

COMPARATIVE ANALYSIS ON ACCESSING EUROPEAN FUNDS THROUGH THE TWO NATIONAL RURAL DEVELOPMENT PROGRAMS IN THE SOUTH-MUNTENIA REGION, ROMANIA

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Abstract

South Muntenia is an extremely important region from an agricultural point of view, so the European funds granted through the two National Rural Development Programs have contributed to the development of the component counties of the region. The purpose of the paper is to highlight the specificity of the measures accessed from county to county, influenced by certain factors, but also to identify the necessary measures that need to be implemented in the next National Strategic Plan. In the elaboration of the paper were used the qualitative analysis comparing the results of the two National Rural Development Programs, but also the quantitative analysis by processing the obtained data. As a conclusion, there are differences among the counties of the South Muntenia region of Romania regarding the use of the funds allotted within NRDP 2014-2020, but the counties with the most accessed funds are Teleorman, Dambovita and Prahova. Calarasi and Teleorman counties, having a predominant agricultural profile, concentrated investments for purchasing modern machinery and equipment in the agricultural holdings. Also, Calarasi and Ialomita counties have attracted important funds for investing in the development, modernization or adaptation of agricultural and forestry infrastructure, such as investments in irrigation infrastructure.

Key words: development, rural area, European funds

INTRODUCTION

South region has an area of 34,489 square kilometers, and includes six districts including: Arges, Calarasi, Dambovita, Giurgiu, Ialomita and Prahova, having a total population of 2.965 million inhabitants and a density of 86.1 inhabitants/sq. The largest administrative region is Argeş County, with an area of 6,826 square kilometers and a population of over 585 thousand inhabitants. Also, the unemployment rate has a value of 3.2%, below the average of the South-Muntenia region which is 4% [2, 3, 7, 12].

In this paper we have used data provided on the website of the Ministry of Agriculture and Rural Development of Romania, regarding the situation of authorized storage spaces in the 42 counties of the country, in the period 2015-2018 to identify the evolution trend and what is the impact of the existence of storage spaces in the 42 counties of the country, using the qualitative and quantitative method [5, 13].

Prahova and Arges counties are recognized as administrative regions with developed industries such as the oil processing industry or machine builders, so that in 2019 they hold a share of 32% (40.86 million lei), respectively 23% (29.73 million lei) from the total GDP of the South-Muntenia development region which exceeded the value of 127.4 million lei (Table 1).

Regarding the other counties, at the level of 2019, Dambovita registered a GDP value of 17.5 million lei, having a share of 14% of the total GDP of the region, Teleorman with 10.2 million lei (8%), Calarasi with 9.67 million lei (8%), Giurgiu with 9.85 million lei (8%) and Ialomita with 9.59 million lei (7%) (Fig. 1).

Agriculture is an important branch in the formation of gross domestic product in each county. In this sense, the agricultural sector and the rural area benefited from important funds for development, through NRDP. 2007-2013 and NRDP 2013-2020 [4, 8, 11].

Table 1. Situation of the main indicators at the level of the South-Muntenia macro-region

Specify	Area (sq km)	Population (no. of people)	People/sq	Unemployment rate (%)
Total region	34,453	2,965,205	86.1	4
Arges	6,826	585,730	85.8	3.2
Calarasi	5,088	288,043	56.6	4.2
Dambovita	4,054	496,173	122.4	4.2
Giurgiu	3,526	269,279	76.4	2.3
Ialomita	4,453	258,931	58.1	5.6
Prahova	4,716	725,609	153.9	2.6
Teleorman	5,790	341,440	59.0	7.8

Source: Databases National Institute of Statistics, Accessed on 05.2020 [9].

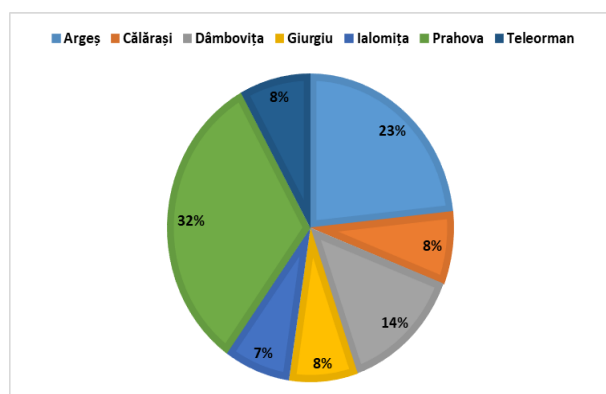


Fig. 1. Percentage distribution of the Gross Domestic Product at the level of the counties from the South-Muntenia region

Source: Processed data, NIS database [9].

The main measures/sub-measures, financed in the South-Muntenia region, in the period 2007-2013, respectively 2014-2020 are monitored by the Agency for Financing Rural Investments (A.F.R.I.) [6, 10, 14].

Within this context, the purpose of the paper was to analyze the situation of the funds provided by the EU in order to identify what measures and sub-measures included in the National Rural Development Program were suitable for South Region, how many projects have been financed, and which the value of the funds used in this region by county.

MATERIALS AND METHODS

For setting up this research work, there were used data obtained from the National Institute of Statistics, as well as the National Forecast Commission. Regarding the data regarding the two National Rural Development Programs were obtained from the Agency for Financing Rural Investments (A.F.R.I.). In the elaboration of the paper were used the

qualitative analysis comparing the results of the two National Rural Development Programs, but also the quantitative analysis by processing the obtained data.

RESULTS AND DISCUSSIONS

Through the National Rural Development Program 2007-2013, 86,751 projects were financed, of which 8,853 projects in the South-Muntenia region, having a share of 10.2% of the total projects financed at national level (Figure 2).

Analyzing the number of projects financed by PNDR 2007-2013, the most targeted measure was 141 which supported semi-subsistence farms, namely 4,765 projects were financed out of the total of 55,466 financed nationally, having a share of 8.6% total (Figure 2).

At national level, measure 431 held a 20,4% increase of the total projects funded by the measure, resulting in 58 projects targeting the functioning of the local Action groups (Figure 2).

Another measure with a significant share in the total of projects financed at national level was measure 123, thus financing 204 projects that aimed to increase the added value of agricultural and forestry products (Figure 3).

At county level, Dambovita and Arges were financed the most projects, namely 2549, respectively 2063 projects out of the total of 8853 projects financed at regional level. We can see that in Dambovita County, 1555 projects were financed aiming at measure 141 regarding the support of semi-subsistence farms. Also, 390 projects aimed at installing young farmers were also financed in this county (Table 2).

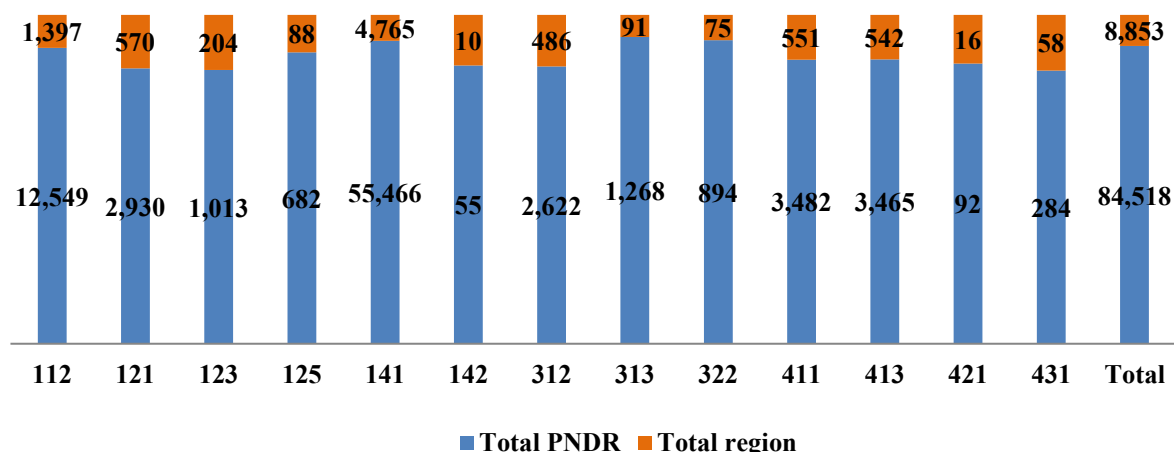


Fig. 2. Situation of the number of projects financed by PNDR 2007-2013 at national level compared to the South-Muntenia region
 Source: processed data, database of the Agency for the Financing of Agricultural Investments, Accessed on 05.2020 [1].

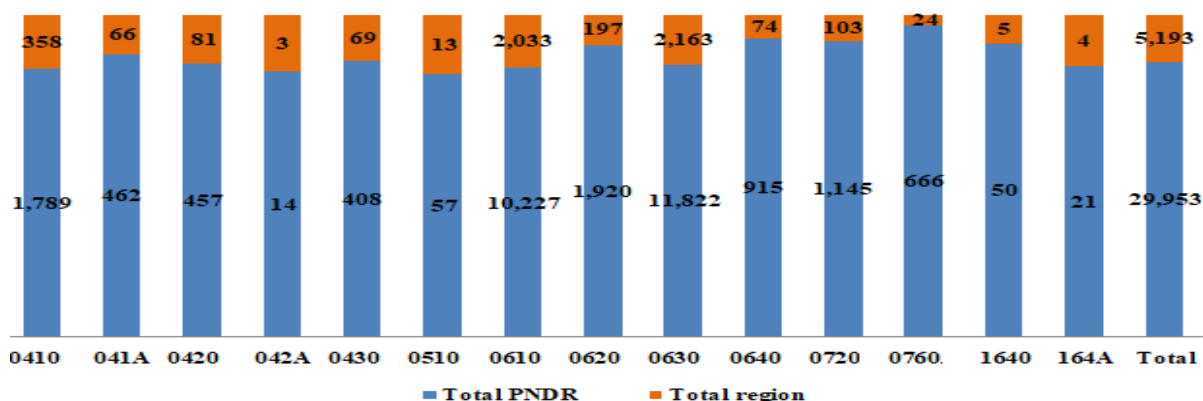


Fig. 3. Situation of the number of projects financed by PNDR 2014-2020 at national level compared to the South-Muntenia region
 Source: processed data, database of the Agency for the Financing of Agricultural Investments, Accessed on 05.2020 [1].

Table 2. Situation of the number of projects financed at the level of the South-Muntenia region through the National Rural Development Program 2007-2013

Specify	Measures													Grand Total	% from total
	112	121	123	125	141	142	312	313	322	411	413	421	431		
Total region	1,397	570	204	88	4,765	10	486	91	75	551	542	16	58	8,853	100
Arges	200	52	32	15	1,372	-	58	47	17	132	124	3	11	2,063	23.3
Calarasi	84	111	29	11	141	7	42	4	3	33	38	-	5	508	5.7
Dambovita	390	53	18	19	1,555		66	25	31	194	168	8	22	2,549	28.8
Giurgiu	48	64	15	11	341	1	96	4	7	31	50	1	5	674	7.6
Ialomita	261	141	33	15	127	1	108		3	63	63	-	6	821	9.3
Prahova	131	36	34	1	219	1	29	10	11	52	46	1	5	576	6.5
Teleorman	283	113	43	16	1,010	-	87	1	3	46	53	3	4	1,662	18.8

Source: processed data, database of the Agency for the Financing of Agricultural Investments, Accessed 05.2020 [1].

At the level of the South-Muntenia region, the value of the projects totaled over 659 million euros, of which Dambovita County accessed projects worth 144,88 million euros, due to the projects accessed through measure 322

(which aimed at renovation, village development, improvement basic services for the economy and the rural population and the enhancement of the rural heritage) totaling a value of 56.46 million euros and having a

share of 39% of the total projects accessed at county level. Another measure with a significant share of the total number of projects accessed in Dambovită County was measure 413 (which aimed at quality of life and diversification of the rural economy), which totaled approximately 14.7 million euros, with a weight of 10.2 % of the total projects financed at the county level (Table 3).

Also, Argeș County accumulated in the period 2007-2013, projects worth 112.9 million

euros, representing 17.1% of the total funds accessed in the region, due to the projects accessed through measure 322 (which aimed at renovation, development of villages, improvement of basic services for the economy and rural population and enhancement of rural heritage) totalling a value of 29.9 million euros and having a share of 26.5% of the total value of projects accessed at county level (Table 3).

Table 3. Situation of funds accessed at the level of the South Muntenia region through the National Rural Development Program 2007 - 2013 (million euros)

Specify	Measures													Total	% total
	112	121	123	125	141	142	312	313	322	411	413	421	431		
Total region	31.8	133.7	122.6	68.2	29.7	1.2	55.3	8.8	139.3	20.0	37.1	0.2	11.0	659.0	100
AG	4.1	15.2	16.7	13.1	7.9	0.0	7.7	4.6	29.9	4.1	7.3	0.0	2.1	112.9	17.1
CL	2.1	24.4	17.0	10.2	0.9	1.1	4.4	0.2	5.4	1.9	2.3	0.0	1.2	71.3	10.8
DB	7.1	11.4	9.9	14.7	10.4	0.0	7.9	2.8	56.5	6.0	14.7	0.1	3.5	144.9	22.0
GR	1.2	15.2	10.1	8.3	2.1	0.0	11.6	0.2	15.3	1.3	4.0	0.0	1.0	70.2	10.7
IL	7.1	31.3	17.1	10.1	0.9	0.0	10.0	0.0	7.8	3.0	3.3	0.0	1.5	92.2	14.0
PH	3.1	7.2	24.6	0.7	1.5	0.1	3.7	0.9	20.1	1.5	3.1	0.0	0.8	67.3	10.2
TR	7.2	28.9	27.2	11.1	6.0	0.0	10.1	0.1	4.3	2.2	2.5	0.0	0.9	100.3	15.2

Source: processed data, database of the Agency for the Financing of Agricultural Investments, Accessed on 05.2020, [1].

Under the national Rural Development Program 2014-2020, 29,963 projects were financed, of which 5,193 were financed in the South Muntenia region and 17.3% of all funded projects at national level (Figure 2).

Most projects financed by PNDR 2014-2020, targeted sub-measure 6.3. through which small farms were supported, namely 2163 out of a total of 11,822 projects financed at national level, the share being 18.3% of the total projects (Figure 3). Sub-measure 5.1 accounted for 22.8% of the total projects financed by this sub-measure at national level, so in the South-Muntenia region 13 projects were financed to support investments in preventive measures to reduce the effects of natural disasters, unfavorable climatic phenomena and probable catastrophic events (Figure 2). Another measure with a significant share in the total projects financed at national level, was sub-measure 4.1, thus financing 358 projects that pursued investments in agricultural holdings (Figure 3).

At county level, in Dambovită and Argeș County were financed most projects, namely

2640, respectively 784 projects out of the total of 5193 projects financed at regional level. We can observe that in Dambovită County, 1,342 projects were financed aiming at sub-measure 6.3. on supporting small farms. Also, 1,164 projects aimed at installing young farmers were also financed in this county (Table 4.). The South-Muntenia region totalled a value over 564.4 million euros, of which Dambovită County accessed projects worth 118.2 million euros, due to the projects accessed through sub-measure 6.1 (which aimed at installing young farmers) totalling a value of 47 million euros and having a share of 39.7% of the total projects accessed at county level. Another measure with a significant share of the total number of projects accessed in Dambovită County was sub-measure 7.2 (which aimed at investments in the creation and modernization of small-scale basic infrastructure), which totalled approximately 22.7 million euros, with a share of 19.23% of the total projects financed at the county level (Table 5).

Table 4. Situation of the number of projects financed at the level of the South-Muntenia region through the National Rural Development Program 2014-2020

Specify	Submeasures														Total	% total
	4.1	4.1A	4.2	4.2A	4.3	5.1	6.1	6.2	6.3	6.4	7.2	7.6	16.4	16.4A		
Total region	358	66	81	3	69	13	2,033	197	2,163	74	103	24	5	4	5,193	100
AG	28	14	7	-	1	5	143	94	456	18	13	5	-	-	784	15.1
CL	99	12	15	-	27	-	45	11	31	5	13	5	-	-	263	5.1
DB	12	16	11	2	-	1	1,164	32	1,342	17	29	5	5	4	2,640	50.8
GR	42	12	2	-	5	2	422	9	82	9	11	3	-	-	599	11.5
IL	69	3	11	-	25	2	194	10	62	6	2	-	-	-	384	7.4
PH	13	5	17	1	-	3	14	18	69	8	21	4	-	-	173	3.3
TR	95	4	18	-	11	-	51	23	121	11	14	2	-	-	350	6.7

Source: processed data, database of the Agency for the Financing of Agricultural Investments, Accessed on 05.2020, [1].

Table 5. Situation of funds accessed in the South Muntenia region through the National Rural Development Program 2014 - 2020 (thousand euros)

Specify	Submeasures												Total	% total
	4.1	4.2	4.3	5.1	6.1	6.2	6.3	6.4	7.2	7.6	16.4			
Total region	151.1	57.8	67.0	1.3	82.6	10.7	32.4	11.7	101.6	9.3	0.5	564.4	100	
AG	12.9	4.8	1.5	0.6	5.9	4.9	6.8	3.0	11.4	2.1	0.0	61.9	11.0	
CL	48.4	12.0	26.6	0.0	2.0	0.6	0.5	0.9	15.5	2.1	0.0	116.8	20.7	
DB	6.2	6.3	0.0	0.1	47.0	1.8	20.1	3.0	22.7	1.5	0.5	118.2	21.0	
GR	26.2	1.5	5.4	0.1	17.0	0.5	1.2	1.6	8.9	1.1	0.0	70.6	12.5	
IL	20.0	11.8	23.1	0.2	8.0	0.5	0.9	1.0	3.3	0.0	0.0	69.8	12.4	
PH	10.5	11.2	0.0	0.3	0.6	1.1	1.0	1.2	16.6	1.6	0.0	46.5	8.2	
TR	27.1	10.2	10.5	0.0	2.2	1.3	1.8	1.0	23.1	0.9	0.0	80.5	14.3	

Source: processed data, database of the Agency for the Financing of Agricultural Investments, Accessed on 05.2020 [1].

Also, Calarasi County accumulated in the period 2014-2020, projects worth 116.8 million euros, representing 20.7% of the total funds accessed in the region, due to the projects accessed through measure 4.1 (which targeted investments in agricultural holdings) totaling a value of 48.4 million euros and having a share of 41.4% of the total value of projects accessed at county level (Table 5).

CONCLUSIONS

The agricultural sector is of particular importance for the South-Muntenia region, so the National Rural Development programs have had a positive impact on the development of rural and agricultural areas. Although projects worth just over € 5 billion were contracted through the first NRDP, approximately € 4.76 billion was actually paid, due to the inability of some farmers to meet their project commitments which they carried out, so that the authority stopped and demanded the return of the sums of money granted.

In the case of the current National Rural Development Program, projects worth 4.08

billion euros were contracted until the beginning of 2020, of which only 2.3 billion euros were actually paid, given that the programming period has not ended.

We can observe that within the NRDP 2007-2013 the largest financial allocations in the South-Muntenia region aimed for renovation, development of villages, improvement of basic services for the economy and rural population and enhancement of rural heritage (measure 322), modernization holdings (measure 121) and increasing the added value of agricultural and forestry products (123). On the other hand, regarding the NRDP 2014-2020, they focused on investments in agricultural holdings (sub-measure 4.1.), Investments in the creation and modernization of small-scale basic infrastructure (sub-measure 7.2.), as well as support for the installation of young farmers (sub-measure 6.1.).

An extremely important source of funding available under the NRDP 2014-2020 is sub-measure 7.2. aiming to investments in the creation and modernization of small-scale basic infrastructure, thus ensuring through this source of financing the minimum living

conditions for the inhabitants of the rural area. In this sense, the counties of Teleorman (23.06 million euros), Dambovită (22.7 million euros), as well as in Prahova county (16.4 million euros) have accessed the most funds of all the counties in the South Muntenia region.

The counties characterized by the predominant agricultural profile, such as Calarasi and Teleorman, concentrated on investments in agricultural holdings, largely purchasing high-performance agricultural machinery and equipment, attracting 48.4 million euros and 27 million euros, respectively. At the same time, through the use of natural resources, Calarasi and Ialomită counties have attracted important funds in terms of investments for the development, modernization or adaptation of agricultural and forestry infrastructure, such as investments in irrigation infrastructure.

Regarding the future National Strategic Program, the financing measures should continue to pursue investments in the creation and modernization of small-scale basic infrastructure. Emphasis should also be placed on the creation and modernization of processing/marketing units, but also on the creation of non-agricultural units.

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