

Analysis on the Implementation of the National Program for Rural Development in Timiș County and in the Development Region V-West

Andrea Feher, Vasile Goșa, Tabita Adamov, Sorin Stanciu

*Banat's University of Agricultural Sciences and Veterinary Medicine Timisoara,
Calea Aradului, No. 119, 300645, Timisoara, Romania*

Abstract

The financing mechanism of CAP pillar II – Rural development has suffered, during time, significant changes, determined by the need for improvement and also by the experience achieved in this field by the European organisms and the member countries. The attaining of a rate as big as possible of the capacity of absorbing European funds represents a real „challenge”, especially for the new member states.

The implementation of the National Program for Rural Development 2007-2013, on the whole, and particularly in Timiș County, is supported by important financial resources allocated from the common budget and from the national budget.

During the sixteenth sessions of projects organized until the end of 2009, in Timiș, a total number of 469 concordant projects were applied, afferent to nine measures, of which 310 projects were declared to be eligible, 4 not eligible, 178 projects accumulated the necessary points, being selected for financing, in 170 projects the financing contract was signed and 26 projects were completed.

Of the total number of concordant projects applied at the level of the development region V-Vest, 31% were applied in Timiș County, the other countries representing a smaller percentage of projects, respectively 24% in Caraș-Severin, 23% in Arad and 22% in Hunedoara County.

Keywords: EAFRD, pillar II, rural development, public funds, projects

1. Introduction

The rural development policy fills out and accompanies the market policy and aims at the consolidation and diversification of rural economy. This policy relies on the integrated multi-sectorial approach of the rural area [1].

The financing mechanism of the common rural development program has suffered, during time, significant changes, culminating with the Cap reform from 2003, with references for the programming period 2007-2013.

The European Commission stipulations that reform the rural development policies for 2007-2013 include, beside several other aspects, the reorganization of financing, by dividing the **European Agricultural Guidance and**

Guarantee Fund (EAGGF) into European Agricultural Guarantee Fund (EAGF), for measures supporting the common market organizations, and **European Agricultural Fund for Rural Development (EAFRD)**, for rural development measures [2]. This was an attempt to solve the essential problem of individualization of the financing resources for the two CAP pillars: **agriculture and rural development**. At the same time, three main objectives in the field of rural development were reformulated, namely [3, 4]:

- competitiveness improvement in the agricultural and forestry sectors;
- environmental protection and rural landscape improvement;

- life quality improvement, by diversifying the economic activities in the rural area.

These desiderata have become foreground axes of the rural development programs.

The new rural development policy, according to the EU commissioner for agriculture and rural development, Mariann Fischer-Boel, is „*more extended, simpler and better, because it answers the requirements of the European citizens*”. The defining elements of the rural policy future are:

- 1) a single programming and financing instrument – European Agricultural Fund for Rural Development;
- 2) a new strategic approach for rural development, with clear concentration on the EU priorities;
- 3) refreshment of control, assessment and communication and a more accurate responsibility division between the member states and the Commission;
- 4) a stronger „bottom-up” approach. Member states, regions and the local groups of action will have the opportunity to express their opinions regarding the relationship between these programs and their local needs [5, 6].

2. Materials and methods

The analysis of the NPRD implementation in Timiș County and in the region V-Vest relies on the analysis of the projects applied for financing until the end of 2009, of the projects declared to be eligible, of the ones selected for financing and of the projects contracted or even completed. Projects analysis was performed from the viewpoint of their value, as well. These data were provided by the Agency of Payments for Rural Development and Fishing and processed by the authors of this work in order to draw conclusions. To admit one project for financing, it must pass several examinations for [7].:

- a) conformity;
- b) eligibility;
- c) selection.

The conformity step supposes the checking of the application for financing, if it was correctly filled in, if it includes all the correct technical and managerial annexes, in two copies and if the application is presented in electronic and printed format. The projects applied and declared to be corresponding will enter the step of eligibility assessment.

The assessment, more exactly the **checking of project eligibility**, involves the checking of applicant’s eligibility, of the eligibility and selection criteria specific to the investment type, of the project budget, of the study of feasibility and of all the documents attached.

Successive to this step, the projects declared eligible will be submitted to a **selection system**, and each project will be qualified in concordance with the selection criteria presented in the Applicant’s Guide, afferent to each type of investment separately. Only the projects obtaining points over the minimal stipulated limit will be admitted for financing. The next step is represented by the signing of the financing contract.

3. Results and discussion

In the new CAP reform stage, the improvement of the rural development policy has become a priority of maximal importance for European Union. Under the conditions provided by EU extension to 27 member states, the rural development policy as part of the regional integration policy play an important role in the strengthening of the economic and social cohesion [8].

The rural development policy for 2007-2013 is synthesized in three axes, plus the axe LEADER; each axe includes a set of measures conceived to provide the accomplishment of the objectives proposed [9].

Once admitted the National Program for Rural Development 2007-2013 by the European Commission (February 2008), the first session of applications for projects belonging to the measures 121 „*Farm modernisation*”, 123 „*Adding value to agricultural and forestry products*”, 322 „*Village renewal and development*” was opened in March.

The session of May opened financing for two governmental support schemes, for IMMs processing agricultural products, afferent to the measure 123 – *Governmental Support Scheme XS 13/123 A/2008*, for agricultural products processing and *XS 28/123 B/2008*, for forestry products processing.

The session of September-October opened financing for the measures 312 „*Support for the creation and development of micro-enterprises*” and 313 „*Encouragement of tourism activities*”.

Other three new measures have been implemented since 3 December 2008, with the opening of the first application session for the measures 112 „Setting up young farmers”, 141 „Supporting semi-subsistence farms undergoing restructuring” and 142 „Setting up of producer groups”.

During the session from 15 September-22 October 2009, the measure 431 „Running the local action group, skills acquisition, animation” was

launched, with the submeasure 431.1 „Building of public-private partnerships”, phase 3 „Financial support for the preparation of LAGs”.

Of the 27 measures of rural development selected by Romania from the common environment, 11 have been implemented in our country until the end of December 2009 (table 1).

Table 1. Measures of rural development with opened financing

Measure	Financial participation (mil. Euro)			Beginning of implementation
	Total	EU	RO	
121 – Farm modernisation	1840.9	793.4	198.4	March 2008
123 – Adding value to agricultural and forestry products	2708.8	856.9	214.2	March 2008
322 – Village renewal and development	1579.2	1236.9	309.2	March 2008
Governmental support scheme XS 13/123	118.1	94.5	23.6	May 2008
Governmental support scheme XS 28/123	110.0	88.0	22.0	May 2008
312 – Support for the creation and development of micro-enterprises	589.9	306.7	76.7	September 2008
313 – Encouragement of tourism activities	837.3	435.4	108.8	September 2008
112 – Setting up young farmers	337.2	269.8	67.4	December 2008
141 – Supporting semi-subsistence farms undergoing restructuring	476.1	380.9	95.2	December 2008
142 – Setting up of producer groups	138.8	111.0	27.8	December 2008
431.1 – Building of public-private partnerships, Phase 3	9.8	7.8	2.0	September 2009

Source: Our own researches

Table 2. Number of rural development projects in Timiș County and the development region V-Vest (19.11.2009)

Measure	Concordant applied	Eligible	Selected	Contracts	Completed
M. 121	273	210	97	94	23
M. 123	34	20	20	16	1
M. 123 XS 13	10	9	8	8	1
M. 123 XS 28	3	3	3	3	1
M. 322	94	20	2	2	0
M. 312	10	6	6	6	0
M. 313	3	3	3	3	0
M. 112	25	22	22	22	0
M. 141	17	17	17	16	0
M. 142	0	0	0	0	0
M. 431.1 Phase 3	0	0	0	0	0
Total Timiș	469	310	178	170	26
Total Region V-Vest	1516	1052	793	775	46
% Timiș in Region V-Vest	30.93	29.46	22.44	21.93	56.52

Source: Created according to the data provided by APDRP

Table 3. Value of rural development projects in Timiș County and the development level V-Vest (19.11.2009)

Measure	Eligible value declared of the projects applied (Euro)	Public value of contracts (Euro)	Payments to beneficiaries (Euro)	Payments from the public value of contracts (%)
M. 121	184,008,002	31,980,295	6,832,116	21.36
M. 123	88,127,985	15,640,467	294,698	1.88
M. 123 XS 13	14,802,738	4,757,902	322,336	6.77
M. 123 XS 28	4,917,103	2,447,986	308,166	12.58
M. 322	237,302,437	4,131,027	0	0
M. 312	2,579,751	992,400	0	0
M. 313	1,446,481	599,387	0	0
M. 112	593,502	525,000	314,059	59.82
M. 141	127,500	120,000	0	0
Total Timiș	533,905,499	61,194,464	8,071,375	13.18
Total Region V-Vest	1,257,614,902	176,105,378	12,057,610	6.84
% Timiș in Region V-Vest	42.45	34.74	66.94	-

Source: Created according to the data provided by APDRP

In the sixteenth project sessions organized until the end of 2009, a total number of 469 projects have been applied in Timiș County, afferent to nine measures; 310 of them were declared eligible, 4 not eligible, 178 projects accumulated the points necessary for financing, the financing contract was signed in 170 cases and 26 contracts were completed.

Of the total number of projects applied in the development region V-Vest, 31% were applied in Timiș and the other counties had a smaller percentage of projects applied, respectively 24% in Caraș-Severin, 23% in Arad and 22% in Hunedoara County.

Most projects were expectedly applied for the measure 121 „Farm modernisation”, considering the big number of projects applied for the similar measure within SAPARD.

The total eligible value of the concordant projects applied in Timiș County, declared on the application for financing, is 533.9 million euro. The 170 contracts signed have a public value of 61.2 million euro, of which 8.1 million euro were paid to beneficiaries, namely 13.18% of the public value of contracts. The payments performed in Timiș are 2-fold bigger than the mean of the region V-Vest (13.18% in Timiș, 6.85% in the region V-Vest), proving a better efficiency of the agency of payments from our county.

The number of contracts signed in Timiș County represents only 21.93% of total contracts signed in the region V-Vest, but their public value represents

34.74%. This suggests that the mean contract value in Timiș County is bigger than the mean of the region V-Vest (359967 Euro/contract in Timiș, compared with 227232 Euro/contract in the region V-Vest).

4. Conclusions

At European level, the rural development policy is a more and more important component within CAP. This promotes durable development in rural EU regions, approaching the economic, social and environmental problems.

The common support for rural policy represents a necessity, since the intervention prices are reduced and removed and the direct payments are uncoupled from production; this way may assure agricultural renewal and the development of balanced relationships between rural and urban areas.

The implementation of the National Program for Rural Development 2007-2013 in Romania, on the whole, and particularly in Timiș County, is supported by significant financial resources allocated from the common budget and from the national budget (public funds).

There are a big number of projects applied in Timiș County and in the entire region V-Vest, but the number of completed projects is very small and implicitly the payments to beneficiaries are modest. From this point of view, Timiș County records a better situation than the other counties from the development region V-Vest, because the

percentage of payments performed from the public value of contracts is here 13.18% compared with 6.84%, the mean of the region V-Vest.

References

1. Zahiu, Letiția (coord.), *Agricultura Uniunii Europene sub impactul Politicii Agricole Comune*, Editura Ceres, București, 2006, pp. 315
2. Otiman, P.I. (coord.), *Dezvoltarea rurală durabilă în România*, Editura Academiei Române, București, 2006, pp. 359-372
3. *Rural Development in the European Union, Statistical and Economic Information*, Directorate-General for Agriculture and Rural Development, Report 2008
4. Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), Official Journal of the European Union, L. 277/21.10.2005
5. Feher, Andrea, *Finanțarea agriculturii și dezvoltării rurale. Politici comunitare*, Editura Orizonturi Universitare, Timișoara, 2009, pp. 200-206, 242-267
6. http://ec.europa.eu/budget/library/documents/multiannual_framework/2007_2013/tab_rural_devt_2007-2013.pdf - „EU support for Rural development 2007-2013”, European Commission
7. <http://www.apdrp.ro> – Payment Agency for Rural Development and Fisheries (APDRP)
8. Catană, Aida (coord), *Elaborarea proiectelor cu finanțare din Fondurile Structurale pentru IMM-uri 2007-2013*, Editura Contaplus, Ploiești, 2007, pp. 93
9. *Implementation and vision of Common Agricultural Policy. CAP in the 27 EU Member States*, Council for the Rural Area, The Netherlands, 2008