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STRUCTURAL FUNDS - SOURCE OF FINANCING SUSTAINABLE RURAL DEVELOPMENT

FONDURILE STRUCTURALE – SURSĂ DE FINANȚARE A DEZVOLTĂRII RURALE SUSTENABILE

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Abstract: *Structural Funds are financial instruments that the EU acts to remove economic and social disparities between regions, in order to achieve economic and social cohesion. Structural Funds do not constitute a unique source of funding within the EU budget, but each fund to cover the specific topics. Structural Funds do not finance individual projects separately. These multi-regional development finance programs pulled together by the regions, Member States and the Commission on the Commission's proposed guidance for the entire European Union.*

Key words: *strategies, sustainable rural development, structural funds*

INTRODUCTION

Economic and social cohesion policy of the European Union is above all a politics of solidarity, and has three objectives:

a. Convergence is a program supported by 80% of the budget for structural and cohesion funds;

b. Regional Competitiveness and Employment is the second objective, funded with 15% of the budget for structural and cohesion funds, covering regions not eligible under the Convergence objective;

c. European territorial cooperation objective is financed by only 5% of the budget for structural funds and cohesion refers to transnational cooperation, the border and interregional cooperation.

Structural Funds are financial instruments that the EU acts to remove economic and social disparities between regions, in order to achieve economic and social cohesion.

For the 2007-2013 programming are three financial instruments known as the Structural Funds that:

-Regional Development Fund

-European Social Fund

-Cohesion Fund

two complementary actions, namely:

-European Fund for Agriculture and Rural Development

-European Fisheries Fund

MATERIALS AND METHODS

Implementation of structural funds is based on a number of principles, as follows:

a. Focusing on the priorities for development measures.

b. The partnership involves the closest possible cooperation between the Commission and relevant authorities at national, regional or local level in each Member State from the preparatory phase to the implementation of measures;

c. Subsidiary which was established by the Treaty of Maastricht.

d. Additionality or external coherence that EU structural aid should be additional and not replace resources already employed by national, regional and local authorities in order to develop their regions and the labor market.

RESULTS AND DISCUSSIONS

Community Strategic Guidelines is based on a set of policy priorities formulated in the Gothenburg and Lisbon agreements and in particular the principle that a strong economic performance must go hand in hand with sustainable use of natural resources RDP 2007-2013 will be implemented in a period of significant change for agriculture and rural areas, given that Romania is the first step on the EU market and will benefit from the effects of CAP reform in this period.

Growth in the EU has a significant impact in the agricultural sector and rural economy, resulting in both opportunities and threats. By the end of

2006, Romanian farmers have received support through national programs (eg. Farmer Program, The life annuity) and cofinanced by the EU SAPARD. Given the increasingly competitive environment after the accession, issues such as competitiveness and economies of scale will become increasingly critical for the Romanian agriculture.

General economic and social context of elaborating RDP 2007-2013 is more complex than that of 2000. New RDP focuses on strengthening competitiveness and economies of scale and at the same time take into account the need to protect nature, environment, natural resources, land and water in rural areas and improving the quality of life for rural residents. RDP's current focus on issues such as competitiveness, environment, quality of life, with the overall objectives:

a. Increasing the competitiveness of agriculture and forestry;
b. Improving the rural environment;
c. Improving the quality of life and diversification of rural economy;
d. Start and functioning of local initiatives (LEADER).

RDP will support 10,000 million public investment in the sector compared to Euro 1.278 million from SAPARD public expense. It is a sum of eight times, which reflect the needs of the Romanian rural area, on the one hand, but also a challenge to ensure a proper absorption and uses of funds, on the other side. A total amount of 12.316 million euros is expected to be invested in this program between 2007-2013.

Allocations are in line with the strategy and focus on upgrading and restructuring of the Romanian agriculture, reflecting the urgent needs of the sector. The evaluator considers that a relatively large allocations for Axis 3, which makes the balance of the program to be consistent with the intentions of the regulation. In addition, allocations for Axis 4 are in accordance with the requirements.

CONCLUSSIONS

Competitiveness of commercial farms and semi-subsistence will be improved, however, special emphasis will be on supporting their associative structures. This will contribute, in turn, strengthening local capacity to achieve local endogenous potential. Need to implement measures covered

by this strategic objective, is drawn from the SWOT analysis, which has obvious weaknesses as, low agricultural productivity, underperforming the sector of semi-subsistence, low efficiency of the segment of commercial farms, the low accordance with EU standards, low, quality and quantity of technical equipment of farms and agricultural infrastructure and rural poor.

Increasing competitiveness is key to sustainable economic development leads to the generation of sustainable jobs in rural areas. This is because the competitiveness of agro-food processing and forestry sectors to ensure an important source of job growth and job development and emergence of primary production sector.

Implementation of integrated local development strategies involving farmers, foresters and other rural actors can showcase local heritage by promoting local products and tourism. LEADER approach will contribute to improving local governance and promote the endogenous potential of regions. Involvement of local stakeholders in developing the areas they represent by identifying local needs and priorities will help improve local governance.

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