

Rural Development Programme (RDP) of Romania

Programul National Pentru Dezvoltare Rurala 2007-2013 – version December 2009¹ (Programme for Development of Rural Regions 2007-2013)

Relevant Contact Details

Address: B-dul Carol I, nr. 24, sector 3, codul postal 020921, oficiul postal 37, Bucuresti, Romania

Telephone number: + 40 021 307 8565

Managing Authority Website:

<http://www.madr.ro/>

Other useful links:

Rural Development Programme (RDP):

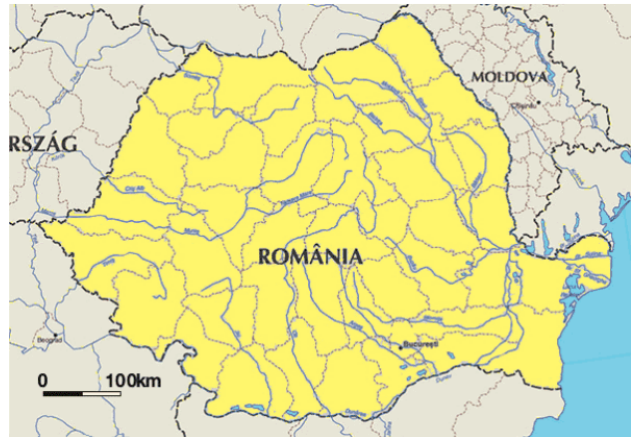
<http://www.madr.ro/pages/page.php?self=03&sub=0302&tz=030202>

National Strategy Plan (NSP):

<http://www.madr.ro/pages/page.php?self=03&sub=0303>

Romanian National Rural Network (NRN):

Not available



Map of Romania
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General socio-economic situation in rural areas in Romania

With an area of 238,000 km² and a population of more than 21 million inhabitants, Romania is the second largest new EU Member State, after Poland.

Rural areas have substantial growth potential and, most importantly, play a vital social role. According to the Rural Development Programme 2007 to 2013 (consolidated 2009 version) rural areas in Romania cover 87.1% of the territory, and include 45.1% of the population (9.7 million inhabitants). The share of Romanian rural population reflects the high incidence compared to the EU countries with less densely populated, smaller-scale settlements as an alternative to urban concentrations. Many of these rural communities make a small contribution to economic growth but preserve the social fabric and the traditional way of life.

The RDP also indicates employment rate in rural areas is also significantly higher than in urban areas, resulting in unemployment rates being much lower in rural (5.2%) than urban areas (8.8%). The current number of rural unemployed is of 232,000 people, representing 33% of the total number of Romanian unemployed.

The RDP makes clear that Romania is endowed with 14,741,200 ha of agricultural land (or 61.8% of the total country's surface) and has significant agricultural resources. Forests and other wooded lands areas (6,742,800 ha) accounts for 28.28% of the total land in Romania. Currently the forestry

¹ Latest updated RDP, following the adoption of the Health Check and The European Economic Recovery Package.

sector contributes to over 9% of the country's exports, and accounted for 3.5% of Gross Domestic Product (GDP).

Rural areas are characterised by natural resources that are generally, in a well-preserved state, and have a high level of biodiversity associated with diversity of habitats, ecosystems, forests and valuable agricultural landscapes. However, important challenges lay ahead namely maintaining these natural values and mitigating climate changes.

Many farmers have poor awareness of environmental management practices for reducing the risk of agricultural pollution and improving soil conservation. The organic farming sector is underdeveloped compared to EU average and the domestic market is relatively young. There are widespread soil erosion problems on large areas and poor facilities and equipments for manure management (especially storage) on livestock farms leading to ammonia emissions. Moreover, there is an increased impact of climate change in areas with reduced forest surfaces.

Large areas are characterised by natural limitations of agricultural productions. These areas are related especially to the Carpathian Mountains and Danube Delta, but also to other areas with soil and climate specificities. These Less Favoured Areas for agricultural production are generally associated with a high level of biodiversity.

Non-agricultural activities in rural areas include: mining, energy industry, and forestry, the processing of food products, small trade activities, services and crafts. Except for mining and energy industry, non-agricultural activities are carried out by micro, small and medium-sized enterprises (SME). In summary, the rural economy is less diversified and highly dependant on agricultural activities, leading to low revenues and incomes for rural residents.

In addition, there is a weak entrepreneurial culture and poor enterprise support with agricultural productivity below potential (food and non-food use). There is a low level of crop diversification (e.g. dependence on cereals) and low level of compliance with EU standards with many farms having limited equipment. Few farmers possess formal agricultural educations or have had training in modern productivity skills. There is a low share of young heads of agricultural holdings, marketing channels remain largely under developed for smaller farms and use of renewable energy in rural areas is relatively rare.

At a local level, there are existing community structures, partnerships and local development strategies. However, there is a lack of financial resources for and low financial absorption within LEADER type activities along with a lack of collaboration between public and private sectors and, mistrust and fragility in the associative structures and partnerships.

RDP strategic objectives

The RDP is coherent with the three main goals of the National Strategic Plan of Rural Development:

- To facilitate the transformation and modernisation of the dualistic structure of agriculture and forestry, as well as its agro/wood-processing industry to ensure their competitiveness, contribution to growth and income convergence in rural areas (where possible), while ensuring the living conditions and environmental protection of these areas;
- To maintain and enhance the quality of the rural environment in Romania, by promoting the

² A full list of the RDP measures can be found in Annex I.

³ Please note that for measures 111, 112, 141, 142 and 143 no private spending has been allocated.

⁴ For measures 211,212 and 214 no private spending has been allocated.

- sustainable management of both agricultural and forestry land; and
- To manage and facilitate the movement of labour out of agriculture into other sectors that can ensure an adequate economic and social living standard.

These objectives are addressed by specific measures within the four axes of the RDP.

Following the CAP Health Check, and in recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, revisions made to the RDP in 2009 result in further support for activities to tackle environmental issues namely climate change, renewable energies, water management, biodiversity and also activities supporting dairy sector restructuring.

Taking into account the additional financing provided by the CAP Health Check and The European Economic Recovery Package, greater strategic priority is being given to initiatives (through existing measures) that address renewable energy (which received 35% of the new RDP funds), water management (22%), climate change (18%), biodiversity (13%) and measures accompanying the restructuring of the dairy sector (12%). Broadband infrastructure investment is also being increased through a new modification of the programme after 2010).

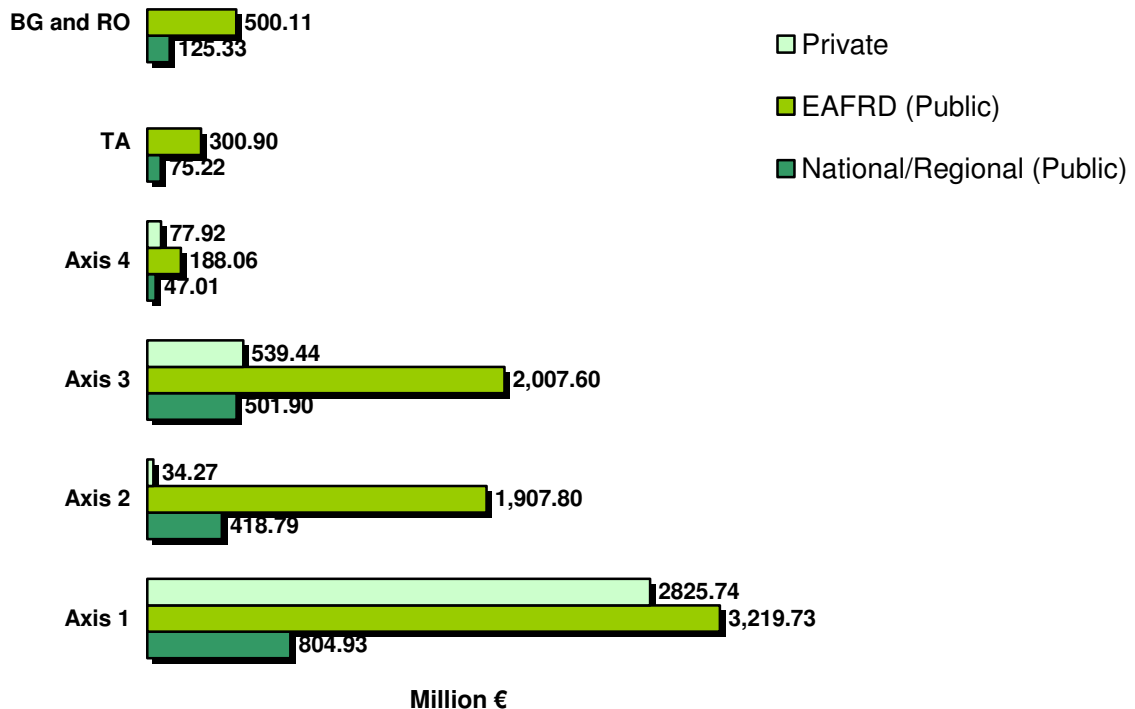
Expected impact / outcomes of the policies

The main expected results of the RDP are:

- A more competitive, knowledge-led agriculture sector, using new technology and focused on developing markets;
- A more competitive agri-food sector, focused on added value and innovation for domestic and international markets;
- Environmentally friendly farming;
- Diversification of farming activities in order to provide services and products for rural dwellers and tourists;
- Creation of new businesses in rural areas which respond to new markets;
- Improved services and rural infrastructure to support the economy.

Following the RDP amendment in 2009, modifications to output-indicator targets for some measures have been made to reflect the increased emphasis on 'new challenges'. These include targets relating to: improve efficiency of nitrogen fertiliser use and improving of manure storage(measure 121) ; production techniques for water saving (measure 123); improvements in processing and marketing relating to dairy (measure 123); water saving through modernisation of existing inefficient irrigation systems (measure 125); perennial fields and riparian boundary strips and biobeds (measure 214); installations for renewable energy using biomass (measure 312); village renewal and development, improving basic services for the rural economy and population and upgrading of rural heritage (measure 322). Detailed information on output-indicator targets for individual measures is provided in the RDP indicator tables.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €13,574,447,833



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 50.47% of the updated RDP budget for Romania is allocated to axis 1 (€6,850.41 million); approximately 17.39% is allocated to axis 2 (€2,360.86 million), 22.46% to axis 3 (€3,048.93 million); 2.31% to axis 4 (€312.99 million), with 2.77% available to fund Technical Assistance (€376.12 million); and 4.61% for complementary direct payments to Bulgaria and Romania (€625.14 million).

Within axis 1, National public funding represents approximately 11.75% share of the axis funding; EAFRD 47.00%; and private funds 41.25%.

Within axis 2, National public funding represents approximately 17.74% share of the axis funding; EAFRD 80.81%; and private funds 1.45%.

Within axis 3, National public funding represents approximately 16.46% share of the axis funding; EAFRD 65.85% and private funds 17.69%.

Within axis 4, National public funding represents approximately 15.02% share of the axis funding; EAFRD 60.08%; and private funds 24.89%.

Within technical assistance, National public funding represents approximately 20% share of the technical assistance funding and EAFRD 80%.

Within complementary direct payments to Bulgaria and Romania, National public funding represents 80% and EAFRD 20%.

As a consequence of the 2009 RDP amendments, Romania has been assigned a total of €126.29 million (including €101.69 million of EAFRD and a further €24.59 million of national public funds) to support 'new challenges' (climate change, renewable energy, water management, biodiversity and measures supporting the restructuring of the dairy sector).

Axis Information²

Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

Overall Objective: To improve the competitiveness of the agri-food and forestry sectors.

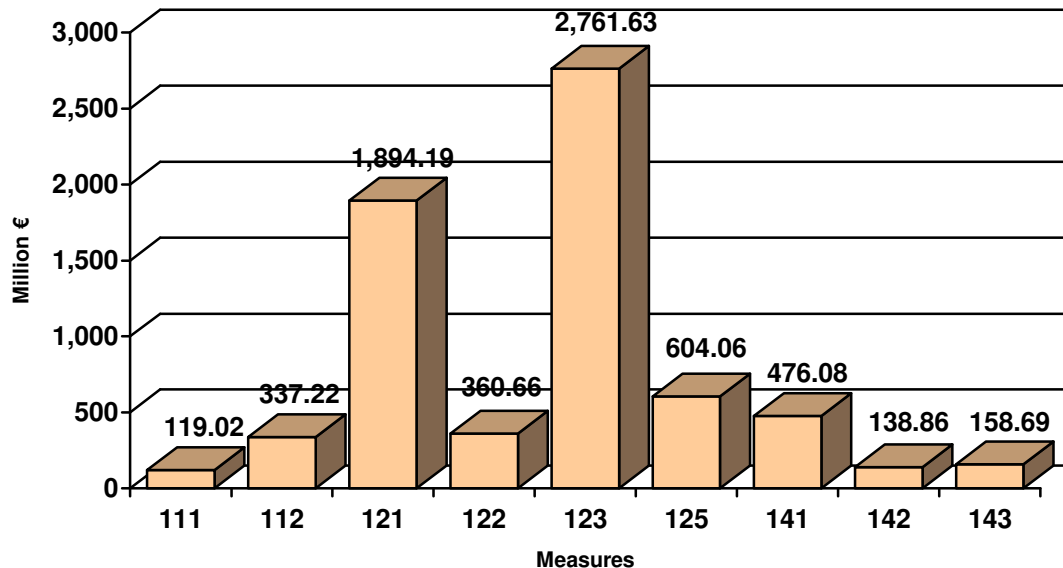
Sub-Objectives:

- To support farmers and persons carrying out their activity in the agri-food and forestry sectors to improve human capital and capacity to adapt to the new context;
- To accelerate the structural adaptation of agriculture and encouraging semi-subsistence farms to enter the market;
- To modernise agricultural holdings;
- To increase farms' adaptation from an economic and environmental point of view;
- To support the agri-food industry;
- To improve forest management and develop forestry products.

The result and output indicator targets which are being used to assess the measures within this axis include measure 141 (60,938 semi subsistence farms supported to enter the market); measure 121 (43,453 agricultural holdings supported in relation to modernisation of agricultural holdings); measure 123 (3138 agricultural holdings supported relating to adding value to agricultural forestry and products); measure 125 (1597 agricultural holdings supported to improve and develop the infrastructure related to the development of forestry and adaptation of agriculture and forestry);

Specific modifications to output-indicator targets have been made to take account of the amendments to the RDP. For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €6,850,407,842³



Following the RDP update in 2009, the total budget amount for axis 1 was increased to €6,850,407,842, which includes an additional €57,355,416 comprising €45,884,333 of EAFRD + €11,471,083 of national public). The additional funding will be used to support new investments to improve efficiency of nitrogen fertiliser use and improving of manure storage (measure 121); investments to enhance dairy production (measure 121); investments for waste water treatment for on farm and in processing and marketing (measure 121); investments for perennial energy crops (measure 121); investments for processing agricultural/forestry biomass for renewable energy (measure 123); investments for production techniques related to water savings (measure 123); investments for improvements in processing and marketing relating to dairy (measure 123); investments for water saving through modernisation of existing inefficient irrigation system (measure 125).

Axis 2 objectives: Improving the environment and the countryside

Overall Objective: to improve the environment in rural areas.

Sub-Objectives:

- To contribute in mountain areas with handicaps to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems;
- To contribute in other areas with handicaps to the continued use of agricultural land, thereby maintaining the countryside, as well as maintaining and promoting sustainable farming systems;
- To contribute to the sustainable rural development by encouraging agricultural land users to introduce or continue methods of agricultural production compatible with the improvement of the environment, including biodiversity, water, soil and rural landscape;
- To support farmers by compensating for the specific disadvantages resulting from the

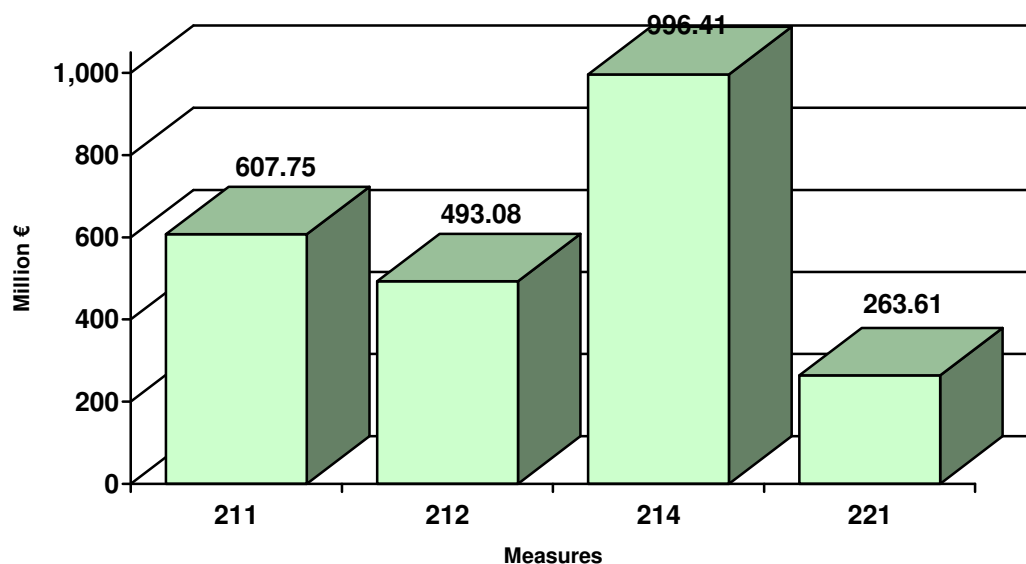
implementation of the Natura 2000 network on the basis of the obligations incumbent from the EU's Bird and Habitat Directives on the protection of birds, the preservation of natural habitats and wild species;

- Extension of forested areas in order to contribute to the protection of water, soil, against harmful natural and human factors, as well as to ensure leisure activities, based on its multifunction role;

The result and output indicator targets which are being used to assess the measures within this axis include measure 214 for agri-environmental support in relation to: initiatives to tackle biodiversity (1,623,000 ha) water quality (2,323,000 ha) climate change (375,000 ha) soil quality (700,000 ha) avoidance of marginalisation and land abandonment (1,623,000) (some of these areas will contribute to more than one objective); measure 211 420,000 holdings supported in mountainous areas; measure 212 1,795,000 ha supported in Less Favoured Area; measure 221 14180 beneficiaries supported for first afforestation of agricultural land.

Specific modifications to axis 2 output-indicator targets have been made to take account of the 2009 RDP amendments. These include under measure 214: 16,000 landholders receiving support for extensification of livestock and grassland management; fertiliser and pesticide restrictions on high nature value agriculture over 30,000 ha) and 240,000 ha supported in relation to perennial fields and riparian boundary strips and biobeds). For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €2,360,857,336⁴



Following the RDP latest update, the total budget amount for axis 2 is €2,360,857,336 including an additional €33,174,567, comprising €27,203,145 of EAFRD plus €5,971,420 of national public. The additional funds were allocated to measure 214 and target the actions as mentioned in the above paragraph focusing of output indicator targets.

Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

Overall Objective: to promote diversification of the rural economy and the quality of life in rural areas.

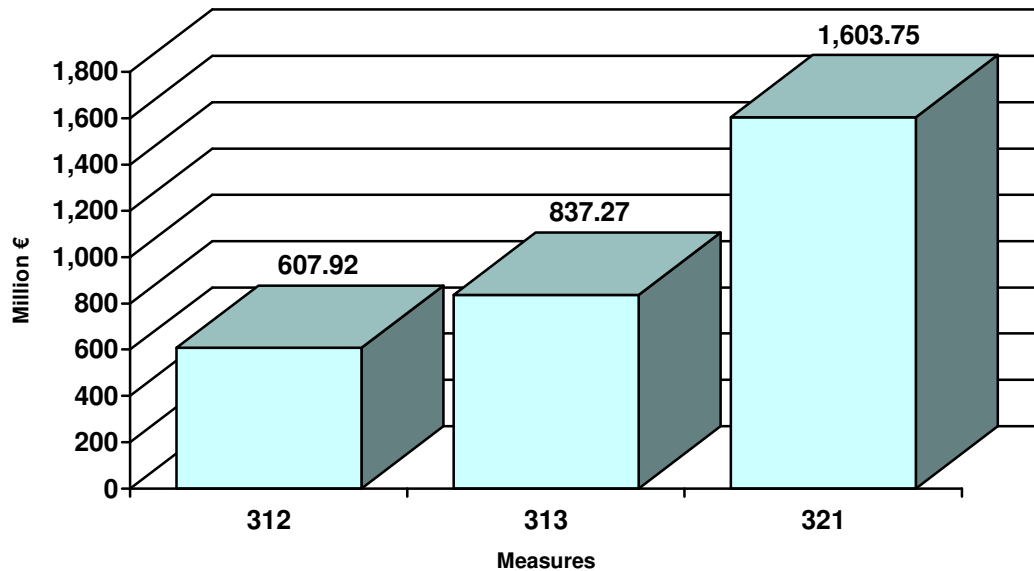
Sub-Objectives:

- Diversification of non-agricultural economic activities within agricultural households and encouraging entrepreneurship in small rural businesses;
- Creation, improvement and diversification of tourism facilities and attractions;
- Creation and modernising the basic physical infrastructure in rural areas;
- Improvement of the quality of the social, natural and economic environment in rural areas;
- Protection and conservation of the rural cultural and natural patrimony;
- Development of local stakeholder competencies to stimulate the territorial organisation.

The result and output indicator targets which are being used to assess the measures within this axis include 9,895 enterprises supported and 28,924 jobs created in relation to support for the creation of micro enterprises (measure 312); 1,026 communes that have received support and 5,053 members of the population that have benefited from improved services in relation to village renewal and development, improving basic services for the rural economy, and population and upgrading of rural heritage (measure 322).

Specific modifications to output-indicator targets were made to take account of the 2009 RDP amendments. For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €3,048,933,926



Following 2009's RDP update, the total budget amount for axis 3 is €3,048,933,926. This includes an additional €35,758,153 comprising €28,606,522 of EAFRD and €7,151,631 of national public. The new axis 3 funds were allocated as follows: €18.03 million for renewable energy installations using biomass (measure 312); and €24.53 million for village renewal and development, improving basic services for the rural economy and population and upgrading of rural heritage (measure 322).

Axis 4 objectives: Leader

Overall Objective: To establish and operate local rural development initiatives.

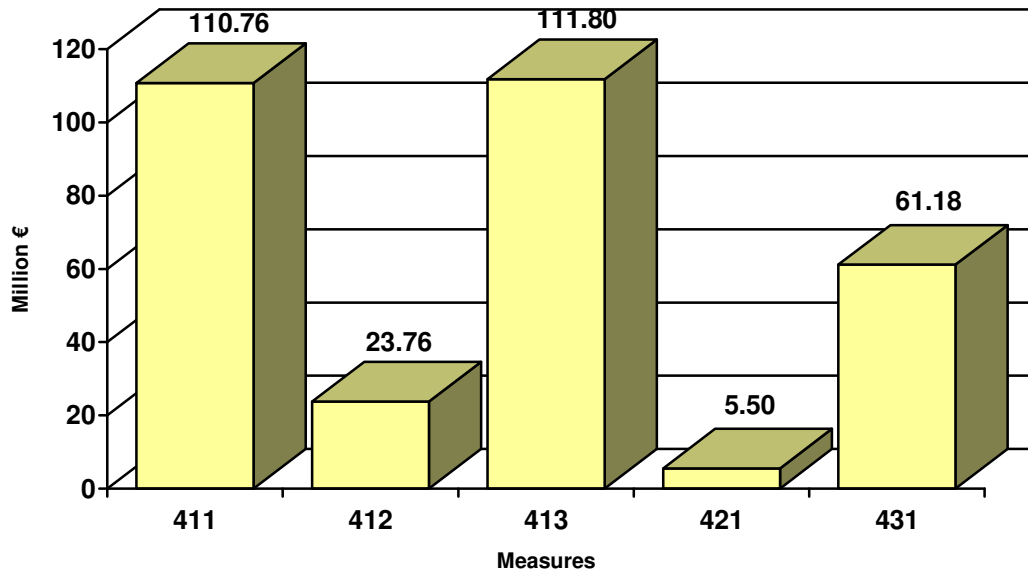
Sub-Objectives:

- Participation of rural communities members in the local development process and encouraging innovative actions;
- Encouraging local actors at local level to work together with representatives of other communities inside the country or from abroad;
- Fostering partnerships, preparing and ensuring the implementation of local development strategies.

Number of LAGs envisaged in the RDP areas as of March 2010 was 80.

No modifications were made to axis 4 during the 2009 RDP update.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €312,992,836



Monitoring and evaluation strategy

The General Directorate for Rural Development – Managing Authority for National Rural Development Programme, within the Ministry of Agriculture and Rural Development, is the authority responsible for managing and implementing the Programme in an efficient, effective and accurate way in accordance with its objectives and with Article 75 of Council Regulation (EC) no. 1698/2005.

The Common Monitoring and Evaluation Framework (CMEF) establish a set of common indicators for each level of the hierarchy of objectives, which will be supplemented, where relevant, with additional indicators specific to the Programme.

The Monitoring Unit, set up within Coordination, Monitoring and Promoting Directorate has responsibilities in delivering information upon the progress in the implementation of the RDP, through financial, output and result indicators.

The information necessary for the monitoring of the RPD implementation are being collected by the county and regional structures of PARDF/PIAA (Paying Agency for Rural Development and Fishery/Paying and Intervention Agency for Agriculture) from the financing applications, respectively the payment claims drawn up by the beneficiaries and centralized, at national level, by PARDF. These documents contain the information necessary for the calculation of the financial and output indicators and for part of the result indicators necessary for the monitoring and evaluation of the RDP's measures.

The annual progress report will be send by the Managing Authority for RDP to the Commission, until 30th of June of each year. The last progress report on the implementation of the programme will be send to the Commission by 30th of June 2016.

Pursuant to Article 75 of Council Regulation (EC) No 1698/2005 the Managing Authority shall ensure the setting up of a system in order to record and maintain statistical information in computerized form, adequate for monitoring and evaluation. Operational data on the RDP's implementation shall be obtained from the Paying Agency for Rural Development and Fishery, as well as from other institutions/units involved in the Programme's implementation. The IT monitoring system will facilitate the electronic data transfer between authorities participating in the implementation of the RDP. Support is secured and the effectiveness and appropriateness of implementation is verified.

Communication and publicity

Main objectives:

The main objective is raising public awareness about the RDP, its measures and implementation progress among key targets groups. These include:

- Potential RDP beneficiaries; and
- National and local public administration, vocational training organisations, economic and social partners, and non-governmental organisations.

Information will be disseminated using different communication tools and media such as:

- Published materials like flyers, brochures, guides, posters, etc.
- Radio and TV spots;
- Dedicated RDP website;
- Conferences organised at national and regional levels; and
- Participation in specialised rural or development shows and other relevant events.

Annex I – measures

Measures selected by the RDP Measures selected by the updated RDP

Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions
		112	Setting up of young farmers
		113	Early retirement
		114	Use of advisory services
		115	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	121	Modernisation of agricultural holdings
		122	Improvement of the economic value of forests
		123	Adding value to agricultural and forestry products
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		125	Infrastructure related to the development and adaptation of agriculture and forestry
	<i>Quality of agricultural production and products</i>	126	Restoring agricultural production potential
		131	Meeting standards based on EU legislation
		132	Participation of farmers in food quality schemes
	<i>Transitional measures</i>	133	Information and promotion activities
		141	Semi-subsistence farming
142		Producer groups	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	143	Providing farm advisory and extension services
		211	Natural handicap payments to farmers in mountain areas
		212	Payments to farmers in areas with handicaps, other than mountain areas
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC
		214	Agri-environment payments
		215	Animal welfare payments
	<i>Sustainable use of forestry land</i>	216	Non-productive investments
		221	First afforestation of agricultural land
		222	First establishment of agroforestry systems on agricultural land
		223	First afforestation of non-agricultural land
		224	Natura 2000 payments
		225	Forest-environment payments
		226	Restoring forestry potential and introducing prevention actions
	227	Non-productive investments	
	Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	311
312			Support for business creation and development
313			Encouragement of tourism activities
<i>Improve the quality of life in rural areas</i>		321	Basic services for the economy and rural population
		322	Village renewal and development
		323	Conservation and upgrading of the rural heritage
		331	Training and information
Axis 4 - Leader	<i>Implementing local development strategies</i>	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		411	Competitiveness
		412	Environment/land management
Axis 4 - Leader	<i>Implementing local development strategies</i>	413	Quality of life/diversification
		421	Implementing cooperation projects
		431	Running the local action group, skills acquisition, animation

The RDP also includes measure 611 - complimentary direct payments to Romania and Bulgaria.