

**ANALYSIS OF AGRICULTURAL DEVELOPMENT SUPPORT IN THE
WEST REGION THROUGH DR30-SP CAP 2023-2027**

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***Abstract:** Talking about "rural development" and trying to establish what are the priorities of this sector is, without exaggeration, one of the most ambitious and difficult projects. Rural and agricultural areas represent one of the most significant contributions regarding natural capital. The purpose of this paper is to highlight the success of SP CAP 2023-2027 in supporting the development of agricultural activities, the evaluation being carried out statistically, based on the official announcements of session no. DR30-01/23-31.01.2024/Monthly stage: 2 (01.12.2023-31.12.2023) Intervention 30, from Region 5 West.*

Key words: rural area, development, West Region, DR30

INTRODUCTION

European Union has been interested in the process of rural development and by its implementation policy. In this regard, in 1988 a special framework was developed dedicated to rural areas, starting from the current reality: the representativity of the population which lives in rural areas from the 27 states of the European Union [1, 2].

The increase in rural welfare is perceived when positive effects are registered in relation to the economic and social phenomena that have dominated and still dominate the countryside, such as: [10, 11, 12].

- stopping the migration of the population from the village to the city, by creating alternatives that motivate their existence and stimulate their initiative to ensure the necessities of life.

- combating poverty.
- stimulation and diversification of services;
- equality of chances.
- the right to a better life, the right to health, education and security.

The rural development of the communities can be considered as being a process with an accent on the involvement of the community, with the aim of capitalizing own resources, with main purpose: social, economic and ecological benefit of the entire community, as follows: [1, 2].

- *Economic development* targeting the profitability of agriculture as the determinant activity from the economic activities of rural areas. Here special importance has the agricultural household, which must be a viable one, to lead to the revitalization of economic life.
- *Ecological rural development* must ensure the avoidance of local degradation. This means that the activities developed must respect the principles of sustainable agriculture.
- *Rural social development* comes as a guarantee of ensuring living conditions for all localities where human activity is present [5, 6, 7].

MATERIALS AND METHODS

The purpose of the research assumed four priority directions:

- Identifying the elements of the rural environment on which rural development is supported;
- Description of the strategic priorities for the development of the rural economy;

- Brief inventory of funding applications submitted and selected for funding on DR30 at the national level;

- Quantitative identification of funding requests submitted and selected for funding at the level of 5 West Region, taking into account the counties of Arad, Caras-Severin, Hunedoara and Timis.

The stages of the research were:

- General information on the research topic, at this stage preliminary summary studies are carried out, as well as intensive information and documentation.

- Fixing the work calendar, respectively establishing the initial and final dates of all project stages as accurately as possible.

- Identification of information sources.

- Information processing used descriptive methods.

- Presentation of the results in the final form.

The practical research of the results of submissions and applications selected for the DR30 direction was carried out taking the information presented by AFIR, during the first 4 months of 2024.

RESEARCH RESULTS

Support for actions specific to the agricultural sector. The European sector of agriculture and forestry has great potential that corresponds to the varied and growing demand of European consumers and on the world market. Following this principle, member states are encouraged to focus their support on actions, which could include, in particular: [13, 8, 9].

- the restructuring and modernization of the agricultural sector, which continues to play an important role in the development of many rural areas, especially in the new member states. A successful adaptation of agriculture can be the key to improving the competitiveness and ecological viability of the agricultural sector, as well as stimulating employment and economic growth in related fields.

- improvement in the agri-food chain. The European food industry is one of the most competitive and innovative in the world, but it has to face an increasingly fierce global competition. The rural economy has considerable possibility to create and market new products, to maintain a higher value in rural areas through quality programs and to promote European products abroad. Calling on counseling and assistance services to comply with community standards will facilitate the integration process. An agricultural sector focused on markets will contribute to further strengthening the position of the European agri-food sector as an important employer and source of economic growth.

- facilitating innovation and access to research and development (C&D). Innovation is increasingly important for the European sector of agriculture, of agri-food industry and forestry. While the large European agri-food companies are in step with new trends, the introduction of new products and processes could significantly improve the performance of processing companies and small-scale agricultural holdings. In particular, new forms of cooperation could facilitate access to C&D, innovation and actions carried out in the 7th Framework Programme [12];

- encouraging the adoption and diffusion of technology and communication (ICT). It seems that the agri-food sector is lagging in the adoption of information and communication technology (ICT). This is especially true of small businesses. The adoption of e-commerce applications remains at a low level, if we abstract from the large multinational companies or their large suppliers. The rural development fund should complement the commission's initiatives, such as 2010, in the field of e-commerce

(especially regarding small and medium-sized enterprises), digital skills and online education;

- stimulating a dynamic entrepreneurial support. For European agriculture, recent reforms have created a market-focused environment. However, the realization of this economic potential will depend on the development of strategic and organizational skills. Encouraging young farmers to enter the profession can play an important role in this regard;

- the development of new outlets for agricultural and forestry products. New outlets can provide increased added value, especially for quality products. Supporting investments and professional training in the field of non-food production within rural development can complement the measures adopted under the first pillar, creating new innovative outlets for production or contributing to the development of renewable energy materials, biofuels, as well as processing capacities;

- improving the environmental performance of agricultural and forestry holdings. Long-term sustainable development will depend on the ability to manufacture products that consumers want to buy, while respecting, at the same time, high environmental standards. Investment in superior environmental performance can also guarantee increased productivity and create a win-win situation.

Key actions/priorities of the EU states for the diversification of the rural economy. To achieve these priorities, Member States are encouraged to focus their support on key actions, which could include, in particular:

- encouraging women to enter on the labor market. In many rural areas, insufficient childcare infrastructure creates specific limitations. Local initiatives aimed at developing childcare structures can improve access to the labor market. These may include, in particular, the development of childcare infrastructures, possibly combined with initiatives to encourage the creation of small businesses linked to rural activities and local services;

- the revitalization of villages. Integrated initiatives that combine diversification, business creation, investments in cultural heritage, infrastructures in favor of local services and renewal can contribute to improving economic prospects and quality of life;

- the development of micro-enterprises and handicrafts based on traditional skills or by introducing new skills, especially in combination with the acquisition of equipments, training in the field, to contribute to the promotion of the entrepreneurial spirit and the development of the economic one;

- encouraging the adaptation and dissemination of information and communication technology.

- the development of the supply and innovative use of renewable energy sources, which can contribute to the creation of numerous outlets for agricultural and forestry products, to the provision of local services and to the diversification of the rural economy;

- encouraging the development of tourism. Tourism is an important sector of economic growth in many rural regions, which can be based on cultural and natural heritage. The increased use of information and communication technology contributes to increasing the number of visitors and the length of stays, especially if it provides links with smaller facilities and encourages agritourism;

- the modernization of local infrastructures.

For the multiplier effect to be fully realized in terms of employment and economic growth, small-scale local infrastructures sustained by rural development programs can play a fundamental role, linking these major investments with local strategies for diversification and development of agro-food sector [3,4,13] (figure 1).

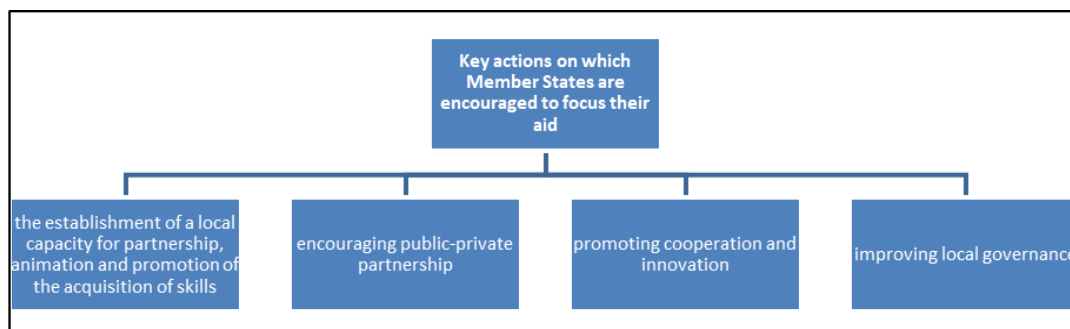


Figure 1. Key actions on which member states are encouraged to focus their aid

Intervention DR-30 "Support for the installation of young farmers" - a way to support the development of the Agricultural holding. The DR-30 intervention "Support for the installation of young farmers", named as DR-30, falls under Regulation (EU) no. 2115/2021, art.75, point 2 a) in the type of intervention "INSTAL(75) Installation of young farmers and new farmers and the establishment of rural enterprises" having as the area of applicability the entire national territory and contributing to the achievement of specific objectives (O.S.):

- O.S.7- "Attracting and supporting young farmers and other new farmers and facilitating the development of sustainable enterprises in rural areas",

- O.S.8 - "Promoting employment, economic growth, gender equality, including women's participation in agriculture, social inclusion and local development in rural areas, including the circular bioeconomy and sustainable forestry", as well as the Objective Transversal (O.T.),

- O.T.X- "Modernizing agriculture and rural areas by promoting and sharing knowledge, innovation and digitization in agriculture and rural areas and by encouraging their adoption by farmers, by improving access to research, innovation, knowledge exchange and training".

The intervention aims to:

1. the installation of young farmers, as heads/managers of an agricultural holding that will improve the age structure of farmers, will contribute to the rejuvenation, renewal of generations of farmers, will promote aspects regarding environmental protection, ecological agriculture, association and will contribute to the consolidation of socio-economic structure of rural areas;

2. encouraging young people and families from the countryside and especially from the mountain area to stay in the respective areas, which will create a positive effect on the national economy in general;

3. encouraging young people who have a level of professional training and adequate skills to ensure the efficient management of the farm;

4. adapting to a resilient and innovative agriculture by promoting modern production technologies and techniques with low impact on the environment and making the use of natural resources more efficient and carrying out a competitive agricultural activity;

5. increasing the number of young farmers who carry out an agricultural activity as heads/managers of holdings, will encourage them to become competitive, to increase their orientation degree towards partnerships and associative forms.

The benefits brought by this measure include:

- Increased productivity per hectare;
- Competitive price in order to access other markets (for example large retailers);
- Transformation into a commercial farm;

- Merger of holdings in order to increase the economic value;
- Increasing the competitiveness of the internal market within the single market;
- Improvement of management within the farm;
- Easy access to credits for further development;
- Compliance with environmental protection, hygiene and animal welfare requirements.

Quantitative identification of funding applications submitted and selected for funding at the level of 5 West Region. DR30 has as its main purpose the support of rural entrepreneurship, especially in the case of young people, obviously respecting certain conditions. The financing of newly created rural enterprises through the lens of this measure supports the revival of the agricultural workforce, the revitalization of interest in this field and the reiteration of interest in the rural community. Analyzing the situation, existing at the national level following the information, on this direction of intervention (DR30), can be drawn certain conclusions:

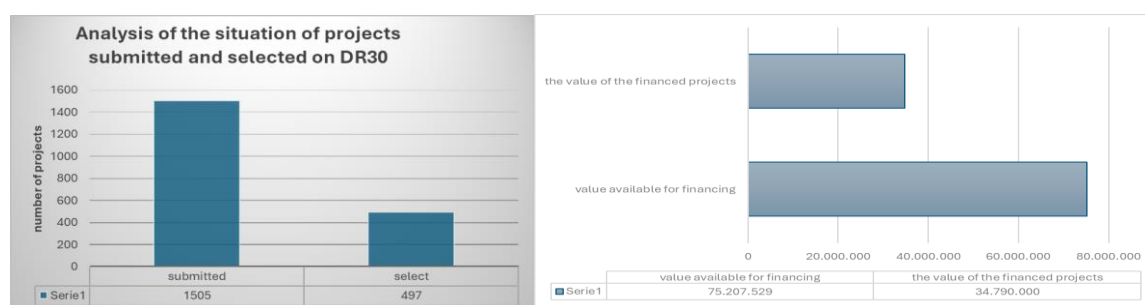


Figure 2. Brief analysis of DR30-submitted and selected projects versus funded value

- a number of 1505 projects were submitted, of which 497 were selected;
- a quality threshold of the acquired score was established, of 60 points, and from this point of view all the 1505 submitted projects obtained at least this score;
- the value made publicly available for the financing of projects in this direction was 75207529 euros;
- the 497 projects selected for financing amount to 34790000 euros.

At the level of the 5Vest Region, 289 projects were submitted for the 4 component counties of the region, of which a percentage of 32%, meaning 107, were selected for financing [14,15].

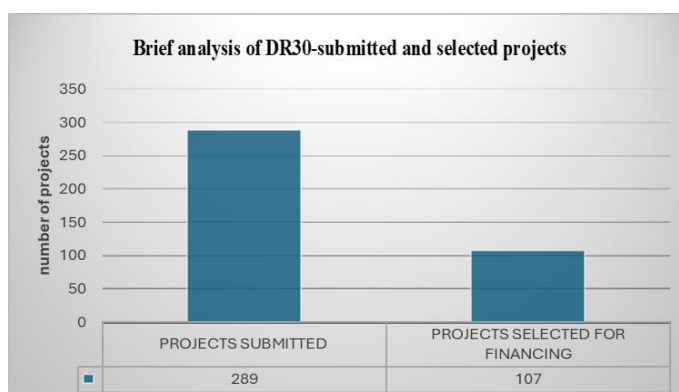


Figure 3. Brief analysis of DR30-submitted and selected projects

Taking 70000 euros as the funding value, the financed projects bring a value of 7,490,000 euros to the rural environment of 5 West Region. Making a detailed analysis of the projects submitted and selected for financing by component counties of the region, it is noted:

- the county with the most submitted projects is Hunedoara County, 175, of these 54 being selected for financing, with a value of 3780000 euros;
- Timis County has the fewest submitted projects, 21, of which 12 were selected for financing, bringing a value of 840000 euros to the rural environment;
- Caras-Severin County submitted 68 funding requests on DR30, 29 being selected to be financed, their value being 2030000 euros;
- 25 funding applications were submitted in Arad County, 12 were selected, and their value amounts to 840000 euros.

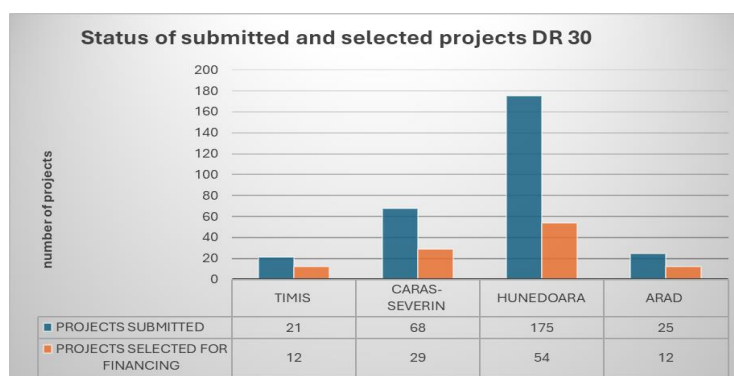


Figure 4. Brief analysis of DR30-projects submitted by counties

CONCLUSIONS

At the national level, a number of 1505 projects were submitted on DR30, of which 497 were selected. The 497 projects selected for financing amount the value of 34790000 euros. Referring to the national level, it can be said that DR30 was a success, with similar experiences accumulated on sub-measures from previous funding programs contributing to this. In the current funding exercise, the amount of 75207529 Euros was allocated, which was consumed in the first funding session.

At the level of the 5Vest Region, 289 projects were submitted in the 4 component counties of the region, of which a percentage of 32%, meaning 107, were selected for financing, by county the situation reflects the following aspects:

- Regarding the applications selected to be financed from Arad County (48%), the average score of 80 points is noteworthy, but also the predominance of Varfurile commune among the financed projects, an aspect that derives from the favorable geographical location in the mountain area. As a form of managerial organization, we can find: PFAs and IIs.

- Hunedoara County is the county with the largest number of funding applications submitted, within the analyzed region, 175, which reveals the increased interest in the agricultural field. This interest we believe is correlated with the value financed per holding, quite representative. 54 of the funding applications submitted were selected, meaning a percentage of 30.85%, predominating the installation of young farmers in mixed, beekeeping farms. The score of the approved applications is between 80-90 points.

- In the case of Caras-Severin County, the interest of young people for DR30 was high, an aspect signaled by the large number of projects submitted, 68. From the funding applications submitted, a number of 29 applications were selected for funding, meaning a percentage of 42.64%. Regarding the distribution of the projects in the territory, in the case of this county, a specific commune does not necessarily predominate, the area of the projects selected for financing is larger and involves several communes. As for the score, it oscillates between 80-90 points, which reflects high interest in this funding direction, even

in the event of a change in eligibility conditions compared to the previous program. And in the case of this county, as a form of managerial organization we can find: PFAs and IIs, and mixed farms predominate as typology.

- At the level of Timis County, half of the 21 funding applications submitted were approved, a percentage of 57.14%. Regarding the scoring of the applications approved for financing, it starts from 80 points and reaches up to 95 points. And in the case of Timis County, one area predominates in terms of the number of approved projects, namely Nadrag commune. And in the case of Timis County, the agricultural potential is high, and despite this, the number of projects is not very large, a possible explanation being perhaps the modification of the criteria that were the basis of project submission eligibility. Also, at the level of Timis County, the application for financing with the highest score at the country level, and if you analyze the scores obtained, you can see the very small difference between the approved ones, in other words, the ability and interest of young farmers to access this measure.

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