

## RURAL DEVELOPMENT POLICY OF THE EUROPEAN UNION BETWEEN 2014 AND 2020

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**Abstract:** *The European Union is one of the most prosperous and competitive areas in the world, both through the level of economical development and through its development potential. However, it is known that there are still major differences concerning the prosperity and productivity of its state members or between the state's regions. Therefore, the rural development policy of the European Union must be adapted to the specific needs of the regions and it must be defined by a mutual agreement with the regional and local authorities. In the present paper, the authors have planned to analyze the priorities that are followed through the rural development policy of the EU in the immediate period of 2014-2020.*

**Key words:** *perspective, measures, rural development, European funds*

### INTRODUCTION

The European Commission launched on 12 November 2011 the **package of the regulatory projects** of the new common agricultural policies for the period 2014-2020. This event was preceded by a series of foregoing debates, on similar themes, even since the autumn of the year 2010, which were continued also during the 2013. We remind for that the Communication of the Commission to the European Parliament, European Economic and Social Committee and Committee of Regions "CAP in the perspective of the year 2020- How do we react to the future challenges related to feeding, natural resources and territories" from 18 November 2010 or "A budget for Europe 2020" from 29 June 2011, communication addressed to the same UE bodies.

### MATERIAL AND METHOD

The work's authors used as research methods the collection of data from various sources, processing, analysis and their interpretation.

### RESULTS AND DISCUSSIONS

Following the processing and interpretation of the data we ascertained that in the period 2014-2020 the funds allocated to the pillar I „Agriculture” will sum up an approximately 317 billion EURO and for the pillar II “Rural Development” it is aimed the allotment of an amount of 101,18 billion EURO.

These funds will be supplemented with additional funds of 17.1 billion EURO, from which: 5.1 billion EURO for research and innovation; 2.5 billion EURO for food safety; 2.8 billion EURO for food aids granted to the most disfavored persons. It will be also set up a new reserve of 3.9 billion EURO for crisis situations in the agricultural sector, and 2.8 billion EURO will be allotted to the European Fund of adjustment for globalization, which makes that the total budget rise to 435.6 billion EURO between 2014 and 2020 allocated through CAP.

The distribution of the aid for rural development is based on objective criteria related to **policy objectives**, taking into account **the current distribution**. As happening in present, the less developed regions must benefit further on of higher co-financing rates.

EAFRD intervenes in the member states through the rural development programs. These programs implements a strategy that aims to achieve the priorities of the Union for rural development with a set of measures defined in the title III the application of which an aid will be requested from EAFRD.

A member state may present either a sole program for its entire territory, or a set of regional programs.

The member states that opted for regional programs may present for approval also a national framework containing the common elements of these programs, without a separate budget allotment.

Within CAP, the support for rural development contributes to achieving the following objectives:

- 1) *competitiveness of the agriculture;*
- 2) *durable management of natural resources and combating climatic changes ;*
- 3) *a balanced territorial development of the rural areas.*

The European Agricultural Fund for Rural Development (EAFRD) is a part of the **Common Strategic Framework**, together with the European Regional Development Fund (ERDF), Social European Fund (SEF), Cohesion Fund and European Maritime and Fishing Fund. This framework was launched on 6 October 2011 in order to support the objectives of the strategy Europa 2020 (Sustainable intelligent and inclusive growth). As in the case of the other funds, in order to be able to quantify the performance of this program, there are established the targets to achieve by for every one of the 6 priorities below. Approx. 5% of funds will be allotted to a so called “Performance reserve” and will be accessible only after proving a clear progress towards the achievement of these targets.

The main elements of the rural development concept, based on multi-annual schemes, co-financed by the member states (or their regions), which function very well will be maintained. The three functional current axes will no longer be necessary as it is targeted a focusing on obtaining results and the same measure may contribute to the achievement of many objectives. The priorities of rural development corresponding to the objectives of the Strategy Europa 2020 are:

- *Encouraging the transfer of expertise and innovation;*
- *Increase of competitiveness;*
- *Consolidation of agro-food networks and management of risks in agriculture;*
- *Restoration, preservation and consolidation of eco-systems;*
- *Encouraging the efficient use of resources and transition towards an economy with low emissions of carbon;*
- *Promotion of social inclusion, reduction of poverty and economic development in rural areas.*

It was drawn out a package of measures for the following period, so that every member state is able to propose programs and financial allotments combining those measures responding to its specific needs. In budgetary plan, a change will be made in the distribution of the funds for rural development by countries, by more objective criteria - that will be established by the commission subsequently. The rates of co-financing by EU will be 85% for the less developed regions, peripheral regions and the small Aegean islands and of 50% in other regions.

The co-financing may increase for the measures of transfer of expertise and innovation, cooperation, creation of groups of producers, installing the youth in agriculture and LEADER projects.

Moreover, it will be possible the creation of sub-programs aiming to sensible categories (young farmers; small farms), sensitive areas (mountain areas), short circuits (direct sale systems). Also these sub-programs will be able to target at certain specific needs related to the restructuring of some sectors that would have a significant impact in the process of development of certain rural areas.

The funds generated by the thresholding of direct payments may be used for investments and innovation with a 100% European financing.

**Main measures of rural development proposed for the period 2014-2020 are the following:**

*1. Transfer of knowledge and actions of information*

Aids are granted in this measure for actions of professional training and acquiring of competences, demonstrative activities and informative actions. The actions of professional training and acquiring of competences may include training courses, workshops and professional guidance.

*2. Services of counseling, services of management of the exploitation and services of replacement within the Exploitation*

Aids are granted in this measure in order to assist farmers, owners of forests and SMEs from the rural areas to benefit of counseling services in order to improve the economic and environmental performances of the exploitations, enterprises and / or of their investments, as well as of their capacity to generate benefits for the climate and to cope with the climatic changes; to promote setting up of exploitation management services, replacement services within the exploitation and services of agricultural counseling; to promote the professional training of advisers.

*3. Schemes of quality for agricultural and food products*

Aids are granted in this measure for farmers attending for the first time in the schemes of quality for agricultural and food products or for cotton, voluntary schemes of certification of the agricultural products, recognized by the member states as applying the EU guiding lines for the best practices for the voluntary certification systems of the agricultural and food products.

*4. Investment in physical assets*

Aids are granted within this measure for tangible and / intangible assets that: improves the global level of performance of the exploitation; aims the processing, trading and / or development of agricultural products that make the object of the Annex I to the Treaty or of the cotton. The result of the production process might be a product that does not make the object of the respective annex; aims the infrastructure necessary for the development and adaptation of agriculture, including the access to agricultural and forestry surfaces, consolidation and improvement of the lands, energy supply and water management;

*5. Restoration of the potential of agricultural production affected by natural disasters and catastrophic events and establishing some appropriate preventive measures*

The aid granted within this measure consists of: investments in preventive measures destined to reduce the effects of natural disasters and of the possible catastrophic events; the investments for the restoration of the agricultural lands and of the production potential affected by natural disaster and catastrophic events.

*6. Development of exploitations and enterprises*

The aid granted within this measure consists of: aid for setting-up small enterprises for young farmers, non-agricultural activities in rural areas, development of small farms, investments in non-agricultural activities; annual payments granted to farmers participating to the scheme for small farmers.

*7. Basic services and renewal of the villages in the rural areas*

Aid is granted especially in this measure for:

a) elaboration and updating of the plan of development of the municipalities in the rural areas and of the basic service which they provide, as well as of the protection and management plans related to Natura 2000 from other areas of natural value;

b) investments in the creation, amelioration and extension of all the small scale infrastructure types, including investments in the renewable energy field;

c) large band infrastructure, including its building, amelioration and extension, large band passive infrastructure and enabling the access to large band, as well as public governing solutions;

d) investments in the creation, amelioration or extension of the local basic services designed to rural population, including those cultural and recreational and of the related infrastructure;

e) investments made by the public bodies in the recreational infrastructure in information of the tourists and marking of tourism sites;

f) studies and investments associated with maintenance, restoration and refurbishment of the cultural and natural patrimony of villages and rural landscapes including with social and economic aspects;

g) investments oriented to delocalization of the activities and transformation of buildings or of other installations located in the neighborhood of the rural settlements, in order to improve life quality or increasing environmental performance of the respective settlement.

8. *Investments in the development of the forestry areas and amelioration of the forest viability*

Aid is granted within this measure for: afforesting and creating afforested surfaces; creation of agro-forestry systems; prevention and rehabilitation of the damages caused to forests by fires and natural disasters, including by invasions of pests, bursting out of some diseases, occurrence of some catastrophic events and threat related to climate.

9. *Afforesting and creating of afforested surfaces*

The aid is granted to the land owners and private concessionaires, to municipalities and their association and cover setting up costs and an annual premium per hectare in order to cover the maintenance costs including those for early and late cleaning.

10. *Setting up of the group of producers*

Aid is granted within this measure for facilitating the setting up the groups of producers from the agricultural and forestry sectors.

## CONCLUSIONS

1) A certain degree of flexibility of the transfers between pillars is envisaged between 2014 and 2020 (up to 5 % from the direct payments): from the pillar I into pillar II, in order to allow the member states to consolidate the rural development policies and from the pillar II in the pillar I for the member states in which the level of direct payments remains less than 90 % of the EU average.

2) EAFRD contributes to the Europa 2020 strategy by the promotion of the sustainable rural development in all the European Union member states, as a supplementation of the other instruments of the common agricultural policy, of the cohesion policy and of the common policy in the field of fishing. EAFRD contributes the achievement in the Union of a more balanced agricultural sector from a territorial and ecologic point of view.

3) We ascertain that the future agricultural policy of the European Union maintains the main elements of the rural development concept based on multi-annual schemes co-financed by member states or their regions.

4) We also conclude that the new rural development policy restricted the number of financed measures, taking into consideration that a measure contributes generally to the achievement of more objectives.

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