
EUROPEAN FUNDING- TOOLS FOR SUPPORTING AGRICULTURE AND
RURAL DEVELOPMENT

SORINA TRIFU¹, IOAN CSOSZ¹, RAMONA CIOLAC¹

¹ *Banat's University of Agricultural Sciences and Veterinary Medicine Timisoara, Agricultural
Management Faculty, Romania*

Abstract: *Communitary programs are a set of programs adopted by the EU, for a period of several years, to promote cooperation between Member States in different specific areas related to EU policies. Through EU funds are financed those projects that contribute to the development of less advanced areas, through investments for economic and social cohesion in key areas such as human resources development, local and regional infrastructure development, social services and tourist services. The purpose of this investments is creating jobs, increasing competitiveness and improving quality of life for residents of the concerned regions.*

Key words: *funding, agriculture, rural development*

INTRODUCTION

In terms of financing agriculture, the main instruments of support, implementation and consolidation are:

- Prices;
- Subsidies;
- Production quotas;
- Border protection.

Prices. Pricing policy was introduced to ensure the guarantee of farmers' incomes. In the unique market conditions, the price became the main instrument of the CAP through which was consistently promoted the intervention method by supporting agricultural prices. So, for the agriculture annual was established by the Council of the EU an financing mechanism for the products under the CAP formed by three price levels: target price, the intervention price and the threshold price.

Subsidies. This category includes the following financial instruments to support agriculture: production subsidies, direct payments (severance pay), bonuses and other financial aid. By applying the Common Agricultural Policy, to support agriculture were used as financial instruments the subsidies to act on production through protection of domestic market and exports. The level of subsidies remained high for a longer period as for agricultural income to be paritary with other socio-professional income from other sectors.

Other financial aid. Farmers have benefited from various other financial aid awarded either from the common budget, either individually by Member States, in both cases respecting the conditions laid down by the Community. For example, were granted additional financial aid for the following situations:

- When there was a justifiable decrease of incomes from the production and marketing of a product, such as in the case of natural disasters;
- In voluntary freezing of lands and/or providing other destinations, such as the cultivation of plants for biomass;
- To the sale of dairy products;

- For associations of producers/traders who have implemented some measures to increase the quality of products;
- For small farms that have not benefited in equal proportion with the large ones by the community support, etc.

In the same time with reducing institutional prices were taken new measures regarding the assignment of different aid for: production, consumption, storage, investing in farms, etc. These direct aids represented the intervention type in the production filed and took the form of:

Production quotas. As we sad above, the various financial stimulents granted to farmers, especially through price support, has determine them to produce more to earn more. As much the obtained production was higher, higher were the costs financed by the CAP.

Border protection. The import of agricultural products in the EU was achieved only with the condition of obtaining an import license (conditioned by the creation of an deposit until the moment when the importer has proven that its products respect the sanitary and phytosanitary and European quality requirements) and payment of border taxes..

MATERIALS AND METHODS

The authors of the paper were used as methods of work: data collection, processing, analysis, observation and their interpretation.

RESEARCH RESULTS

Structural and the Cohesion Funds are part of community structural policy, which aims to reduce the gap between the development levels of different regions and Member States of the European Union and promoting, in this way, the economic and social cohesion.

In 1994-1999 period, the Community budget has allocated for structural measures 208 billion euro, meaning nearly 35% from the total EU budget. From this amount, 90% was destined to the regions and 10% for the four countries, named "of cohesion". In the 2000-2006 period, financial allocation increased to 213 billion euros (from which 195 for the Structural Funds and 18 for Cohesion Fund).

For regions, the European Union has four financial instruments:

- European Social Fund (ESF), whose foundation was laid down by the Treath of Rome;
- The European Agricultural Guidance and Guarantee Fund (EAGGF), Guidance Section, created in 1962 (the division into sections, "Orientation" and "Guarantee" dates from 1964);
- European Regional Development Fund (ERDF), created in 1975;
- Financial Instrument for Fisheries Guidance (FIFG), created in 1993.

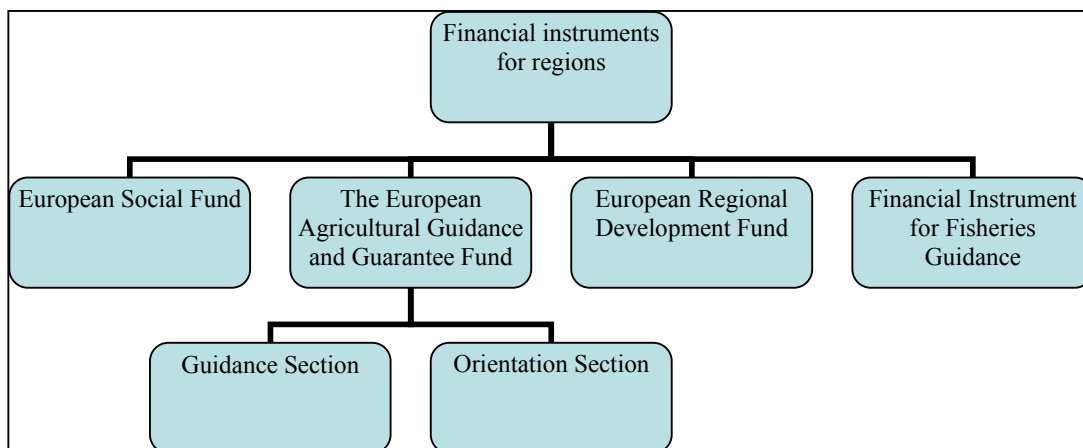


Figure 1. Financial instruments for regions

In 1994-1999 period, financing from structural funds were granted, according with the principles of concentration, partnership, additionality and planning for seven goals and thirteen initiatives.

In order to improve the efficiency community action in the period 2000-2006, the Commission proposed in the document entitled "Agenda 2000", from July 1997, a reform of structural policy. This reform has allowed a better concentration of the assistance and simplify its operation way by reducing to three the number of objectives:

- Development and structural adjustment of regions staying behind in terms of development and of which GDP per capita is below 75% from the EU average (Objective 1 receives 70% of the Structural Funds);

- Economic and social conversion of areas with structural difficulties (Objective 2 covers areas with problems in terms of economic diversification, such as areas where the economy goes through a period of profound change, declining rural areas, areas in crisis dependents on fisheries and urban areas in difficulty);

- Human resources development in other regions than those eligible for Objective 1 (Objective 3: is the reference frame for all measures under the new title regarding the employment from the Amsterdam Treaty and the European Strategy regarding employment).

Community initiatives have been reduced to four:

- INTERREG, whose objective is to stimulate cross-border, transnational and interregional cooperation;

- LEADER, which aims to promote rural development through initiatives promoted by Local Action Groups;

- EQUAL, which requires the development of new practices to combat discrimination and inequality of any kind regarding the access on employment market;

- URBAN, which promotes social and economic revitalization of cities and suburbs in crisis.

Economic and Monetary Union revealed the existence of economic and social important disparities between the Member States of the European Union.

In order to strengthen the structural policy was established in 1993, the Cohesion Fund. It is destined for countries whose GDP is below 90% from the average on

Community, meaning Greece, Spain, Ireland and Portugal. Cohesion Fund seeks financing environmental and infrastructure projects for transport.

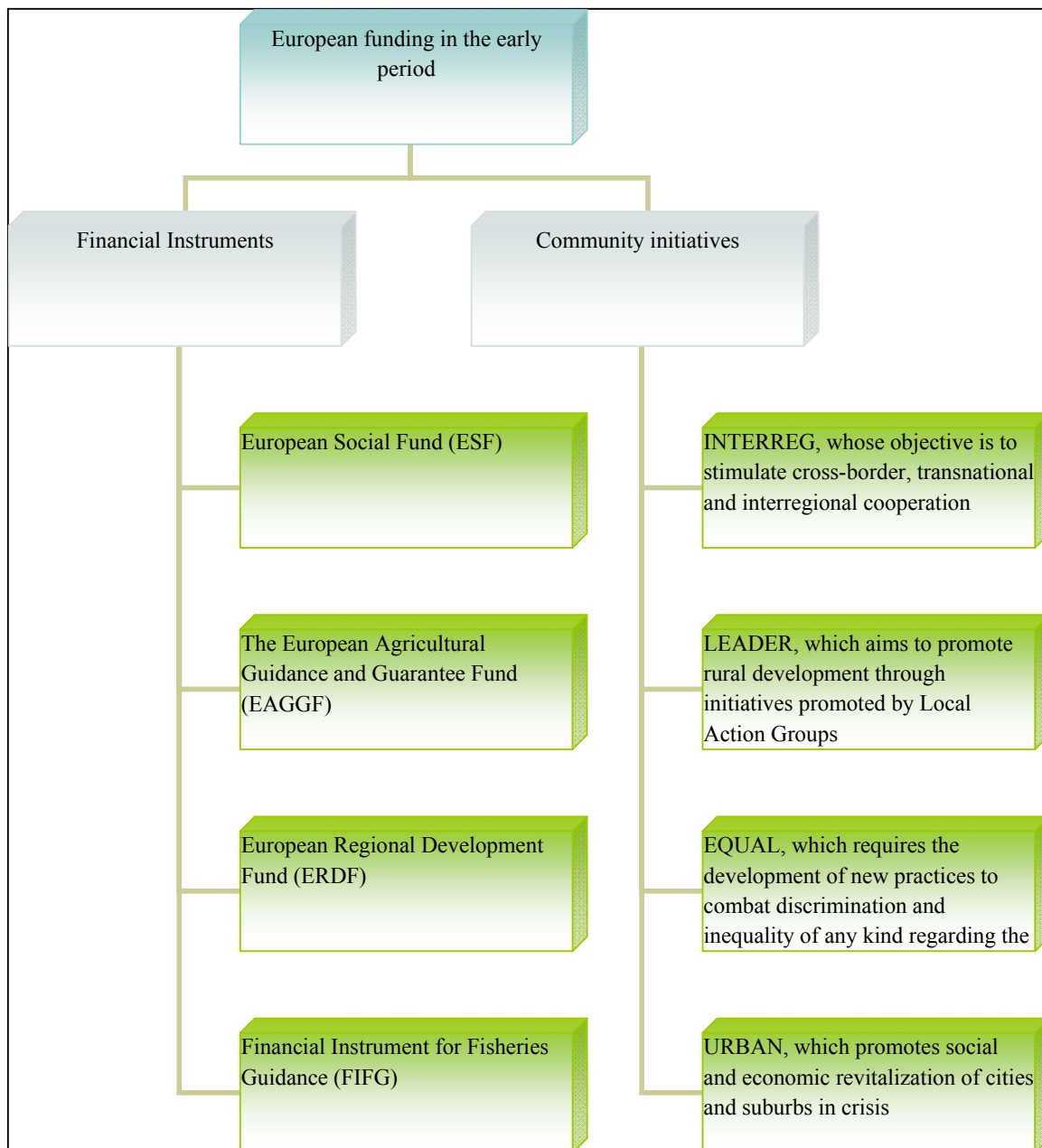


Figure 2. European funding in the early period

For the post-accession period (2007-2013) there were three financial instruments known as Structural Funds, respectively:

- Regional Development Fund (ERDF);
- The European Social Fund (ESF);
- Cohesion Fund (CF).

and two complementary actions, namely:

- The European Fund for Agriculture and Rural Development (EAFRD);
- European Fund for Fisheries (EFF).

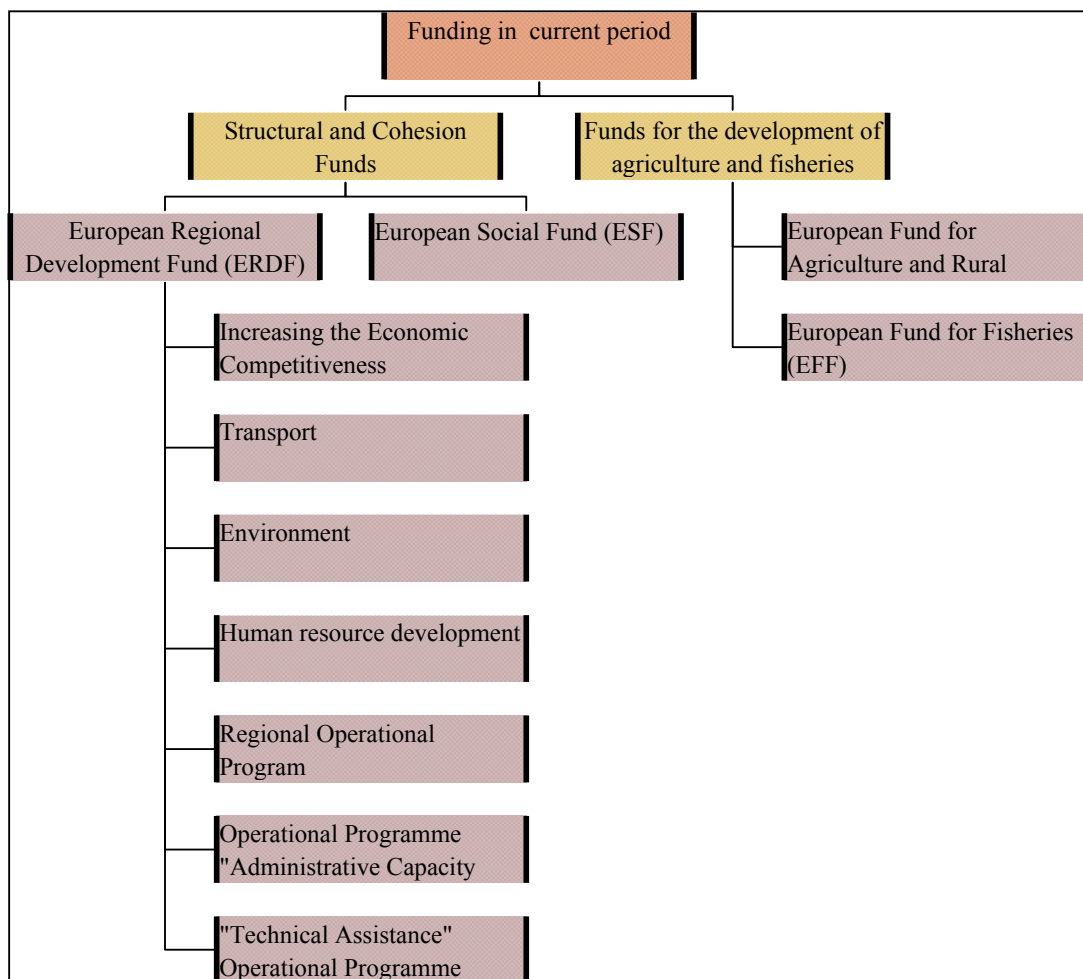


Figure 3. Funding in current period

CONCLUSSIONS

The accession of european funds represented and represents a real touchstone and conclusions that would need to be taken into account in the future underscores the need:

- Organising regular information sessions and conferences on various European issues by the local authorities to ensure both transmission through civil society of strategies and community objectives of/or local development and also for its consultation to identify problems, finding optimal solution, to establish a common action plan. Constant contact between local authorities and civil society will generate, in time, participation and coinvolvement of citizens in implementation of development strategies;
- Information and the promoting on a large scale of topics regarding how to access European funds;

- Offering free advice to local authorities by organizing periodic courses, possibly televised, regarding drafting an application for funding, preparing project budgets, the way in which management of a project is realised;
- Creation of a coherent system of communication between public authorities and business environment, in order to an active involvement of private sectors in the development of various European programs;
- Regular consultation, possibly through local referendum, of civil society and the business environment on economic and social policies of local/regional development so that they meet the needs of beneficiary communities;
- Dissemination of best national projects to assimilate knowledge and experience of the various regions and the dissemination of best practices among them;
- Create a database on the implementation level.

REFERENCES

1. **BANU, C., CRĂCIUNESCU, A., CHISĂLIȚĂ, I., ȘTEFAN, CAROLINA, MOATĂR, MARIA MIHAELA**, *Elements for the determination best age (age exploitability) which table can be harvest in stands wood household under regular forest treatment*, Journal of Horticulture, Forestry and Biotechnology, Vol XV (4), pag.124-127, Ed. Agroprint Timișoara, 2011
2. **BERICA, CORINA**, „Factors that influence the low rate of Structural funds absorption in Romania”, CES Working Papers, II, (4), 2010
3. **CRĂCIUNESCU, A.**, *Diversitatea și polifuncționarea pădurilor românești, producția de lemn, conservarea biodiversității, gestiunea vieții sălbatice*, “Manifestări menite să promoveze imaginea valorilor tradiționale românești la cultura europeană”, Les Presses Agronomique de Gembloux, Belgia, pag. 67-69, 2004
4. **CSORBA, L.M., LILE, RAMONA** *Environmental protection financial instruments*, Simpozion Științific internațional: Tendințe de dezvoltare în agricultura europeană, Universitatea de Științe Agricole și Medicină Veterinară a Banatului, Facultatea de Agricultură în colaborare cu Universitatea din Novisad, Timișoara, mai 2008
5. **CSOSZ, I., CIOLAC, RAMONA, MARTIN, SIMONA**, Pre-and post-accession EU funds a way Romanian agricultural support, Revista Agrobuletin AGIR nr.8/2011, ISSN 2066-6179, pag. 163-169, Timișoara, 2010
6. **GHERGHINESCU, OANA, RINDERU, P., BĂCANU NEAGOE, D.**, „The development potential of the Romanian economy under the structural funds framework”, <http://www.upm.ro/proiecte/EEE/Conferences/papers/S322.pdf>
7. **LILE, RAMONA, PANTEA, V.V., LILE, A.**, *Value management and organization performance*, The Annals of “Dunărea de Jos” Galați University - Fascicle I. Economics and Applied Informatics, “Development Strategies for Competitive Economic Systems” Research Centre, 2010
8. **MARTIN, SIMONA CRISTINA, MERCE, IULIANA IOANA, MARINĂU, CĂLINA, MAZĂRE, VICTORIA, BOGDAN, NICOLETA SILVIA, GEORGESCU, L.**, Direct measures to improve agricultural production, *Lucrări Științifice Management Agricol, seria I, vol.X (4)*, Timișoara, pg.223-226, 2010