

## Chapter 8

# Romanian Agriculture Funding: Approaches Regarding the Funding in Romanian Agriculture After EU Integration

**Ancuta Marin**

*Research Institute for Agricultural Economics and Rural Development, Romania*

### **ABSTRACT**

*Romania's EU integration has determined major economic changes, including the transition to a functional market economy which meant the existence of a competitive environment, free commercial exchanges, and free movement of people, capital, and services. To solve the existent delays, Romania has benefit from the European Community's funds for investment in agriculture and rural areas through the financial mechanism which assures non-reimbursable funds for farmers, private societies, and local authorities. Without claiming that we are exhausting the issue of financing in Romanian agriculture, the topic addressed brings some issues regarding the financing under the National Rural Development Program (NRDP) and the possible explanations of the low absorption rate of these funds. NRDP is a program which allow people to access non-reimbursable funds from EU and Romanian Government for economic and social development of the rural area.*

### **INTRODUCTION**

Romania's geographical position, the soil type, the climate and the hydrographic network offer the necessary conditions for agricultural activity. The modern development of agriculture requires, besides land, also human and material resources, financial means for the implementation of new technologies and for improving its technical-material endowment.

Romania's EU integration has determined major economical changes, including the transition to a functional market economy which meant the existence of a competitive environment, free commercial exchanges and free movement of people, capital and services. In order to solve the existing delays, Romania benefits from European Community funds for investments in agriculture and rural areas through the financial mechanism which assures non-reimbursable funds for farmers, private societies and local authorities.

DOI: 10.4018/978-1-5225-5739-5.ch008

Without claiming that we are exhausting the issue of financing in Romanian agriculture, the topic addressed brings some issues regarding the financing under the National Rural Development Program (NRDP) and the possible explanations of the low absorption rate of these funds. NRDP is a program which allow people involved in agricultural and social activities of rural development to access non-reimbursable funds from EU and Romanian Government.

The present paper analyses a method of funding agriculture in Romania by offering non-reimbursable funds from EU and Romanian Government in order to avoid delays and to develop a modern agriculture. Also, some possible causes related to the low rate of funds absorption (only 70% of them), were analysed.

## **MAIN FOCUS OF THE CHAPTER**

When Romania joined the EU, the Romanian economy, especially agriculture, are, in terms of endowment, far behind EU member states. From the multiple ways of financing, this chapter analyzes the structural funds allocated to Romania by the European Union, through the European Fund for Agriculture and Rural Development. The purpose of these allocations was that Romanian agriculture could overcome the lag between Romanian agriculture and the agriculture practiced in other countries of the Union and to comply the modern standards of development. This paper outlines the structure of these funds and their degree of absorption offering some explanations for the amounts that have not been accessed.

Romania is located in Central Europe, nearly at the half of the distance between the Atlantic Ocean and Ural Mountains. It has a surface of 238.391 km<sup>2</sup> and is the 12<sup>th</sup>-largest European country. 45°N Parallel and 25°E Meridian cross Romania near its geometric centre, at 100 km NW from the capital, Bucharest. Romania has borders in East with Moldova and Ukraine, in North with Ukraine, in west with Hungary and Serbia and in south with Bulgaria. Population density is around 90 people per kilometer square, above the European average.

Romania is a Carpathian country because 2/3 of the Carpathian chain is located on its territory. The Carpathian Mountains determine bio-pedoclimatic flooring, representing a barrier to air masses. Romania has important natural resources that have been of particular importance in the development of economic life. Romania is a Danubian country because the whole lower sector of the Danube River (1075 km) is on the territory of Romania or represents parts of the border area with the states of Serbia, Bulgaria and Ukraine. The Danube is an important axis of navigation since antiquity. Currently, the Black Sea and the North Sea are connected through the Danube and the Rhine River, and also through the Main-Rhine and the Danube-Black Sea channels. Romania is a Pontic country because it shares the Eastern border with the Black Sea. The length of the Romanian shore is about 245 km, which offers many economic advantages.

The geographical location of Romania, its pedo-climatic conditions and the hydrographic network provide favourable conditions to agriculture. For the modern development of agriculture requires, besides land, also human and material resources, financial means for the implementation of new technologies and for improving its technical and material endowment, the judicious choice and substantiation of the ownership forms, holding and organizing, managerial training, a legal and legislative framework specific to the market economy and to ensure the protection of the environment.

22 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

[www.igi-global.com/chapter/romanian-agriculture-funding/210020](http://www.igi-global.com/chapter/romanian-agriculture-funding/210020)

## Related Content

---

### Video Storytelling for Sustainability: A Documentary on the Circular Economy System in the Prato Textile District

Paola Falcone (2024). *Compelling Storytelling Narratives for Sustainable Branding* (pp. 145-173).

[www.irma-international.org/chapter/video-storytelling-for-sustainability/350346](http://www.irma-international.org/chapter/video-storytelling-for-sustainability/350346)

### The Implication of Industry 5.0 to the Marine Environment: Protection Against Marine Pollution

Cihat Aan (2023). *Implications of Industry 5.0 on Environmental Sustainability* (pp. 133-155).

[www.irma-international.org/chapter/the-implication-of-industry-50-to-the-marine-environment/316614](http://www.irma-international.org/chapter/the-implication-of-industry-50-to-the-marine-environment/316614)

### Design and fabrication of solar bag for isolated areas

(2022). *International Journal of Social Ecology and Sustainable Development* (pp. 0-0).

[www.irma-international.org/article//289646](http://www.irma-international.org/article//289646)

### Structural Mining for Link Prediction Using Various Machine Learning Algorithms

Ranjan Kumar Behera, Kshira Sagar Sahoo, Debadatt Naik, Santanu Kumar Rathand Bibhudatta Sahoo (2021). *International Journal of Social Ecology and Sustainable Development* (pp. 66-78).

[www.irma-international.org/article/structural-mining-for-link-prediction-using-various-machine-learning-algorithms/279092](http://www.irma-international.org/article/structural-mining-for-link-prediction-using-various-machine-learning-algorithms/279092)

### Empowering Lifelong Learning: Embracing the Impact of Artificial Intelligence

Jeetesh Kumar, Zhang Jieyaoand Joaquim Dias Soeiro (2024). *Inclusive Educational Practices and Technologies for Promoting Sustainability* (pp. 42-66).

[www.irma-international.org/chapter/empowering-lifelong-learning/349548](http://www.irma-international.org/chapter/empowering-lifelong-learning/349548)