

PRACTICAL ASPECTS ABOUT AGRICULTURAL PRODUCERS WHO WANT TO ATTRACT EUROPEAN FUNDS

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The Romanian's integration in European Union presumes the access to different financing opportunities for people in the rural area in general and for agricultural producers in particular. The process of attracting financing resources can be considered from more points of view: the terms to be fulfilled, the projects' selection criteria, the possibilities to elaborate projects, the difficulties met by the applicants, the practical results of attracting European funds.

Even if in the present there are more financing active measures for the rural area, the accent is on the analysis and the results obtained at two specific measures: 141 "Sustaining the agricultural semi-subsistence farms" and 112 "Establishing the young farmers".

The analysis refers to: the degree of informing the possible beneficiaries, the manner of involving various institutions into informing these people, the terms to be fulfilled and the needed documentation, difficulties in obtaining this documents, the manner of elaborating the projects and the steps to submit them.

The paper presents these practical aspects and their implications on long term. There are activities developed in Iași County by the experts in agricultural counseling and also by other institutions and firms with the same profile. There are also some inadequate approaches for the process of attracting European funds.

In some cases, involving the local administration and the agricultural counselors has had positive results because they sustained these activities, but in other cases the possible beneficiaries of the European funds were reticent.

In this context, attracting financing resources by the agricultural producers (including animal breeders) is an opportunity for developing agricultural activities and for achieving investments to modernize the farms.

Key words: *integration, financing, European funds, difficulties.*

The process of Romania's integration in the European Union has determined the appearance of some financing opportunities. For the rural area, these consist of possibilities to attract European funds by different financing measures.

MATERIAL AND METHOD

The study analyses the impact of attracting European funds by the people from the rural area in general and by the agricultural producers in particular, the manner of informing these people, practical aspects about attracting the financings, as well as their stage in present.

Even if in the present there are more active measures for financing the rural area, the accent is on the analysis and on the results obtained at two specific measures: 141 "Sustaining the agricultural semi-subsistence farms" and 112 "Establishing the young farmers".

The present facts are based on practical aspects registered in Iași County in the consultancy activities regarding: the promotion of the active measures of financing, the criteria for accessing these funds, the needed documents for agricultural producers and for animal breeders, the help gave to them by the specialists in the Agricultural Consultancy of Iași County for writing projects, the selection criteria, approaching the financing process at institutional level and the difficulties met in this process.

RESULTS AND DISCUSSIONS

In order to access European funds in the rural area, informing activities have been organized by different institutions involved. There have been promoted details about: financing measures, possible beneficiaries, criteria to be accomplished, the needed documents, possibilities for writing projects, selection criteria and deadlines. [1, 7]

The present criteria for accessing funds at measure 141 "Sustaining the agricultural semi-subsistence farms" are the following: the eligible beneficiaries are physical persons up to 62 years that carry on economical activities, especially agricultural activities, and that have an agricultural exploitation comprised between 2 and 8 UDE; situated in the country's territory; written in the Farms Register; that sell a part of the obtained agricultural products. The economical dimension unit of an agricultural exploitation (UDE) is determined using the standard gross margin of the exploitation and it consists of 1200 euros.

Physical persons can develop economical activities and can register and get an authorization according to criteria from the Emergency Order of the Government no. 44/2008: individual and independent, as physical authorized persons; as titular enterprisers of an individual enterprise; as members of a familial enterprise.

The criteria for giving support are: for getting support accordingly to measure 141, the applicant should prepare a Business Plan for a period of five years. After three years from the time the support was given, there will be verified the minimum requirements from the Business Plan deposited initially when the support was requested. At this date, the applicant should demonstrate that, compared with the initial situation mentioned in the Business Plan: the obtained agricultural products intended to be sold have increased with 20%; the economical dimension of the agricultural exploitation have increased with minimum 3 UDE.

At the examination of the Business Plan, if the applicant hasn't accomplished the minimum criteria for getting the support, he will not get any money for the next two years, but he will not refund the money already received.

The selection criteria for the project are: the applicant is a member of one recognized associative form according to the national laws 20 points; the applicant accesses Measure 214 "Agro-environment payments" from PNDR 15 points; the semi-subsistence farm is in an unfavoured area 20 points; the semi-subsistence farm is owned by a farmer up to 40 years at the date when the project was submitted 20 points; the applicant makes an investment, especially an investment for being in accordance with community standards – points will be given only if the applicant makes investments for being in accordance with community standards by measure 121 "Modernizing the agricultural exploitations" and mentions in his Business Plan the investment that he wants to make – maximum 25 points. Total: 100 points.

By Measure 141 it is offered public non-repayable support of 1500 euros/year/semi-subsistence farm. The support is offered for a period of five years. [6, 8]

The practical aspects can be emphasized through the following real situations met in the process of accessing European funds: a) even if consultancy activities for informing the potential beneficiaries have been organized, in some cases the criteria for being accomplished have been considered as difficult (the applicants were reticent at the authorization as juridical person, at the banking account, at declaring the obtained products and the products sold in concordance with the producer's certificate etc.); b) there were many persons that asked for details who didn't met the criteria, having no activity in the rural area, but wishing to obtain attractive funds by different means; c) after being promoted in the mass-media, these non-repayable funds were perceived as some kind of subventions without any real criteria to be accomplished; d) in some cases, the agricultural producers have first asked consultancy after having some needed documents, but these documents expired until the submission date or the applicants didn't met the criteria for obtaining the financing; e) the requests for elaborating projects have passed beyond the real possibilities of the specialists in public consultancy (who made this activity free of charge); f) in some cases, the private consultancy firms didn't pay enough attention to the selection criteria, but only to criteria to be accomplished, so that there were examples when the projects were denied because some missing points; g) there were difficulties for the agricultural producers and for the animal breeders to demonstrate their belonging to an associative form, selection criterion that assured 20 points [2, 3].

In Iași County, at the Measure 141, 386 projects were submitted in the first session (December 2008 – February 2009), from which 384 have been approved, 55% from them being submitted for sustaining apiculturists and 45% for mixed farms and agriculture. [5] From these, 116 projects have been written by the specialists from the Agricultural Consultancy Office of Iași County. [4]

The present criteria for accessing funds at measure 112 “Establishing the young farmers” are the following: the eligible beneficiaries are farmers up to 40 years, physical or juridical persons who develop agricultural activities and who have an agricultural exploitation: with an economical dimension comprised between 6 and 40 UDE; situated in the country’s territory; written in the Farms Register.

The categories of eligible beneficiaries who can get non-repayable support by Measure 112 are: physical person; physical person registered and authorized according to criteria from the Emergency Order of the Government no. 44/2008 (individual and independent, as physical authorized persons; as titular enterprisers of an individual enterprise; as members of a familial enterprise); society with limited responsibility – SRL, created according to Law 31/1990, republished, with subsequent changes and completion.

Establishing the young farmers represents the activity of creating and/or taking over by property transfer and/or lease/granting an agricultural exploitation between 6 and 40 UDE, for the first time as a leader (chief) of the exploitation. The applicant must submit the Financing Application for asking the establishing support in maximum 12 months from the date the exploitation was created and/or took over by property transfer and/or lease/granting.

The criteria for giving support at Measure 112 are: to establish the first time in the agricultural exploitation as its leader; to have or to engage that will have abilities and professional qualifications suitable for the activity he will develop; to present a Business Plan for developing the agricultural activities from the agricultural exploitation; is a member of a farmer’s family and has been working in a farm (not necessary on his family’s farm) more than 50% from his working time at least 12 months before he established on his own; to engage that he will attend, in the first three years from the date he got the support, professional training lessons by Measure 111 “Professional training, informing and knowledge spreading” in at least one of the following areas: agricultural exploitation’s management, farm’s accountancy, environment protection, ecological agriculture etc.

When the conformity of the Business Plan will be verified, the applicant should demonstrate that the dimension of his farm is over 10 UDE and has increased with minimum 4 UDE from the date the individual decision of giving the support was approved.

Young farmers must return all the money received if they stop their agricultural activity sooner than three years from the date the request for paying the second portion was submitted.

The selection criteria of the project are: the applicant has a semi-subsistence farm (the agricultural exploitation has an economical dimension comprised between 6 and 8 UDE) – 20 points; the agricultural exploitation is in an unfavoured area – 15 points; the applicant is the owner of the agricultural exploitation – 30 points; the applicant is a member of one associative form, recognized by the

present laws – 20 points; the applicant accesses the agro-environment measure – 15 points. Total – 100 points.

By Measure 112 for establishing youths, the public non-repayable support is 10000 euros for smaller farms (6 UDE), and for the larger farms it could increase with 2000 euros/1 UDE, without passing beyond 25000 euros/exploitation. At the examination after the first portion (60%) of payment, the beneficiary has to demonstrate that his exploitation increased with at least 4 UDE. [6, 9]

The real situation for accessing this measure can be emphasized by the following practical examples: a) many petitioners had no connection with the agricultural activity, but they wanted to obtain financing support for other members from the family (like their children – students at theoretical high schools from the city); b) other petitioners had no qualification in the agricultural area, being employees or retired from other activities than the specific ones from the rural area; c) some of them couldn't demonstrate that they worked more than 50% from their working time in a farm at least 12 months before being established on their own; d) in some cases, the criterion for a future increasing in the economical dimension couldn't be accomplished; e) after being promoted by different means, the measure was perceived at its maximum level of accessing the financing (25000 euros), without paying attention at the criterion regarding the dimension of the exploitation and the fact that the support will be given in two portions (the first portion only by 60%). [7]

These difficulties, including the fact that young farmers must return all the money received if they stop their agricultural activity sooner than three years from the date the request for paying the second portion was submitted, have led to a small number of projects at this measure, and the missing points at some selection criteria have led to some projects being rejected.

The impact of the process for attracting European funds by the people in the rural area, in general, and by the agricultural producers, in particular, have covered more stages: initially there was a reticence for the possibility of accessing these funds and a mistrust for this process; then it followed a stage of asking for information and of consultancy after the activities organized in Iași County by the public consultancy office and other involved institutions; it followed a stage when the petitioners gathered the needed documents and talked with other people for attracting them in their project; after the deadline for submitting the projects expired and after promoting the stages of centralization, validation and approving the projects, the interest for these funds increased. In the same time, in some localities from Iași County, the agricultural producers formed their own associative forms, because in some cases they couldn't accomplish the criteria for becoming members of associations already created. Belonging to an association was perceived as an opportunity.

In present there are projects for the next session of submission. In this context, the agricultural consultancy has involved concretely in attracting European funds.

CONCLUSIONS

Attracting financings by the agricultural producers and by the animal breeders is an opportunity to develop the agricultural activities and to make investments for modernizing the farms.

The process of financing in the rural area and the imposed criteria stimulated the association of the agricultural producers and of the animal breeders, respective, with impact over the revaluation of the obtained products.

Knowing the difficulties met by the applicants and the specialists in accessing European funds, as well as analyzing them, can have positive results in the next period and can increase the interest for these funds.

A correct approach of the process for attracting community funds at institutional level can help this process by stimulating the trust of the possible beneficiaries with implications on long term.

The agricultural consultancy has been involved in informing and counseling the people from the rural area about the European funds, as well as in elaborating projects for the agricultural producers and for the animal breeders from Iași County.

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