Implementation of National, Regional and Local Development Strategies by Accessing Structural and Complementary Funds in the Period 2023-2027

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***Abstract**. The European Union supports, through the Structural Funds, the Cohesion Fund and financial instruments, the implementation of general objectives (convergence, regional competitiveness and employment, European territorial cooperation), for the elimination of economic and social disparities between regions, in order to achieve economic and social cohesion. The Structural Funds are not a single source of funding within the Union budget, but each fund covers its specific thematic area. They finance multiannual regional development programs drawn together by the regions, Member States and the Commission, based on the orientation proposed by the Commission for the entire European Union.*
The article highlights the priority objectives for the development of the Romanian economy and how they can be achieved through the financing provided by the authorities through the financing programs.

Keywords: non-reimbursable funds, rural economy, rural area

JEL classification: H11, Q14, R11

1. Introduction

For the financial programming or the multi-year financial framework 2021-2027, at the level of the European Union there are three financial instruments known as Structural Funds respectively:

- European Regional Development Fund (ERDF);
- European Social Fund (ESF);
- Cohesion Fund (FC) and

and two Complementary Actions:

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

For the period 2021-2027, Romania is eligible for all three structural funds available to the European Union for the implementation of the cohesion policy.

Apart from these funds, Romania also benefits from financial instruments intended for agriculture, rural development and fishing. These funds are no longer included in the cohesion policy (as it was until 2007), but were included in the agricultural policy and in the fishing policy. These funds, although they are not structural instruments, operate according to principles similar to structural funds.

In Romania, the 5 European funds are divided into Operational Programs (OP). The management of European funds is ensured by the Ministry of European Investments and Projects, the Ministry of Development, Public Works and Administration and the Ministry of Agriculture and Rural Development, through Management Authorities (MA). They must follow a series of strict rules to ensure that the allocated sums are spent transparently and responsibly.

Within the Ministry of Investments and European Projects, 4 management authorities operate, for the Large Infrastructure Operational Program, for the Human

Capital Operational Program, for the Competitiveness Operational Program and for the Technical Assistance Operational Program.

In order to mediate the access of Romanian applicants to non-reimbursable European funds, the Management Authorities develop Applicant Guides and, based on them, launch calls/project sessions. From the launch of the project/session call until its closure, people interested in European funds can submit projects developed based on the Applicant's Guide. After this stage, projects are evaluated, and those that meet the appropriate score will be implemented.

During the implementation of the project, the beneficiary will submit the invoices generated by the project, which the Management Authority will settle.

Following settlement, the Management Authority submits the invoices, in the form of a statement of expenses, to the Certification and Payment Authority (ACP) within the Ministry of Finance. ACP will certify the expenses and send a payment application to the European Commission, so that the money will be reimbursed and therefore absorbed in Romania.

2. Analysis and discussions

Through **the European Regional Development Fund**, productive investments will be financed that will contribute to the creation and saving of jobs, mainly through priority investments in SMEs, investments in infrastructure, the development of local potential through support measures at regional and local level . The maximum community intervention rate is 85% for the ERDF.

The European Social Fund has the task of improving employment opportunities for the unemployed and workers in the single market, by increasing their mobility and by facilitating adaptation to industrial changes, in particular through vocational training and retraining, as well as through recruitment systems. Through it, financial support is given to training and professional reconversion actions, as well as to those aimed at creating new jobs.

Unlike the Structural Funds, **the Cohesion Fund** does not co-finance programs, but provides direct funding for individual projects, which are clearly identified from the beginning. The decision to finance a project is taken by the Commission, in agreement with the beneficiary Member State, while the projects are administered by national authorities and supervised by a Monitoring Committee. The cohesion fund is the financial instrument that supports investments in the field of transport infrastructure, energy and the environment. The maximum financing rate through the Cohesion Fund is 85% of the public expenditure on the project.

The European Fund for Agriculture and Rural Development (EAFRD) is the complementary action intended for the common agricultural policy of the European Union. It is intended to improve the efficiency of production, processing and marketing structures of agricultural and forestry products and to develop local potential in rural areas. It is the correspondent of the SAPARD Fund, accessible to the EU member states, but its objectives are to support the market of agricultural products and promote the restructuring of community agriculture.

The European Fisheries Fund (EFF) is the complementary financial action intended for the Community fisheries policy, which supports measures to increase the competitiveness of the fishing sector, under the conditions of ensuring a sustainable balance between resources and exploitation capacity.

The European Fisheries Fund (EFF) has replaced the structural instrument intended for the restructuring of the European fisheries sector - IFOP (Financial Instrument for Fisheries Guidance) and has been incorporated into the European policy for fisheries and maritime affairs.

Also as part of the common agricultural policy (CAP), Romania will also receive funds through **the European Agricultural Guarantee Fund (FEGA)**, intended for direct payments and market measures.

The European Agricultural Fund for Rural Development (EAF) is a fund created by the European Union in order to develop the agriculture of its member states.

Starting from January 1, 2007, the Payments and Intervention Agency for Agriculture (APIA) runs European funds for the implementation of support measures financed from the European Agricultural Guarantee Fund.

By September 1 of each year, the European Commission draws up a financial report on the administration of the European Agricultural Guarantee Fund (EAGF) during the previous budget year and presents it to the European Parliament and the Council.

In which fields is financing granted through structural funds?

The European Fund for Regional Development finances actions in 14 main areas:

- Research and technological development;
- Informatization of the company;
- Transport;
- Energy;
- Environment protection;
- Tourism;
- Culture;
- Urban and rural regeneration;
- Support for companies and entrepreneurs;
- Investments in social infrastructure, including health and education.

The Cohesion Fund finances major projects in the field of transport (including projects aimed at railway transport, multi-modal transport and maritime transport).

The European Social Fund will finance projects in 4 main areas:

- Increasing the adaptability of the workforce and enterprises;
- Improving access to the labor market;
- Strengthening social inclusion (combating discrimination and facilitating access to the labor market for disadvantaged groups);
- Promoting the partnership for reform in the fields of employment and social inclusion.

How can financing be obtained through the structural funds?

In order for a project to benefit from financing from structural funds/complementary financial instruments, it must be drawn up in accordance with the requirements specified in the European Regulations on structural funds, in the Applicant's Guide and with the requirements of the operational program within which the request for proposals was launched projects.

The eligibility criteria, the conditions and the necessary documents for access to funding will be detailed in each project call and in the related documents, including the applicant's guide.

All documents related to a call for projects will be available on the websites of the Management Authorities in charge of managing the structural funds and on the websites of the Intermediate Bodies appointed by the Management Authorities to carry out various activities.

Who can submit a project to receive funding?

Beneficiaries of structural funds can be public or private companies (large, medium or small), local public administrations, NGOs, etc. depending on the specifics of each call for project requests and the operational program in which that call falls.

Details about the eligible beneficiaries will be available in the applicant's guide and at each call for projects.

How often are calls for project proposals launched and how can I be informed?

Project calls/sessions are launched according to the specifics of the operational programs within which they are launched. For example, for a certain operation there can be one call per year, for other operations the calls can be opened until the allocated funds are exhausted (based on the "first come - first served" principle - a project that meets a minimum score for a series of criteria, receives funding).

In general, calls for projects are launched by the Intermediate Bodies. They will be published in the national mass media and on the websites of the Management Authorities and Intermediate Bodies. The calls will include at least the following information:

- Eligible beneficiaries;
- Eligible projects;
- Eligible expenses;
- Selection criteria;
- Other eligibility requirements;
- The methods, criteria and planning of the evaluation of submitted projects;
- The budget allocated to the operation;
- Contracting procedures;
- Conditions for payment requests;
- Obligations of the beneficiary;
- Contract cancellation situations.

An important novelty of the 2021-2027 financial programming period is the fact that the Regional Operational Program (POR) passed from national management to regional management, thus creating 8 Regional Operational Programs that will be managed by the 8 Regional Development Agencies corresponding to the regions in Romania: Bucharest-Ilfov Region, Center Region, North-East Region, North-West Region, West Region, South-West Region, South Muntenia Region and South-East Region.

Apart from the Bucharest-Ilfov region which is considered "more developed" and which can benefit from a Cohesion Policy co-financing rate of approximately 40%-50%, the rest of the regions are still considered "less developed" and will benefit from a co-financing rate of up to 85%. At the same time, the financing need of public administrations and local actors to access funds faster and more efficiently, without the burden of bureaucracy, was taken into account, so that the new programming period comes with a series of simplification measures.

Another novelty of the current programming period is the transformation of the Operational Programs and the emergence of new programs, which in total amount to almost 70 billion euros, as follows:

● The Employment and Human Capital Program 2014-2020 (POCU) becomes the Education and Employment Operational Program (POEO);

● The 2014-2020 Assistance to Disadvantaged Persons Operational Program (POAD) becomes the Social Inclusion and Dignity Operational Program (POIDS);

● The Large Infrastructure Operational Program (POIM) 2014-2020 was divided into two new programs – the Transport Operational Program (POT) and the Sustainable Development Operational Program (PODD);

● The Competitiveness Operational Program (POC) 2014-2020 becomes the Intelligent Growth, Digitization and Financial Instruments Operational Program (POCIDIF);

● The Operational Health Program (POS) was created that will support both infrastructure interventions and the development of basic or innovative medical services;

● The Just Transition Operational Program (POTJ) was created specifically dedicated to areas dependent on the coal-based economy and which will have to make the transition to a non-polluting economy.

● During this period, Romania benefits from an additional allocation, coming from the European Union in response to the crisis generated by the pandemic through the European Recovery and Resilience Mechanism. This is how the National Recovery and Resilience Plan was created, which will provide financing in the total amount of 29.2 billion Euros until 2026.

The new operational programs finance actions in all areas of interest for local public administrations and other urban applicants.

2.1. Regional Operational Program (POR)

Benefiting from a total allocation of 11.5 billion euros, of which 9.2 billion from the European Regional Development Fund and 2.3 billion from the State Budget, the Regional Operational Programs were created to support the particular needs of each regions of Romania in particular, taking into account, of course, the regional potential, with an emphasis on key, convergent and complementary fields with real impact for the quality of life and the well-being of local communities.

Among the POR beneficiaries are enterprises, universities, clusters, incubators, accelerators, local public institutions, administrative-territorial units (UAT), but also research and development organizations and regional development agencies (ADR).

The 2021-2027 period is the first decentralization exercise of the Regional Operational Program (POR) in Romania, so that now there are 8 Regional Operational Programs, which are under the management of Regional Development Agencies.

The ROPs basically approach the same financing axes, corresponding to the objectives of the New Cohesion Policy, with small differences.

8 priorities were identified:

- Competitive, innovative and digitized region;
- Digitized region (SMART);
- Sustainable region;
- Sustainable urban mobility;
- Accessible region;
- Educated region;
- Attractive region;
- Technical support.

According to the allocations available on the websites of the Regional Development Agencies, at the national level, the largest funding goes to the priorities Competitive, innovative and digitized Region and Sustainable Region, with over 2 billion euros each, followed by the priorities Sustainable Urban Mobility, Accessible Region and Attractive Region with over 1 billion euros each, while the Digitalized Region and Educated Region priorities are allocated between 600 million and 800 million euros each, nationally.

Here we can mention that investments from the Digitized Region priority are included in the Competitive, innovative and digitized Region priority in some regions, hence the lower allocation.

Regarding investments in education, although they have a smaller allocation within the ROP, they can also be made from the Education and Employment

Operational Program dedicated entirely to this field, as well as from the National Recovery and Resilience Plan.

Table 1. The situation of the allocation of financial resources at the level of development regions

No. Crt.	ADR name	EU contribution (euro)	National contribution (euro)	Total allocation (euro)	Co-financing rate %
1	Bucharest Ilfov region	586,585,917	879,878,877	1,466,464,784	39.9999999591
2	South East Region	1,238,760,838	250,016,103	1,488,776,941	83.2066110030
3	South Muntenia region	1,312,118,844	264,677,627	1,576,796,471	83.2142174423
4	South West Oltenia region	997,844,705	211,141,225	1,208,985,930	82.5356755806
5	West Region	981,173,747	197,920,079	1,179,093,826	83.21422114101
6	North West Region	1,194,579,461	242,673,005	1,437,252,466	83.1154921810
7	Center Region	1,152,064,526	232,391,813	1,384,456,339	83.214218718
8	North East Region	1,457,056,893	302,335,295	1,759,422,188	82.8162167635
	Total	8,920,184,931	2,581,034,024	11,501,248,945	X

Source: Data processed from the Regional Operational Program 2021 - 2027

By region, the highest total ROP allocation, for all cumulative funding priorities, is found within the North-East region, with 1.76 billion euros, followed by the South-Muntenia region and the South-East Region, with 1.56 billion euros and respectively with 1.48 billion euros. The South-West, West, Center and South-East regions receive over 1 billion euros each, while the Bucharest-Ilfov Region, which is considered "more developed", benefits from 1.47 billion euros but also from co-financing lower within the projects, respectively of 39.9%. The rest of the regions are considered "less developed" and benefit from co-financing within the projects of 82-83%.

Within the 8 development regions, substantial allocations are intended for:

- Promoting energy efficiency and reducing greenhouse gas emissions - Bucharest - Ilfov Region;

- Supporting innovation, by stimulating the development of the entrepreneurial environment, the CDI sector and the collaboration between them, the digitalization of SMEs and public administration, in the context of intelligent specialization - South-East Region;

- Stimulating the intelligent and sustainable development of the region, based on innovation, digitalization and the development of the entrepreneurial ecosystem - South Muntenia Region;
- Reducing carbon emissions by promoting energy efficiency, developing green infrastructure and improving urban public transport - South West Oltenia Region;
- Increasing the capacity, quality and attractiveness of public passenger transport, as well as environmentally friendly modes of transport - Western Region;
- Developing the competitive advantages of the region through innovation and investment in the fields of intelligent specialization – North-West Region;
- Capitalizing on the existing innovative potential in the fields of RIS3, by supporting the CDI and TT structures that allow innovation and technology transfer to companies, supporting the entire innovation cycle at the enterprise level and industrial modernization at the SME level, combined with the support of business support structures - Center Region;
- Improving regional competitiveness by developing innovation and research capacities, increasing productivity, promoting the use of advanced technologies and ICT services in areas with growth potential and intelligent specialization - North-East Region;

And in this programming period, at the level of the Regional Operational Programs, priority is given to the projects included in the Integrated Urban Development Strategies, the Sustainable Urban Mobility Plans, the Blue Green Infrastructure Plans, based on the principles shown in the table below:

Table 2. The principles of supporting integrated urban development strategies

No. Crt.	Principle	Strategy
1	VISION	Projects must clearly contribute to the development of communities, so most must be included in development strategies or action plans that demonstrate this.
2	PARTNERSHIPS	As many local actors as possible should be involved in projects, in addition to the public administration, through consortia and public-private partnerships.
3	SUSTAINABLE AND INTEGRATED DEVELOPMENT	Priority will be given to durable projects that consider all aspects of a community's life, not just a specific field, and that are environmentally friendly.
4	INTEGRATED TERRITORIAL APPROACHES	Emphasis will be placed on the type of Integrated Territorial Investments (ITI), Local Development Placed under Community Responsibility (DLRC);
5	METROPOLITAN APPROACH	It is opportune to carry out complex strategies and projects for all UATs in the metropolitan area (ZM) or functional urban area (UFA) of a city;
6	INNOVATION	In addition to research, innovation can also mean the development of new solutions, adapted to a certain territory and created specifically to solve the problems of a certain community.

Source: Data processed from the Regional Operational Program 2021 – 2027

In order to access the funding sources allocated to the eight development regions, the general objectives were defined in the territorial profile and in the subsidiary strategic / specific objectives, which will contribute to the economic development of the component counties.

In this sense, for exemplification, we reproduce the way of implementing regional strategies, according to the table below:

Table 3. The general objectives defined at the level of each development region

No. Crt.	Development region	Territorial area	General objective
1	Bucharest - Ilfov	Bucharest Municipality and Ilfov County	Supporting smart, sustainable and inclusive economic development to improve living standards and increase resilience to societal challenges. It is implemented through 11 strategic objectives.
2	South East	Braila, Buzau, Constanta, Galati, Vrancea, Tulcea counties	Increasing regional economic competitiveness and improving the living conditions of local communities by supporting the development of the business environment, infrastructure and services, with the aim of reducing intra-regional disparities and sustainable development, through efficient management of resources, capitalizing on demographic and innovation potential, as well as by assimilating technological progress. It is implemented through 7 strategic objectives.
3	South Muntenia	Argeș, Calarasi, Dâmbovița, Giurgiu, Ialomița, Prahova, Teleorman counties	Implementation of the strategic vision for a sustainable and balanced development of the region. It is achieved through 6 strategic objectives.
4	South – West Oltenia	The counties of Dolj, Gorj, Mehedinți, Olt, Vâlcea	Improving the economic competitiveness, social cohesion and accessibility of the region, in order to increase the quality of life of the citizens. It is achieved through 6 strategic objectives.
5	West	Arad, Caraș-Severin, Hunedoara, Timiș counties	A competitive region at European level, with a high level of research, development, innovation and digitization, capable of attracting and capitalizing on investments, connected internally and internationally, whose citizens benefit from efficient public services, in localities with a high quality of life. It is achieved through 12 specific objectives.

6	Northwest	The counties of Bihor, Bistrita-Năsăud, Cluj, Maramureș, Sălaj, Satu-Mare	To become one of the most dynamic European regions in terms of smart and sustainable economic growth, capitalizing on local diversity and stimulating innovation to reduce disparities and raise living standards. It is achieved through 8 strategic objectives.
7	Center	Alba, Brașov, Covasna, Harghita, Mureș, Sibiu counties	The Central Region to become a cleaner region, attractive for its inhabitants and tourists, with a competitive economy based on knowledge and innovation in which care for the environment and the rational and sustainable use of resources are a priority. It is achieved through 8 strategic priorities.
8	North - East	The counties of Suceava, Botosani, Neamt, Iasi, Bacau, Vaslui	The development in RNE of a balanced development based on an intelligent, sustainable and inclusive economic growth process, which will lead to the increase of the quality of life and the reduction of intra- and inter-regional development gaps. It is achieved through 5 strategic objectives.

Source: Data processed from the Regional Operational Program 2021 - 2027

2.2. National Strategic Plan 2023-2027

The value of the Common Agricultural Policy budget is reduced compared to the previous programming period, this is due to the fact that the entire EU budget is reduced, as a result of Great Britain's withdrawal from the European Union.

The new legislation includes greater support for young farmers to boost generational renewal, a problem faced by all Member States. They will allocate to young farmers at least an amount equivalent to 3% of their direct payment package for complementary income support, investment and installation premium.

In terms of more equitable distribution of income support, the new Common Agricultural Policy will better address the needs of small and medium-sized farms. The new legislation provides for a mandatory redistributive payment of at least 10% of direct payments. Support for small farms will also be strengthened through the possibility of applying a small farmers' scheme, a simplified system of income support that will give a one-off payment to interested farmers.

This reform also aims to align the new CAP with the objectives of the European Green Deal, Farm to Fork and Biodiversity strategies to enable the sustainable management of natural resources and the adaptation of agricultural policy to climate change. In this context, a complementary set of tools will be provided to farmers to help them achieve the environmental and climate objectives of the CAP.

The new CAP will enable increased competitiveness through investments in modern and more efficient technologies, introducing innovation, digitization of agriculture and mandatory agricultural consultancy.

A novelty in the post-2023 CAP is the National Strategic Plans.

In practice, the member states will develop their own programs that combine most of the support instruments financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD).

These plans are drawn up by the Member States and their objective is to balance the responsibilities between the European Commission and the Member States and to encourage unique, coherent and needs-based measures at local level. In addition, they will combine most of the measures budgeted through the EAGF and EAFRD.

The member states had until the end of 2021 to develop and present their proposed measures to achieve the specific objectives at the European level, and during 2022 the National Strategic Plans were analyzed for approval.

The National Strategic Plan drawn up and submitted by Romania was approved by the European Commission on December 7, 2022 through Decision C(2022)8783, in accordance with the post-2023 Common Agricultural Policy.

The National Strategic Plan 2023-2027 includes support instruments financed from FEGA, as well as from FEADR, respectively:

- FEGA Pillar I - Direct payments and sectoral interventions (measures to support the market);
- Pillar II - EAFRD-Rural Development Policy;

The principles of the reform of the Common Agricultural Policy are embodied in:

- Simplification-reduction of the administrative burden for farmers and other categories of beneficiaries;
- Performance-based system - ensuring policy results;
- A better direction of financial resources - a closer connection with local realities;
- Keeping solid common elements - maintaining the conditions of fair competition, greater ambitions regarding the environment, climate and animal welfare.

The National Strategic Plan foresees 89 types of interventions, including 51 interventions through FEGA and 38 interventions through FEADR.

The PNS aims to achieve the following major objectives:

I. Promoting an intelligent, resilient and diversified agricultural sector that ensures food security, increasing the viability of farms by stabilizing farmers' incomes and eliminating disparities between farms;

II. Strengthening market orientation and increasing the competitiveness of the agri-food sector by intensifying cooperation, encouraging collective investments, modernization, restructuring of farms, through investments to improve productivity simultaneously with the development and modernization of the food industry;

III. The socio-economic development of rural areas by attracting and supporting young people and facilitating business development, promoting and increasing employment, social inclusion and local development in rural areas.

The priority environmental objectives contained in the PNS refer to:

- Contribution to mitigating and adapting to climate change;
- Promoting sustainable development;
- Efficient management of natural resources;
- Improving ecosystem services;
- Conservation of habitats and landscapes.

The total budget allocated to this period amounts to 15.8 billion euros and includes 9.8 billion euros for direct payments (pillar I, FEGA) and 5.87 billion for rural development (FEADR, pillar II), to which is added Romania's contribution from the state budget.

Table 4. Distribution of the budget allocated to PNS 2023 – 2027 on Pillar 1 and 2

No. Crt.	Fund / Pillar	Destination	Amount (billion euros)
1	FEGA / Pillar 1	Direct payments	9.78
		Sectoral interventions	0.151
2	EAFRD – Pillar 2	Rural development	5.87
	Total		15.8

Source: Data processed from MADR – PNS 2023 – 2027

The National Strategic Plan PAC 2023-2027 includes clear objectives for the development of agriculture, the food industry and the Romanian countryside.

The new legislation includes greater support for young farmers to encourage generational renewal. It will allocate to young farmers at least an amount equivalent to 3% of their direct payment package for the following interventions: complementary support for income, investment and installation.

Table 5. Allocation of the amounts provided in the PNS for interventions within the two pillars

No. Crt.	Interventions / Pillar	Amount (million euros)
1	Direct payments / Pillar 1, of which:	**7,335.8**
2	- Vegetable sector	6,276.4
3	- Animal husbandry sector	1,059.4
4	Ecoschemes / Pillar 1, of which:	**2,447.4**
5	- Vegetable sector	2,199.5
6	- Animal husbandry sector	247.9
7	Sectoral interventions	**151.7**
8	Interventions / Pillar 2, of which	**5,869.11**
9	Investments in the development of the farm	907.1
10	Irrigation	502.4
11	Measures dedicated to young farmers	420.3
12	Storage and processing	375.2
13	Environment and climate	1,719.91
14	Animal welfare	736.3
15	Development of rural areas	851
16	Support interventions	356.9
	Total	**15,804.01**

Source: Data processed from MADR – PNS 2023 – 2027

Regarding the more equitable distribution of income aid, the new Common Agricultural Policy will better address the needs of small and medium-sized farms, considering the fact that in Romania most holdings have areas between 1 ha and 50 ha.

The new legislation provides for a mandatory redistributive payment of at least 10% of direct payments, i.e. at least 10% of the value of subsidies to go to small and medium farms, respectively the sum of 978.69 million Euros.

The measures dedicated to young farmers contained in Pillar 2 accumulate the sum of 420.3 million Euros, of which the sum of 169.6 million Euros was allocated for investments and the sum of 250.7 million Euros for installation.

This reform also aims to align the new Common Agricultural Policy with the objectives of the European Green Deal, Farm to Fork and Biodiversity strategies to enable sustainable management of natural resources and adaptation of agricultural policy to climate change. In this context, a complementary set of tools will be provided to farmers to help them achieve the environmental and climate objectives of the Common Agricultural Policy.

In the first pillar of the Common Agricultural Policy , eco-schemes, which represent a new source of financing for the environment and climate, will constitute at least 25% of direct payments. Eco-schemes will be mandatory for member states, but voluntary for farmers. The content of the eco-schemes was established by the member states, Romania designed its own eco-schemes, which include organic farming practices, rotation of leguminous crops or the system of raising animals on pasture, precision agriculture and agriculture of high natural value (HNV).

The total amount provided in the PNS 2023-2027 is broken down into:

- plant sector eco-schemes - 2.2 billion Euros;
- animal husbandry ecoschemes - 247.9 million Euros;

The second pillar of the Common Agricultural Policy offers a wide range of support tools for environmental and climate commitments, knowledge building, investment, innovation and cooperation. 35% of the rural development budget of the CAP will be allocated to activities with a direct positive impact on the environment and climate.

The new reform foresees an increase in funds for measures that will allow the creation of new businesses and investments, which will help to combat the abandonment of rural areas and the establishment of the population in these territories. In addition, the new CAP will enable increased competitiveness through investments in modern and more efficient technologies, introducing innovation, digitization of agriculture and mandatory agricultural consultancy.

One of the novelties of this reform is the concept of social conditionality , which will link CAP payments to compliance with certain provisions of European labor law, promoting better working conditions for workers, sanctioning farmers who violate it. The implementation of this concept started from 2023 and will become mandatory from 2025.

In the National Strategic Plan 2023-2027, two forms of support were provided in the total amount of 391.4 million Euros, within the Support Instrument for farmers affected by losses of agricultural production, as follows:

1. The sum of 24.1 million Euros, support granted to farmers for subsidizing insurance premiums;
2. The sum of 367.3 million Euros, support granted to farmers affected by losses in agricultural production as a result of unfavorable climatic phenomena, consisting of:

a) percentage of 3% of the annual direct payments due to farmers in the period 2023-2027 of up to 293.5 million Euros;

b) FEADR contribution in the total amount of 62.4 million Euros;

c) the contribution from the national budget in the amount of 11.5 million Euros;

The essential purpose of the operationalization of the Support Instrument for farmers affected by losses of agricultural production within the PNS is to relieve the state budget of future financial obligations to farmers, the consequence of the phenomena of calamity in agricultural production.

3. Conclusions

This article highlighted the fact that the European funds allocated to Romania by the European Union contribute through national, regional and local strategies to the elimination of economic and social disparities between regions.

By financing the productive investments of the SME sector, jobs will be created and saved.

The community intervention rate in the case of the European Regional Development Fund and the Cohesion Fund is a maximum of 85% of the value of the eligible expenses.

The European Regional Development Fund finances actions in 14 priority areas, and the European Social Fund finances projects in 4 main areas of activity.

The Regional Operational Program in the 2021-2027 financial programming has passed from national management to regional management, with 8 regional operational programs being created, which are managed by 8 regional development agencies.

Through the Common Agricultural Policy, it was established that each member state of the European Union must design and submit to the approval of the European Commission the document called the National Strategic Plan 2023-2027.

The National Strategic Plan drawn up and submitted by Romania was approved by the European Commission on December 7, 2022 through Decision C(2022) 8783.

The National Strategic Plan includes financial support instruments with FEGA and FEADR as sources, with a total budget of 15.8 billion euros.

Through the Common Agricultural Policy, the concept of social conditionality was introduced, which links payments from European funds to compliance with certain provisions of European labor law.

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