

TEPAV 7th Regional Development and Governance Symposium

*Rural Development Policy in Romania
Challenges and Opportunities*

History of rural development in Romania

In Romania, the massive industrialization between 1970-1989 saw a migration of labor to the urban area (mostly unskilled labor force) whilst some of the family members worked in the Agricultural Production Cooperatives.

Along with the retrocession of lands (1991 – 2003) and the industrial reorganization, most of this category changed into subsistence farm holdings.

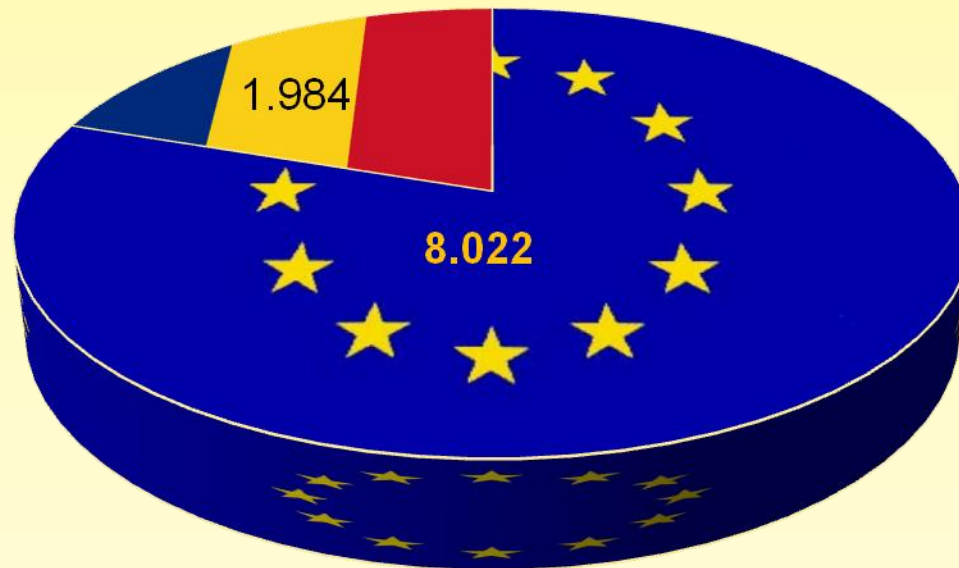
Romania benefited from EU support through the pre-EU accession mechanism (2002 – 2006) 1.3 billion EURO and subsequently through the NRDP (2007 – 2013) 10 billion EURO.

Challenges of rural development in Romania

- Frail social and economic environment;
- Local institutions that are not sufficiently trained and active;
- Atomization of private property - the main type of farm operates on an average 1.8 hectares of farming land;
- Aging population;
- High share of subsistence agriculture;
- Low diversification of non-farm activities;
- Deficient technical and social infrastructure;
- Massive international migration of rural youth;
- Poor mechanization (app. 1 tractor/50 ha);
- Low involvement of the civil society

Opportunities for rural development in Romania

Through the NRDP, non-reimbursable funds in amount of app. 10 billion Euros are available for 2007 – 2013.



Priority areas of intervention

- **Axis I** “Increase of the competitiveness of agri-food and forestry sectors” - **44,24%**
- **Axis II** “Environment improvement in the rural area” - **25,58%**
- **Axis III** “Quality of life in rural areas and rural economy diversification” - **27,58%**
- **Axis IV** „LEADER” - **2,6%**

The most popular NRDP measures accessed in Romania

322 “Renovation and development of villages, the improvement of basic services for the rural economy and population and the protection and conservation of the rural heritage”

312 “Support for the creation and development of micro-enterprises”

313 “Encouragement of tourism activities in rural areas”

121 “Modernizing agricultural holdings” (new farming equipment)

123 “Adding value to agricultural and forestry products”

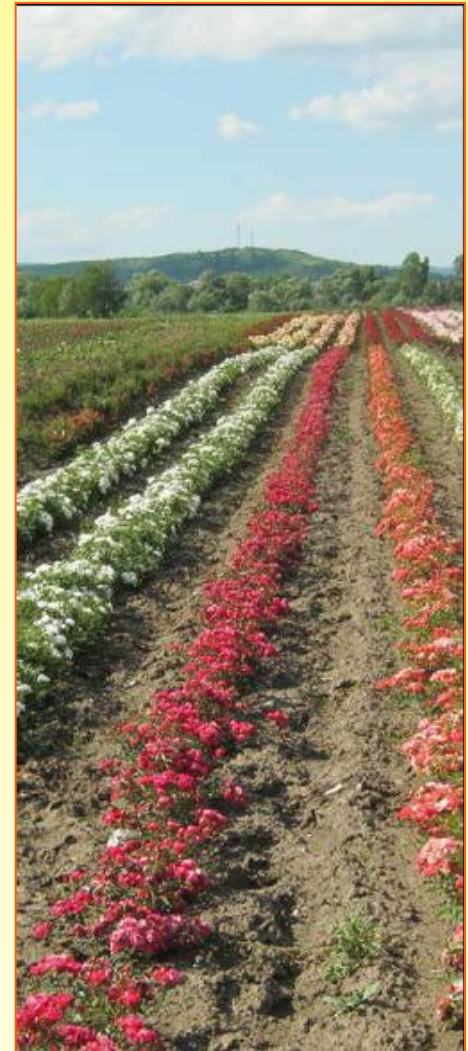
The challenges of the NRDP in Romania

The economic downturn has affected the investments supported by the EU funds:

- **the business plans put together in 2007-2008 that received funding and have completed run the risk of having to return the financing if the project is off track.**
- **limited level of knowledge regarding the risks and opportunities by the beneficiaries affected the efficiency and effectiveness of the programme**
- **lack of co-funding by the beneficiaries (as much as 50%)**

Success stories from the field

1. Rose plantation – 25,000 EURO (photo)
2. Pet food factory – 3.1 mil. EURO (photo)
3. Turning Haller Castle into a guesthouse – 500,000 EURO
4. Investment in wood processing unit – 5 mil. EURO
5. Processing the waste resulting from primary wood processing and manufacturing sawdust briquettes – 600,000 EURO
6. Building a chocolate factory – 3 mil. EURO
7. Building oak tree bed and breakfast units – 400,000 EURO (photo)



Success stories from the field – the Food Barn concept

The Food Development Company Ltd (FDC) was set up to apply the concept of the Social Economy, implementing innovative approaches to rural enterprise development that have major socio-economic impacts in poor rural communities.

The investment funds raised (£465,000 to date) for FDC establishment and operation were from twenty like-minded individuals.

The aim is to develop a range of artisan food products processing a range of locally grown wild forest and orchard fruits and court yard vegetables and fruits.

- 100,000 liters of elderflower juice per year;



- 4,000 liters of raw acacia flower juice per year

Success stories from the field – the Food Barn concept



Success stories from the field – the Food Barn concept



TRANSYLVANIA FOOD COMPANY Srl - Pivnita Bunicii.ro

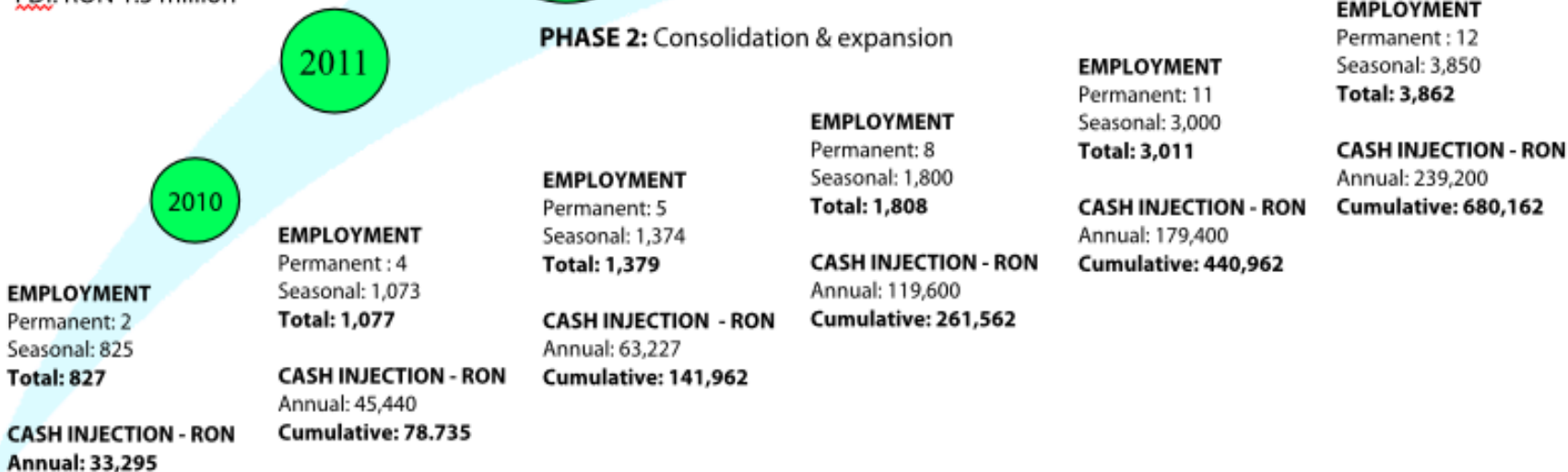


SOCIO-ECONOMIC IMPACT OF PROCESSING ELDER FLOWER JUICE

PHASE 1:

Establishment & construction of
new premises

FDI: RON 1.5 million



Success stories from the field – the Food Barn concept



*Empowered lives.
Resilient nations.*

- Such initiatives create jobs and contribute to local economy. In 2012 fourteen collection centers were established that employed 1,374 people, most of them from poor Roma communities
- Inclusion of Roma population in society
- Conservation and sustainable use of wild fruits and flowers
- Opportunity for crop diversification
- Finding a sustainable employment opportunity for vulnerable rural community will have major impact throughout the EU.

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THANK YOU

FOR

YOUR ATTENTION!