned and the financial allocation in the remedies available. For selected projects, only 81,312 projects completed a financing contract by receiving grant. The difference between the number of selected projects and the number of

projects that receive grant may be determined by several factors: the withdrawal of application form, lack of financial support or termination of the contract of the applicants, after breaching the terms stipulated in contracts with PARDF.

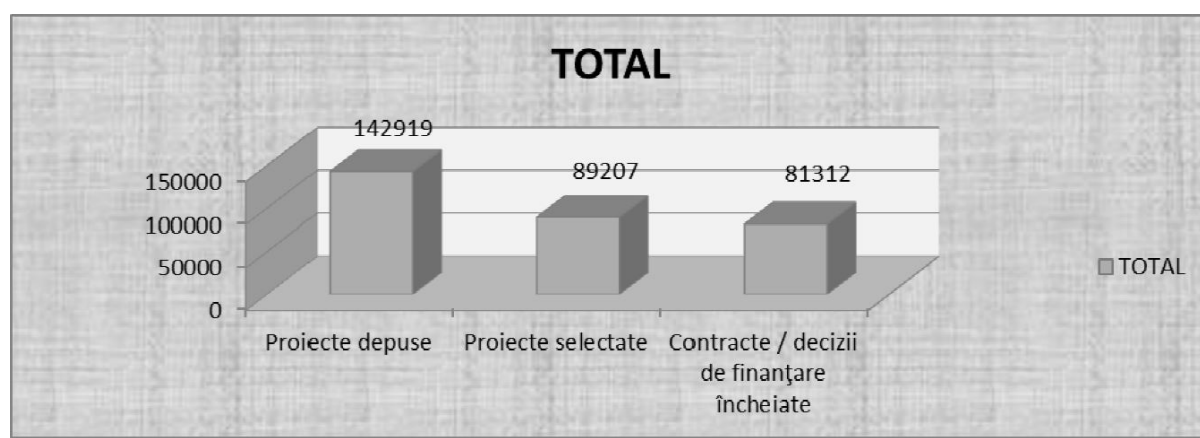


Chart 1. The aggregate of projects under the the NRDP, on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

Accessing European funds was done differently during the reference period. This fluctuation can be explained by: EU requirements, procedural changes Measures financed under NRDP, financial allocations on measures, periods of sessions open to access funds, and type of eligible applicants.

As can be seen in Chart 2- in the period 2010-2012 were submitted the most projects: 37,918 application forms in 2010, 39,746 application forms in 2011, 40,947 applications forms in 2012, the increase being progressive. The extremes are represented by beginning periods (2008-2009) where the NRDP implementation was going through a stage of adjustment after completion of the SAPARD program (before EU accession by Romania)- familiarization stage with the new procedures and legislative provisions, and the period 2012-2013 located at the end of the agricultural platform where the number of open sessions decreased significantly (one session opened in 2013 for measure 121). The difference between the projects submitted and those being selected is very high (about 4,000 in 2010, 9,000 in 2011, and 10,000 in 2012), which demonstrates that many have come ineligible due to failure to comply with the Guidelines for Applicants for the available measures, due to procedural changes or due to poor preparation of the submitted application forms by consulting firms.

The number of contracted projects is significant (the large difference between the number of selected projects and the number of projects that receive grant is recorded in the year 2012 because there is no completion in evaluating all the measures submitted during the year). For 2013 there are no selected or contracted projects because the measure 121 filed in August 2013 is under evaluation.

In the 4 axes of the the NRDP there are measures which registered a success among the applicants goals through the objectives, through the type of financially sustained investments and by the external grant awarded. Among these measures the most accessed in the reference period were:

Measure 112- Setting up of young farmers, where grant increased in 2012 from 25,000 Euro to 40,000 Euro nonrefundable;

Measure 141- Supporting semi-subsistence farms where the semi-subsistence farms are awarded annually with 1500 euro;

Measure 121- Modernisation of agricultural holdings;

Measure 312- Support for the creation and development of micro-enterprises in which there is support for the investments for rural non-farm activities.

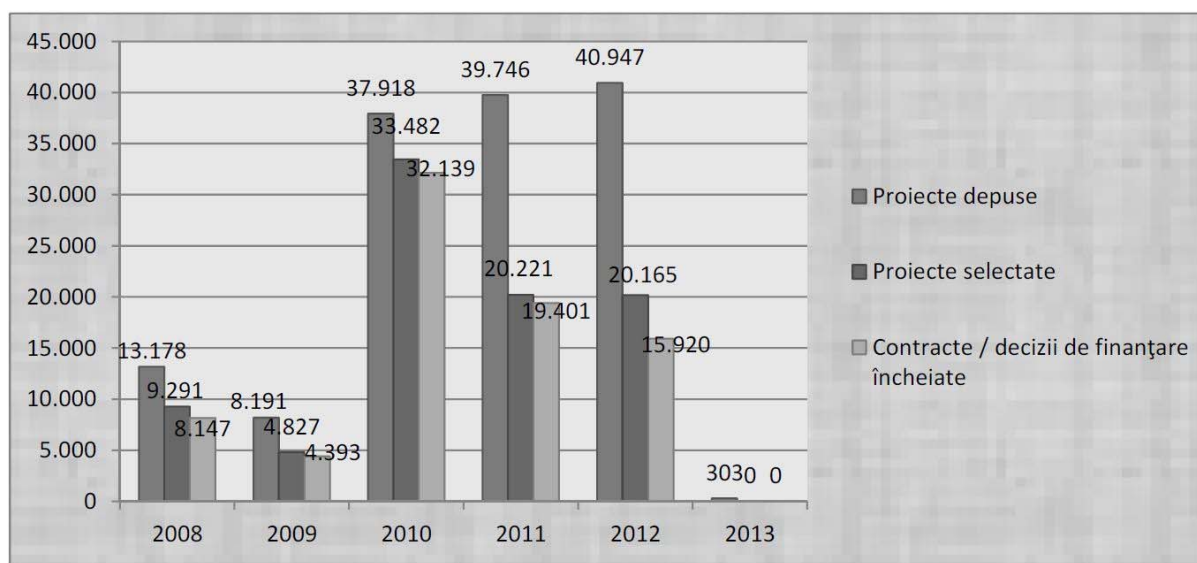


Chart 2. The projects situation on every year under the NRDP on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

As can be seen in Chart.3, the most accessed measure was 141, recording 88,846 projects submitted. The explanation of the success of this measure lies in helping young people under 40 years, phased in over 3 years, without requiring the co-applicants. This measure comes to support of farms that are producing for consumption of the applicant and his family. Out of the projects submitted, only 63,543 projects were selected, of these, 58,910 applicants have completed the PARDF funding decision. The difference between the number of projects submitted and the number of contracted projects is relatively high (about half the projects have not reached the final stage of signing the decision, this can be due to non-observance of legal provisions, the contracting projects having been rejected). On the 2nd rank of accessing grants is situated measure 112, in which young people under 40 years receive a grant of up to 40,000 Euro. As with measure 141, nor for this measure, applicants should not be co-financing the project. The number of projects submitted is 22,494, 4 times lower than those filed under measure 141, of which only 13,446 were selected and 8,154 projects have reached the stage of contracting. The huge difference between the projects submitted and those that get in contracting is determined primarily by applicants failing to comply with procedural provisions. Users, through consultants, misinterpret the provisions of the guidelines and procedures, create some artificial conditions in order to obtain a refundable support, or do not comply with the business plan during the project, for which end up being canceled. On the 3rd rank is situated the measure 312, because prioritizes small businesses in rural areas to diminish dependence on agriculture and to contribute to the development of the Romanian village. Another explanation of accessing this measure which registered 9,499 projects submitted is that the percentage of the non-refundable support is situated at 70%, framed in 200,000 Euro. Regarding too the measure 312 there is a big difference between the number of projects submitted and the number of contracted projects for several reasons: for the 2012 session PARDF did not complete the evaluation of projects under measure 312, for which there is not published a report selection, there are many ineligible projects because of failure to comply with legislative provisions and creating artificial conditions in order to obtain grant support (migration of monies between applicants, the fragmentation property, etc.).

The measure 121 also recorded a success among applicants, because aims the development of the agriculture priority sectors. From 8,154 submitted projects, only 2,378 have been selected, the number of applicants who have signed a funding contract with PARDF being only 1,957. This can be explained by the fact that the second session of 2012 is under evaluation and selection report has not been published, the same situation was recorded also for August 2013 session, there is a high

number of appeals that are on progress, the publication of the final selection report depending on their resolutions, with many projects being not eligible.

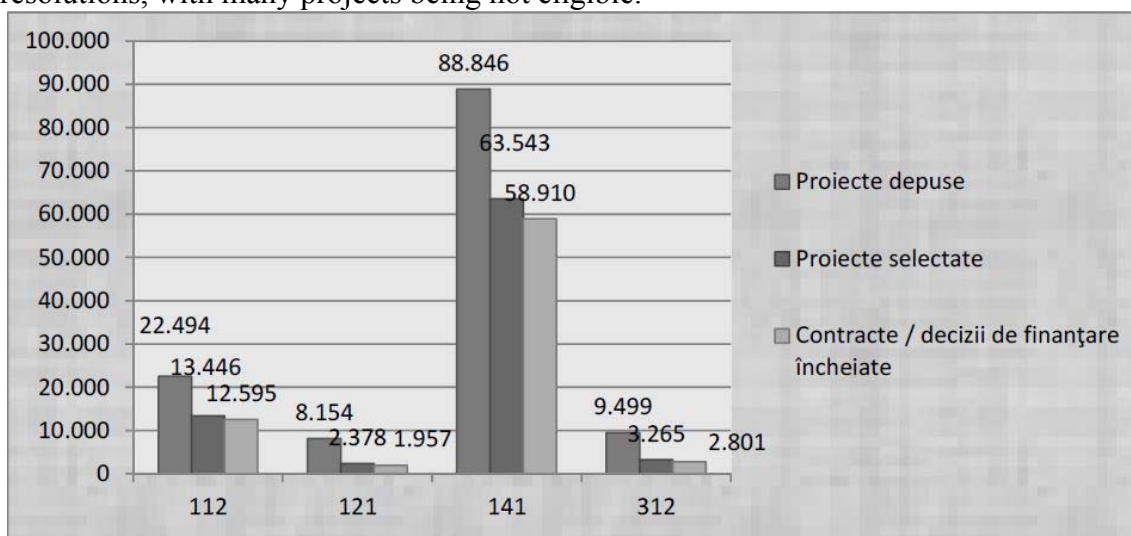


Chart 3. Status of NRDP projects by measures 112, 121, 141, 312 on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

Although there are the most accessed NRDP measures, each measure knows in turn, a fluctuation in the number of projects submitted during the reference period.

The peak known for measure 112 submitted projects is in 2011 and 2012, grant help being significant, 25,000 euros or 40,000 euros. The fewer deposits were recorded in 2008, the year of transition between SAPARD implementation also for introduction EAFRD. The fewer submitted projects were recorded in 2008, the year of transition between SAPARD implementation and the introduction of EAFRD. As can be seen in Chart 4 in 2013 there were no organized auctions for measure 112. Accessing Measure 112 is done especially by young people, aged under 40 years who want to work farms newly established or transferred from parents.

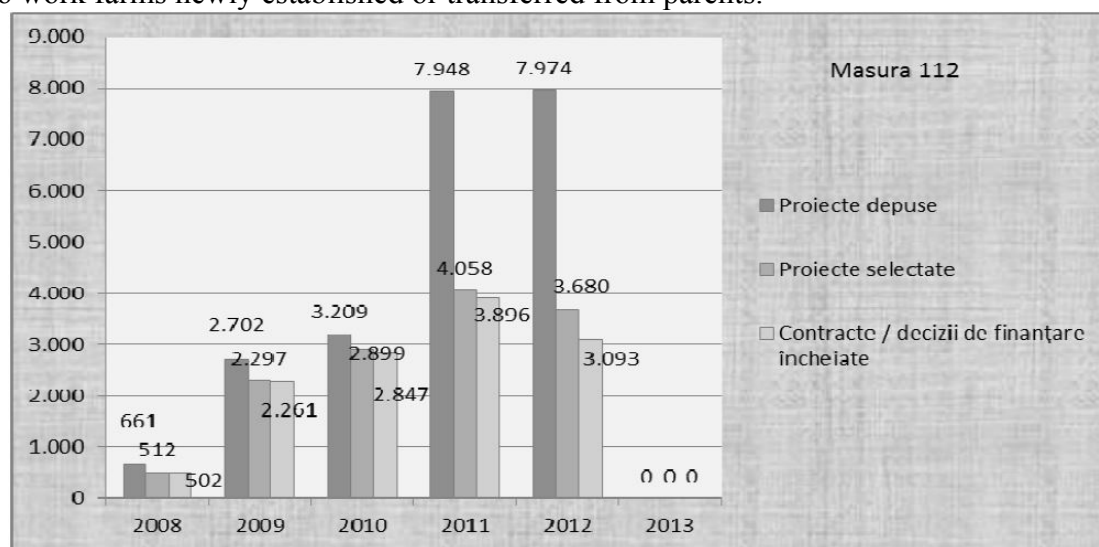


Chart 4. Status of NRDP projects submitted per year, measure 112 of the NRDP on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

Measure 141 records the peak of the submitted projects between 2010-2012 with 29,974 submitted projects only in 2010, 26,943 in 2011 and 25,487 in 2012 recording a slight decrease towards the implementation of the NRDP. In 2009 and 2013 there were no submitted projects, and in 2008 the number of projects submitted is 6,442 as can be seen from Chart 5.

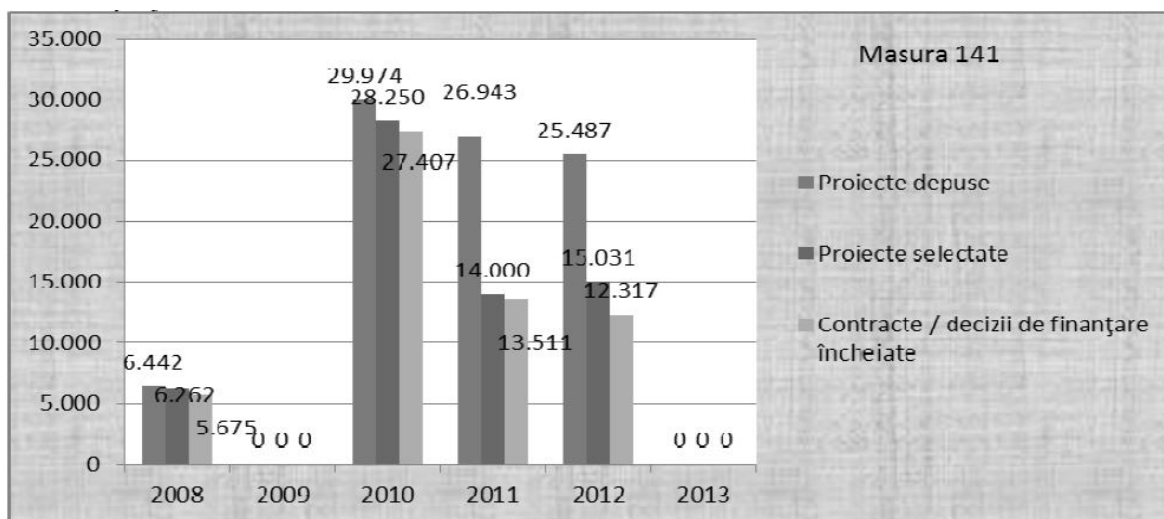


Chart 5. Status of NRDP projects submitted per year, measure 141 of NRDP on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

Most submitted projects under measure 312 were recorded in 2012, the session for which no selection report was yet published, the evolution being in progress. The less projects, only 144, have been submitted at the beginning of the EAFRD implementation in 2008, the applicant's interest significantly increasing in 2011 and 2012, as can be seen in Chart 6. During 2013 PARDF didn't organize yet a session for submitting projects for this measure. It is important to remember that the type of investment supported under this measure is very large, the list of NACE codes is significant and the investments are extremely varied going from medical activities to craft activities services provided to the population in rural areas and to the diversification of non-agricultural activities.

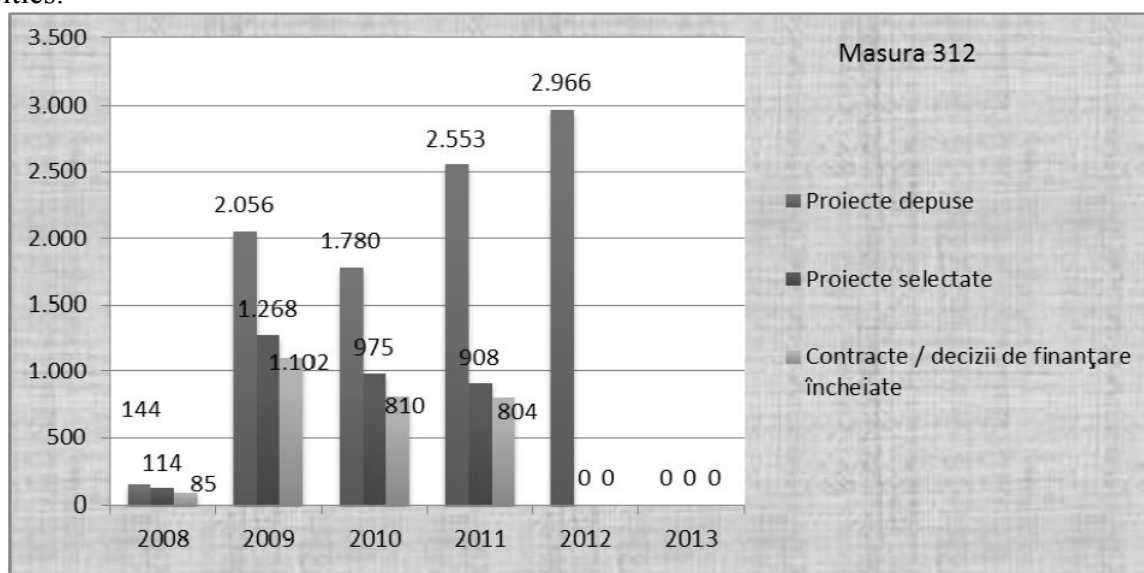


Chart 6. Status of NRDP projects per year, measure 312 of NRDP on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

In contrast to the measures presented, which recorded an increase of projects submitted by the end of the program, for the measure 121, most projects were submitted in 2008, 3,581 projects, as can be seen in Chart 7. Paradoxically to the evolution of other measures, the measure 121 registered a downward trajectory in 2013 only 303 were submitted for which no selection report was yet published. Measure 121 is best suited for priority sectors farms (vegetable and livestock) where the

grant aid is 40% plus 10% for young farmers and 10% for investments to be implemented in deprived areas. Regarding too the measure 121, is a significant difference between the number of projects submitted and ones that ended a financing contract the likely causes are the same as for other measures: applicants failuring to comply with procedural provisions, termination of contracts, the significant number of noneligible projects, the financial allocation filing the session etc.

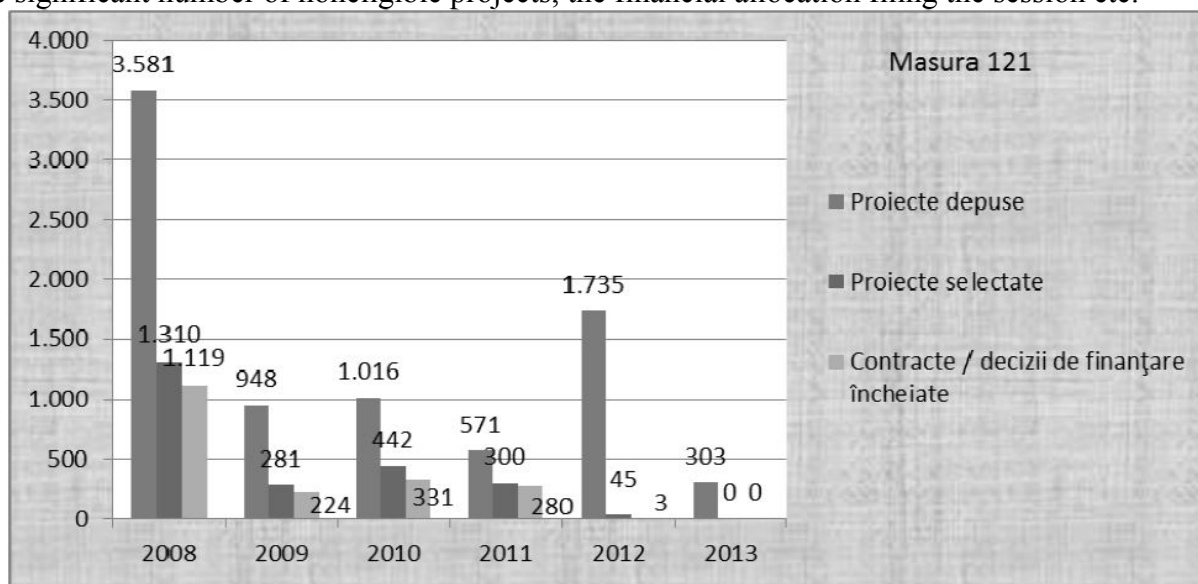


Chart7. Status of NRDP projects per year, the measure 121 of NRDP on September 26, 2013

Source: <http://www.madr.ro/ro/pndr/situatia-proiectelor-depuse.html>

5. CONCLUSIONS

European funds for agriculture has proved a success, given the large number of submissions 142,919 projects in 2017-2013.

Although the requests number of the application forms in which the applicants access European funds is significant, it should be considered too the big difference between the submitted projects and those who have a financing contract in which the applicants become beneficiaries of a non-refundable grant. Thus, for the new programming period 2014-2020 we should analyze the situations in which projects do not get to be contracted, we need to improve procedures and the weaknesses noticed during the old programming period 2007-2013. Stimulation of applicants in accessing European funds represent the contributing to the development of Romanian village, to narrow the gap between urban and rural, to diversify the economy and create new jobs for the rural population. The risk that a submitted project is not selected it therefore implemented is high, is therefore necessary to analyze the factors that corroborates to the implementation of a project using external financing.

There was times when the access to European funds was more pronounced (2010 - 2012) and there was times also when the projects submitted were reduced in number (in the early implementation of the program from 2007 to 2008 and its completion in 2013).

For some measures PARDF held sessions for submitting the application forms during the entire period of the NRDP implementation, than others in which the applicants didn't show the same interest in accessing funds.

Also, during the NRDP, the responsible departments for the verification methodology of the projects, for the development of guidelines for the applicants interested in foreign funds and also for the services directed involved in checking and monitoring projects have initiated a number of measures in order to reduce the effect of risks appearance in the implementation of projects with external financing. Among the initiated management measures we can include:

- publication of verification procedures on Agencies website, respecting the principles of transparency;
- the change of management procedures for project submission sessions, in order to clarify the encountered situations during the evaluation process;
- the cooptation of experts form other services in order to reduce the long waiting period for contracting the projects;
- the organization of campers in rural areas in order to inform the potential applicants and consultants in the field of project management;
- the organization of submission sessions for the measures that have been a real interest among the applicants;

As we have seen by completing the graphs, in 2013 the Romanian authorities have held only one session for submitting projects, in order to comply with the deadline for verifying and contracting all the projects under evaluation (by the end of 2013).

ACKNOWLEDGMENT

This article will be included in the analysis of project implementation for the reference period 2007 - 2013 in the doctoral research in order to highlight the main risks encountered in accessing and developing european funds. Detailing the National Rural Development Programme allows a realistic documentary on the number of projects implemented and completed successfully in agriculture of our country and in the same time illustrates the management measures initiated by the specialized institutions and those responsible for carrying out this program.

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