

PLACE AND ROLE OF AGENCY FOR FINANCING RURAL INVESTMENTS - AFIR IN ABSORBING EUROPEAN FUNDS

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Abstract

This paper analyses the activity of the Agency for Financing Rural Investments (Agenția pentru Finanțarea Investițiilor Rurale - AFIR) in order to ensure the process of informing and implementing on how to access European funds granted through the National Rural Development Plan (NRDP) for the period of 2014-2020, following the types of measures and submeasures, the amounts granted and the advantages obtained through their accession by the applicants as a result of the agreements existent between the European Community and Romania. The actions of AFIR, through its central, regional and county representatives, are aimed at informing and communicating, according to the Regulation on Organization and Functioning of the Agency for Financing Rural Investments and the Manual of Procedures for Public Relations, for knowledge transfer in view of increasing the competitiveness and diversification in agriculture, and for the need to modernize the agricultural sector by processing and marketing of agricultural products and by market development, ensuring a wide range of products and services together with the use of renewable energy in order to protect the environment. The methodology used consists in studying the references, collecting, processing, analysing and interpreting the data provided by the databases of AFIR and the Ministry of Agriculture and Rural Development (MARD), as well as formulating conclusions on the situation of the submitted projects, allocated amounts, achieved targets and measures to be further taken in support of rural areas.

Key words: AFIR, projects, programmes, measures, submeasures, rural development, non-repayable European funds for agriculture, common agricultural policy

INTRODUCTION

The accession of the Eastern European states to the European Union was an important event but also a great achievement in terms of accession to the **Common Agricultural Policy (CAP)**, whereby various agricultural models were implemented, the number of consumers has increased and the rural community has developed.

The European agricultural models are the following:

- The German model;
- One model focusing the support of small farmers;
- One model combining large and small farmers who can compensate or supplement industrial production with small quantities of products, but of high quality;

Article 39 of the Treaty on the Functioning of the European Union establishes the specific objectives of the common agricultural policy:

1. Increase agricultural productivity;
2. Ensure a fair standard of living for the farm population;
3. Stabilise markets;
4. Ensure the availability of supplies;
5. Ensure that supplies reach consumers at reasonable prices.

CAP has two pillars:

- a) Common organisation of the markets establishing the activity of agricultural product markets;
- b) Rural development with essential measures contributing to the development of rural regions.

CAP has extended based on the principles of the single market:

- a) Free movement of agricultural goods within the EU;

- b) Protection of consumption of goods produced in the European Union;
- c) Common budget financing the projects.

Along with the accession to the European Union, Romania accepts the principles of the Common Agricultural Policy (CAP) in the field of agriculture and rural development, rules and measures targeting the productivity growth, ensuring a developed standard of living for the farm population, equalizing the markets, ensuring the security of supplies, guaranteeing reasonable prices of supplies for the consumers [7].

Council Regulation (CE) No 1290/2005 on the financing of the common agricultural policy has created two European agricultural funds:

-**EAGF** means the European Agricultural Guarantee Fund aiming the measures to regulate and support the agricultural markets and direct payments to the farmers within the context of the common agricultural policy

-**EAFRD** means the European Agricultural Fund for Rural Development and finances rural development programmes.

The European Agricultural Fund for Rural Development has started to be accessed in March 2008, after the approval of **the National Rural Development Plan (NRDP) with the National Strategic Plan 2007-2013** and followed by **the National Rural Development Programme 2014-2020** whereby four priority guidelines (axes) for the financing through the European Agricultural Fund for Rural Development (EAFRD) have been outlined

The first axis was the first important guideline for the development of rural area *by increasing the competitiveness of agricultural and forestry sector* and it was aimed at the reorganisation and development of agricultural and forestry production, together with the development of related processing industries in order to be more competitive and to contribute to the economic growth and the concentration of incomes in rural area, together with securing the standard of living and protecting the environment in these areas.

The second axis **has improved the rural environment and areas** by preserving and

improving the quality of the environment in rural areas of Romania, maintaining the biodiversity, preserving nature and developing the forest, maintaining a balance between the agricultural and forest lands.

Investments have been made in the development of infrastructure and rural services, economic multi-functionalities have been created in rural areas, by emphasizing the cultural and architectural heritage.

The third axis takes into consideration *the improvement of quality of life in rural areas and diversification of rural economy* and is aimed at managing and supporting the labour force reconversion from the agricultural sector to other sectors that may ensure them a more prosperous life, both socially and economic.

The fourth guideline, the fourth axis, named LEADER is aimed at implementing several local development plans in order to improve the management of rural administrative units [1].

The **Financial Instrument (FI)** is defined according to the provision of Article 38 of Regulation no. 1303/2013, with the subsequent completions and modifications, and represents any financial instrument, including, but not limited to loans, leasing, guaranties and counter-guaranties, equity and quasi-equity investments or mezzanine-type investments for the benefit of final recipients.

Through FI, the following are made available:

The financial instrument (FI) consists in two parts:

- Credits to be used as guaranties for private co-financing, according to the projects granted through NRDP (a mixture of FI + grant)
- Other stand-alone credits related to the investments made in farms, in processing of agricultural produce and to the investments made in non-agricultural activities performed in the rural area.

The advantages of applying the financial instrument to the NRDP beneficiaries are materialized in accessing more funds applied by the beneficiaries, in case that the funds allocated to the grants are exhausted; the credits are more adapted to the requested necessities, a guarantee does not need to be requested, and the interest is low [9].

The means of implementing the EU cohesion policies consists in a mixture of grants and financial instruments (micro-financing, loans, guaranties, equity and risk capital) authorized through the ESI funds, at the national or European level [4].

According to Article 2(p) of the Financial Regulation, "financial instruments" are the measures taken by the European Union for the financial support based on the budget. These instruments are equity or quasi-equity investments, loans, guaranties or other instruments and may be combined, if necessary, with grants.

According to the rules, there are four options to be used by the final beneficiaries in order to apply:

The first option is to combine "a financial instrument with a grant from the same programme related to the ESI funds or from another programme (FI ESI F + G ESI F)";

The second option is to combine "the financial instrument from the ESI fund with another financial instrument from the same programme or another programme, according to the ESI funds";

The third option is when "a financial instrument from a programme related to ESI funds can be combined with a grant supported by the Union (FI ESI F + G non-ESI F); and the last option is when a financial instrument from a programme related to ESI funds can be associated with another financial instrument supported by the Union (FI ESI F + FI non-ESI F)" [5].

The Agency for Financing Rural Investment (AFIR) was established by the Emergency Government Ordinance No 41/18 June 2014, by reorganizing the Paying Agency for Rural Development and Fisheries (Agenția de Plăți pentru Dezvoltare Rurală și Pescuit - APDRP) in order to develop and improve the institution, in order to easily award and access the National Programme for Rural Development 2014-2020, together with the completion of the current programme (NRDP 2007-2013).

The accreditation document for the Agency for Financing Rural Investments, as an agency governing EAFRD, was approved and signed

by the Minister of Agriculture and Rural Development on 15 December 2007.

The Agency for Financing Rural Investments aims to attract European funds for agriculture and to increase, with the help of NRDP 2014-2020, the level of improvement regarding the technical and financial implementation means, by constantly updating the Guide for Applicants. Another important stage whereby the steps of crowding-in are performed is receiving the financing and payment requests, followed by the evaluation of procurements files, that have to be as easily as possible to accomplish.

The third stage refers to the payments that have to be made proper and according to the law, in view of protecting the financial interests of the EU and of the state budget.

Romania as a member state of the European Union and with an agriculture that has certain peculiarities related to the fact that a large part of the population is in rural areas carrying out agricultural activities, often being below the subsistence level, has benefited and benefits from of funds [6].

MATERIALS AND METHODS

The paper is based on a large documentation of the legislation in force, the published reports and articles on the topic.

The methodology used consists in studying the literature, collecting, processing, analysing and interpreting the data provided by the databases of AFIR and the Ministry of Agriculture and Rural Development (MARD). Finally, the conclusions on the situation of the submitted projects, allocated amounts, achieved targets and measures to be further taken in support of rural areas have been drawn.

RESULTS AND DISCUSSIONS

The National Rural Development Programme 2014-2020 (NRDP 2020) is the programme whereby non-repayable funds from the European Union and the Government of Romania are granted, for the economic and social development of the Romanian rural area. The implementation of the technical and

financial solution is supported by the Agency for Financing Rural Investments (AFIR). The performance of investments in Romanian agriculture, to the level of the European standards, was supported by non-repayable funds to the amount of EUR 9 billions, distributed to farmers and institutions.

The main rural development priorities for the financial period 2014-2020

- Expand farms, modernize machineries, open markets and develop agricultural produce processing;
- Support young farmers and stimulate their settlement;
- The progress of rural area was accomplished by the extension and modernization of basic rural infrastructure (roads, education, administration, utilities etc.) in order to attract new investments in these areas;
- Attract non-agricultural SMEs by promoting the variation of rural economy;
- Promote the fruit and animal growing sector with a dedicated sub-programme;
- LEADER programme promotes the local development through the improvement of competitiveness and quality of life and the fight against poverty.

In order to access the investment projects related to NRDP, the financing applications shall be submitted online, according to the Regulation on Organization and Functioning (ROF) of the selection and complaint solving process, regarding the projects related to the measures of the National Rural Development Programme (NRDP) 2014-2020, approved by the Order of the Minister of Agriculture and Rural Development. The online submission is made through the AFIR portal, up to the limit of the allocated funds, during the period of the session opened to the receipt of financing applications.

The ceiling for submitting the projects is established according to the provisions of the Order of the Minister of Agriculture and Rural Development No 30 of 16 February 2017, according to Article 5, and is aimed at saving an amount of 10% of the value of the allocation increased by over-contracting in order to provide for the financing of projects to be financed by NRDP 2020, following the admission of complaints whereby it was

established that the financing requirements have been fulfilled by the respective projects.

European legislation

Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005; Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008; Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD); Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency.

National legislation

Government Emergency Order No 41 of 18 July 2014 on the establishment, organisation and functioning of AFIR.

Decision No 226 of 2 April 2015 on the establishment of the general framework for implementing the measures of the National Rural Development Programme co-financed from the European Agricultural Fund for Rural Development and the state budget Order No 400 of 12 June 2015 for the approval of the Code for the internal/management control in public entities.

Measure - means whereby the project co-financing is allowed. A financial contribution from the European Union and Romania and a set of specific tasks are assigned to a certain measure;

Submeasure - component of a measure. It establishes a certain type of investments with specific objectives that belong to the activity field specific to a measure (general objectives).

Sessions for submitting projects within National Rural Development Programme

From the beginning of the programming period to June 2020, within NRDP 2014-2020, the following sessions for submitting projects have been started and the following amounts assigned:

Measure 1 - Knowledge transfer actions and information actions, with a total value of EUR 27.6 millions:

- *Submeasure 1.1.* Support for vocational training and skill acquisition, with a value of EUR 22.2 millions;
- *Submeasure 1.2.* Information actions for farmers, with a value of EUR 5.4 millions.

Measure 2 - Advisory services, farm management services and replacement services inside the farm with a total value of EUR 11.1 millions:

- *Submeasure 2.1.* Advisory actions for farmers, with a value of EUR 11.1 millions.

Measure 3 - Quality systems for the agricultural produce and foodstuff, with a total value of EUR 6 millions:

- *Submeasure 3.1.* Support for the first time participation in the quality schemes, with a value of EUR 2 millions;
- *Submeasure 3.2.* Support for information and promoting activities performed by the groups of producers within the internal market, with a value of EUR 4 millions.

Measure 4 - Investments in physical assets, with a total allocation of EUR 2,401.4 millions:

- *Submeasure 4.1.* Investments in farms, with a value of EUR 844.7 millions;
- *Submeasure 4.1.* ITI Investments in farms, with a value of EUR 33 millions;
- *Submeasure 4.1a.* Investments in fruit-growing farms, with a value of EUR 296.7 millions;
- *Submeasure 4.1a.* ITI Investments in fruit-growing farms, with a value of EUR 5 millions;

- *Submeasure 4.2.* Investment support for agricultural produce processing/marketing, with a value of EUR 382.8 millions;

- *Submeasure 4.2a.* Investment support for processing/marketing of fruit products within the fruit-growing sector, with a value of EUR 34.6 millions;

- *Submeasure 4.2.* GBER Investment support for agricultural produce processing/marketing in view of obtaining non-agricultural products, with a value of EUR 112.5 millions;

- *Submeasure 4.2.* MINIMIS Investment support for agricultural produce processing/marketing in view of obtaining non-agricultural products, with a value of EUR 5.5 millions;

- *Submeasure 4.2.* ITI Investment support for agricultural produce processing/marketing in view of obtaining non-agricultural products, with a value of EUR 10.6 millions;

- *Submeasure 4.2a.* ITI Investment support for processing/marketing of fruit products within the fruit-growing sector, with a value of EUR 0.8 millions;

- *Submeasure 4.3.* Investments for the development, modernization or adapting the agricultural and forestry infrastructure - irrigation with a value of EUR 433.98 million;

- *Submeasure 4.3.* Investments for the development, modernization or adapting the agricultural or forestry infrastructure - irrigation - ITI Danube Delta with a value of EUR 7 million;

- *Submeasure 4.3.* Investments for the development, modernization or adapting the agricultural or forestry infrastructure - agricultural access infrastructure with a value of EUR 130.3 million;

- *Submeasure 4.3.* Investments for the development, modernization or adapting the agricultural or forestry infrastructure - agricultural access infrastructure - ITI Danube Delta with a value of EUR 3 million;

- *Submeasure 4.3.* Investments for the development, modernization or adapting the agricultural or forestry infrastructure - forestry infrastructure with a value of EUR 99.3 million;

- *Submeasure 4.3.* Investments for the development, modernization and adapting the agricultural and forestry infrastructure -

forestry infrastructure - ITI Danube Delta with a value of EUR 1.7 million.

Measure 5 - Restoring agriculture production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions with a total value of EUR 28.5 millions:

- *Submeasure 5.1.* Investment support for preventive actions aimed at diminishing the effects of natural disasters, with a value of EUR 24.8 millions;

- *Submeasure 5.2.* Investment support for restoring the agricultural lands and the production potential affected by the natural disasters, with a value of EUR 3.7 millions.

Measure 6 - Farm and business development, with a total value of EUR 1,016.4 millions:

- *Submeasure 6.1.* Support for setting-up of young farmers, with a value of EUR 466.8 millions;

- *Submeasure 6.1.* ITI Support for setting-up of young farmers, with a value of EUR 10 millions;

- *Submeasure 6.2a.* Support for setting-up of non-agricultural activities, with a value of EUR 106.6 millions;

- *Submeasure 6.2b.* ITI Support for setting-up of non-agricultural activities, with a value of EUR 5 millions;

- *Submeasure 6.3.* Support for the development of small farms, with a value of EUR 246.5 millions;

- *Submeasure 6.3.* ITI Support for the development of small farms, with a value of EUR 5 millions;

- *Submeasure 6.4.* Investments in creation and development of non-agricultural activities, with a value of EUR 166.5 millions;

- *Submeasure 6.4.* ITI Investments in creation and development of non-agricultural activities, with a value of EUR 10 millions;

- *Submeasure 6.5.* Small farmers scheme, with a value of EUR 0.01 millions.

Measure 7 - Basic services and village renewal in rural areas, with a total allocation of EUR 1,319.7 millions:

- *Submeasure 7.2.* Investments in creation and modernization of basic infrastructure, on a

small scale, with a value of EUR 1,060.3 millions;

- *Submeasure 7.2.* ITI Investments in creation and modernization of basic infrastructure, on a small scale, with a value of EUR 48.6 millions;

- *Submeasure 7.4.* Investment support in creation, improvement or extension of basic local services for rural population, including recreational and cultural services and of the related infrastructure, with a value of EUR 13.8 millions;

- *Submeasure 7.6.* Investments related to the protection of cultural heritage, with a value of EUR 188 millions;

- *Submeasure 7.6.* ITI Investments related to the protection of cultural heritage, with a value of EUR 9 millions;

Measure 8 - Support for the first afforestation and creation of afforested lands, with a total value of EUR 106.8 millions:

- *Submeasure 8.1.* Afforestation and creation of afforested lands, with a value of EUR 106.8 millions;

Measure 9 - Setting up of agricultural producer groups and organisations, with a value of EUR 20 millions:

- *Submeasure 9.1.* Setting up of producer groups, with a value of EUR 16.8 millions;

Submeasure 9.1a. Setting up of producer groups in the field of fruit growing, with a value of EUR 3.2 millions;

Measure 10 - Agro-environment and climate, with a value of EUR 835.2 millions

Measure 11 - Organic farming, with a value of EUR 246.9 millions

Measure 13 - Payments for area facing natural constraints or other specific constraints with a value of EUR 1,522.7 millions

Measure 14 - Animal welfare, with a value of EUR 794.4 millions

Measure 15 - Forest-environmental and climate services, forest conservation with a value of EUR 90.1 millions.

Measure 16 - Cooperation, with a value of EUR 31.4 millions:

- *Submeasure 16.1.* Support for establishment and functioning of operational groups (OG), for developing pilot projects, new products -

Stage I and II - calls for expression of interest, with a value of EUR 6.7 millions;

-*Submeasure 16.1a.* Support for establishment and functioning of operational groups (OG), for developing pilot projects, new products - Stage I and II - calls for expression of interest, with a value of EUR 5.8 millions;

- *Submeasure 16.4.* Support for horizontal and vertical cooperation between the actors of the supply chain, with a value of EUR 12,4 millions;

- *Submeasure 16.4a.* Support for horizontal and vertical cooperation between the actors of the supply chain - fruit growing, with a value of EUR 6,5 millions.

Measure 17 - Risk management, with a value of EUR 42.8 millions:

- *Submeasure 17.1.* Insurance premiums for crops, livestock and plants, with a value of EUR 42.8 millions.

Measure 19 - LEADER, with a value of EUR 637.6 millions:

- *Submeasure 19.1.* Preparatory support for drawing up local development strategies, with a value of EUR 2 millions;

- *Submeasure 19.2.* Support for implementing actions within the frame of local development strategy, with a value of EUR 495.6 millions;

-*Submeasure 19.3.* Preparing and implementing cooperation activities of the

Local Action Groups, with a value of EUR 17 millions;

- *Submeasure 19.4.* Support for operating and animation charges, with a value of EUR 123 millions.

Measure 20 - Technical assistance, with a value of EUR 209.1 millions.

Financial instruments

The amount paid represents 50% of the value of the agreement concluded with the European Investment Fund on 28 November 2017, regarding the granting of financial instruments within the framework of submeasures 4.1, 4.1a, 4.2, 4.2a and 6.4. with an amount of EUR 93.8 millions [2], [8].

The total allocated amounts for the measures related to the project submission session until 18 June 2020 within the frame of NRDP 2014- 2020 are in amount of EUR 9,441.5 millions.

From January 2020 to July 2020 projects in amount of Lei 110.49 millions have been submitted for submeasures 4.2 GBER MINIMIS, 4.3, 5.1, 5.2, 6.1, and 17.1 and funds in amount of Lei 113.81 have been remained available for submeasures 4.2, 4.2 GBER MINIMIS, 5.1, 6.1 and 17.1. Details regarding the situations can be found in the attached Table 1 [3].

Table 1. Funds allocated within NRDP 2020 for the active sessions with online submission

Submeasure	Ceiling for project submission m. EUR	Value of submitted projects m EUR	Number of submitted projects	Available funds m EUR
4.2	19.40	0	0	19.40
4.2 GBER MINIMIS	6.00	0.54	31	5.46
4.3	65.55	92.78	95	Exhausted funds
5.1	19.56	12.40	183	7.16
5.2	5.52	0.19	1	5.33
6.1	64.53	0.35	14	64.18
17.1	16.50	4.21	2271	12.29

Source: <https://online.afir.info/> contorintegration

By analysing the state of project submission and implementation, it is found that there are still obstacles in the interpretation of national legislation because the normative acts are overlaying, they are changed very often and the Guides of Applicants are too complex and differ a lot from the European legislation. From an administrative point of view, it is found that:

-The documents related to the financing applications are very difficult to fill in, their evaluation takes a long time, the on-site controls take place over an extended period and can negatively affect the project implementation, the procurement process after the approval of the file is very complex and long, and the technical and economic procedures are difficult and confusing. These obstacles do nothing but delay the

development of agriculture and rural areas and result in loss of important amounts.

-The situation of projects, allocated and paid amounts can be found below:

Situation regarding the number of projects submitted, selected and contracted from the beginning of the programme to the end of 2019.

- Number of submitted projects - 65,552;
- Number of selected projects - 38,801;
- Number of contracted projects - 37,409;
- Completed projects - 13,989;
- Terminated projects - 247.

Situation regarding the number of projects submitted, selected and contracted from the beginning of the programme to 18 June 2020.

- Number of submitted projects - 67,346;
- Number of selected projects - 41,585;
- Number of contracted projects - 40,537;
- Completed projects - 18,088;
- Terminated projects - 289.

Situation regarding the number of projects submitted, selected and contracted from the beginning of the programme to the end of 2019.

- Value of submitted projects is EUR 9,503.1 millions;
- Value of selected projects is EUR 5,250.6 millions;
- Value of contracted projects is EUR 4,589.3 millions.
- Value of completed projects is EUR 977 millions
- Value of terminated projects is EUR 53.1 millions.

Situation regarding value of projects submitted, selected and contracted from the beginning of the programme to 18 June 2020.

- Value of submitted projects is EUR 9,571.7 millions;
- Value of selected projects is EUR 5,347.2 millions;
- Value of contracted projects is EUR 5,021.5 millions;
- Value of completed projects is EUR 1,285 millions;
- Value of terminated projects is EUR 67.3 millions

Payment stage

Situation of payments made from the beginning of the programme to the end of 2019 - EUR 4,460.6 millions.

Situation of payments made from the beginning of the programme to 18 June 2020 - EUR 5,022.5 millions.

13.42% of the projects submitted within the period 2014-2020 are finalized, which is still not a good percent, and the period from submitting the projects to their completion is still very long.

The highest funds allocation is for the following submeasures:

-*Submeasure 4.1*, Investments in farms, with 4,048 submitted projects, a value of EUR 2,218.3 millions and 1,224 completed projects in value of EUR 353.1 millions represents only 30.24% of the total of projects submitted for this section;

-*Submeasure 4.3*, Investments for the development, modernization or adapting the agricultural or forestry infrastructure - irrigations, with 530 submitted projects, a value of EUR 525.3 millions and 28 completed projects, a value of EUR 26.2 millions represents only 5.28 % of the total of projects submitted for this section;

-*Submeasure 6.1*, Support for setting-up of young farmers, with 14,149 submitted projects, a value of EUR 581.9 millions and 7,719 completed projects in value of EUR 317.6 millions represents only 54.56 % of the total of projects submitted for this section. In accessing these funds, a higher involvement is noted.

-*Submeasure 7.2*, Investments in creation and modernization of basic infrastructure, on a small scale - road infrastructure of local interest, with 972 submitted projects, a value of EUR 1,003 millions and 76 completed projects in value of EUR 4.2 millions represents only 7.8 % of the total of projects submitted for this section.

CONCLUSIONS

The lowest involvement is noted in granting the funds within the frame of Submeasure 6.5, named Small farmers scheme, where the number of submitted projects is 21, with a value of EUR 61,813 and 3 contracted

projects, with a value of EUR 4,496. Until now, none of these projects has been completed.

The goals to be achieved by attracting financing from non-reimbursable funds in agriculture through submeasures prepared for Romanian farmers and processors with the help of specialists from AFIR is to support several needs and projects:

(1) Vocational training and skill acquisition for farmers and small processors in the agri-food field, with the help of vocational training courses;

(2) Support for the farmers, with the help of quality schemes, in view of increasing production and marketing of agricultural produce and foodstuff;

(3) Increase the capacities of fruit-growing farms or development of processing companies;

(4) Direct marketing of products obtained and marketing development;

(5) Increase the quality of agricultural products and services;

(6) The supply chain for raw materials is shortened, with a positive influence on the agricultural produce processing enterprises;

(7) Diminish the production expenses by using renewable energy and reducing energy consumption;

(8) Investments in tangible and intangible assets that led to the restructuring and modernization of farms and improvement of economic performance;

(9) Diminish the effects of natural disasters and adverse climatic events on crop yield;

(10) Encourage young farmers and their families to settle in rural areas, being stimulated to become competitive, to enter in associations, resulting in a positive effect on the national economy in general;

(11) Create new activities in the non-agricultural sector through production activities, tourist services and craft activities resulting in the diversification of rural economy and the creation of new jobs;

(12) Create and develop the educational infrastructure, aimed at the study of natural resources but also the environmental protection, and vocational schools in the agricultural field;

(13) Establish partnerships with non-governmental organizations and public authorities, in order to prepare and implement a local development process of an area.

The achieved objectives were in line with the initial goals and added value to the final beneficiaries, farmers and entrepreneurs in rural areas, private institutions or public institutions with the following achievements:

-Endowment with competitive machinery and equipment, and also investments in farm modernization (especially small and medium farms);

-Increase the competitiveness of agricultural activity, diversification of agricultural production and quality of products obtained;

-Convert the small and medium size farms in commercial holdings;

-Observe the Community standards for all the investment grades;

-Process the products within the farm and their direct sale in integrated food supply chain.

-Establish and/or modernization of processing and marketing companies;

-Develop new products and processes;

-Implement new measures for environmental protection, diminishing the energy consumption and GHG emissions;

-Develop the fruit growing sector;

-Improve the internal quality control;

-Obtain new or higher quality non-agricultural products;

-Increase the number of jobs in rural area;

-Modernize and adapt the access roads;

-Ensure a better supply, simpler access to the consumers and sales markets;

-Develop education in rural areas through the modernization of school infrastructure, the establishment of teaching positions and the establishment or modernization of libraries.

-Afforestation of deforested areas and conservation of forests.

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