

## **A Geographical Perspective on SAPARD Programme. Financial Absorption and its Influence on Rural Development in Romania**

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**Abstract.** Out of a multifaceted analysis provided by the complexity of such a subject, our approach underlines the aspects determined by the establishing of priorities regarding the implementation of SAPARD Programme, during the pre-accession period to the integration of Romania into the European Union. On the one hand, when studying the overall financial absorption of SAPARD funds in Romania, one can easily tend to justify the result judging by certain aspects such as the adaptability of people to the novelty, the know-how, the level of entrepreneurship or the geographic availability for a range of economic activities. On the other hand, we can notice the direct impact of the decision to gradually declare eligible all the measures of this programme, thus causing a relative spatial and temporal differentiation in distribution. However, the active participation of inhabitants all over the country, the access of people to information, the effect of imitation, eventually prove the insufficiency of funds as well as a relatively subjective distribution of projects in the territory. Even though with a slow start, rural inhabitants, and not only, succeeded to recover the time lost while thinking, therefore becoming more than active during the intermediary and final periods of the programme, thus creating the background need for a future financial assistance.

**Keywords:** SAPARD Programme, EU pre-accession period, rural development, financial absorption, territorial and time distribution.

### **INTRODUCTION**

Much further scientific investigation will be necessary in order to completely analyse and understand all the perspectives of such an important subject, both for the present and for the future social, economic and political context of Romania, such as rural development.

The present study focuses around a subject of actuality, which held an extremely high level of interest for the national, regional and local administrations. The way SAPARD functioned in the Romanian rural space and the transitional role held by the implementation of the National Plan for Agriculture and Rural Development, object of the Common Agriculture Policy, by its regulations of rural development in the pre-accession period, reflect important aspects directly deriving from their specificity, objectives and development axes, management and implementation particularities, duration and target (i.e. the beneficiaries).

As any other candidate state to the statute of member of the European Union, Romania benefited of a pre-accession period, in which, with financial help from the common budget of the already member states, the specialized personnel, especially trained for monitoring the evolution of and implementing the reform, succeeded to bring Romania in line with the Aquis Communautaire, in almost all the specifications of all the chapters present in the Treaty of Accession, except for a few reminiscent amendments, the periods of transition. These eased the transition of the economic stakeholders of some sectors of agricultural activity and production.

## MATERIALS AND METHODS

The current political context that stands for transformation and globalization successfully creates the prerequisites for the implementation of new regulations regarding the common policies. Therefore, the theoretization through financial and political study becomes necessary. The integrate study of all the faces of interpretation of SAPARD phenomenon underlines the special attention given to the localisation, to the correlation between objectives in accordance with the geographical meaning established by Meining (1986), who stated that geography „offers a specific way to look at the world” by its quality of being able to „give special attention to localities and regions, networks and circulations, (and) national and intercontinental systems” (Richardson, 1992). Hence, our approach is based on the concept of integrated development of a living area, continuously transforming, in accordance with well defined principles, such as: the principle of spatial extension, the principle of causality and the principle of geographical integration. The principle of spatial extension, regarding distribution or surface, helps us define and clarify the relationships between geographical and economic phenomena within an area. So, the first aim is to locate all phenomena within a specific bordered area (Panaite, 1974). In our case, even though the research area is quite extended, the results are represented at national, regional, county or even at the local level. The concept of causality helps us realize that any phenomenon rests in a specific cause, while the integration principle presupposes thorough observation of all the elements, their role, their relationships and the real effects. Richardson, C., B, 1992 stated that the fundamental truth regarding observation lies in two priorities (Gersmehl and Brownm, 1992):

- ✓ The need to understand what you see, so that you could know what and how to observe;
- ✓ The need to observe, so that eventually you perceive the real reality.

In case of economic geography, using typologies provide the opportunity to establish certain development patterns, through comparisons and associations, as well as through setting up polarising centres or of territorial convergence. Nevertheless, statistical methods become the most relevant in the quantitative analysis, thus bringing perfection, synthesis and classification of data, and providing the outcome for comparisons, correlations, as well as forecasts. In our research, financial assistance, timelines and gradual absorption become more obvious when expressed both numerically and graphically.

## RESULTS AND DISCUSSION

On June 21, 2000, the European Commission recommended that each of the candidate countries should be given an annual allocation, to be distributed differently according to the specific needs of each of the particular countries. Consequently, it was established a general quantum of 520 mil Euro/year, for the period 2000-2006. In this period, Romania benefited from an annual quantum/quota of approximately 153 million Euro. This placed our country on the second place, right after Poland, among the beneficiary countries. SAPARD Programme in Romania was adopted by the European Commission, through Directive nr. 372/2000, and in accordance with the National Plan for Agriculture and Rural Development. This was elaborated in conformity to the Council Regulation 1268/1999 regarding the assistance given to the pre-accession measures for the candidate countries from Central and Eastern Europe, in which agriculture and rural development is concerned, and Council Regulation 2759/1999, establishing the rules for the implementation of Council Regulation 1268/1999. The programme became operational once the first measures (i.e. Measures 1.1, 2.1 and 4.2) were

accredited by the European Commission, on July, 31, 2002. The objective of the programme was mainly to bring important contributions to the implementation of the acquis in which regards Common Agricultural Policy and other related policies. Much more, by this, Romania was given the possibility to acquire and assimilate the principles of accessing the structural funds, financial procedures and mechanisms of control of the European Union.

The coordination of the rural development by establishing a set of general objectives identifying themselves with the guidelines of the priority axes, and subsequently, their completion with specific objectives, individualized by the measures newly created, individualize in the territory by co-financing the eligible activities, set by the evaluation of the financial requests applied by the beneficiaries. The operational objectives, through their correspondent activities, thus become the coordination vectors regarding the financing itinerary.

Yet, without the experience of putting into practice such a complex programme at a national level, Romania has been assisted by the European Commission so as to better organize and establish an organizing structure that would constitute an advantage even from the beginning of planning the guidelines to be followed for the functioning of rural development process and comply with the European regulations. The conditions for implementation of such a development programme had the quality of an experiment due to the fact that Romania didn't benefit of financial assistance before, which would be coordinated by monitoring the temporal financial absorption and assessing the projects implemented in the territory.

The National Plan for Agriculture and Rural Development represented one of the first attempts to prioritize the development axes of the rural space after the diagnostic analysis of the rural space in conformity with the requirements of the European Union in the context of the integration of Romania in the European common space. The stipulation of such a plan, which describes the development axes and their priorities and objectives, also including the modernization of infrastructure, seen as a national interest objective for the economic development of the rural communities, despite the fact that it does not represent an income bringer sector but still, it can undoubtedly be considered the support for the development for all other productive activities, and it has become a necessity for the correct implementation of the agriculture and rural development policy.

At the same time, it has become a crucial instrument allowing the European community to decide the amount of non-refundable financial help given in the pre-accession period, which justifies the way it was used in the above mentioned period.

The total budget allocated for the entire period of financial assistance, summed up to a total amount of 919.257.836 Euro; we notice the priority in distributing financial facilities given to 3 of the 9 measures that became functional during the Programme. Thus, the highest quantum, of 36%, was appointed to Measure 1.1 "Improving the marketing and processing of agricultural and fisheries products", followed closely by Measure 3.1 "Investments in agricultural holdings", under a ratio of 28%, while Measure 2.1 „ Development and improvement of rural infrastructure” was considered the third priority, with a value of 16% out of the total.

Therefore, these three measures cumulate 80% out of the total public budget allocated to Romania, sum offered in direct correlation with the necessities formulated in basis of the major deficiencies depicted in the detailed analysis of the rural Romanian space. The remaining 20% were distributed unequally to the remaining 5 measures, out of which, Measure 3.4 "Development and diversity of economic activities generating multiple activities and alternative incomes" was prioritized, being allocated 9% of the budget; 4% of the budget

was given to Measure 1.2 „Improving the structures for quality sanitary, veterinary and plant-health controls, foodstuffs and consumer protection”, 2% to Measure 3.3 “Agriculture methods of production designed in order to protect the environment and to maintain the rural environment” and only 1% to Measure 3.2 “Setting-up producer groups”.

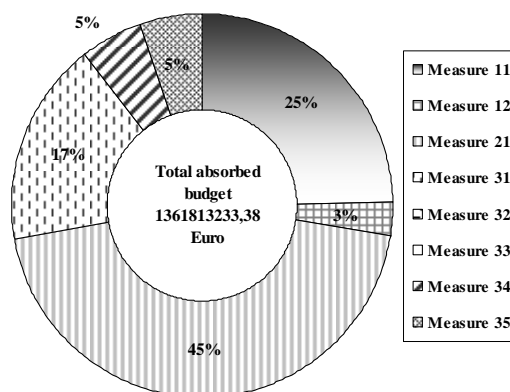


Fig. 1. Financial allocations for the SAPARD Programme

The financial allocations coming from the European budget and from the national public budget constitute the premises of the financial quantum contracted within the projects that the beneficiaries engage within the measures and submeasures, through which investments in conformity to the pre-established priority axes have been financed. At the same time, they are data (figures), independent from the evolution of the financial absorption during the pre-accession period Romania. The financial absorption will be concomitantly interpreted in basis of two niches of analysis, that of the financial absorption in time and that of the financial absorption in the territory (regional financial absorption).

The qualitative interpretation is offered by the perspective of the measures gradually accredited during the period 2000-2006. Thus, measures 1.1 and 2.2 were the first declared eligible, and only subsequently measures 3.1 and 3.4. This way the differentiation in time and budget was initially brought up by the priorities established by the national authorities, and only afterwards by the preference expressed by beneficiaries in accordance with their financial availability. Hence, the decision for formulating the two dimensions of analysis targeted the illustration of the quantitative differences of absorption at the level of the entire national space. The time coordinate holds the same importance as the territorial one, given the role of reference points for measuring the degree of initiative of the local communities for projects that could have been initiated by the local administrations, respectively by the small stakeholders in the food industry, as well as by the young farmers, for the development and the modernization of agricultural and non-agricultural activities in the rural space.

The territorial coordinate comes to the completion of the temporal one, by locating both the most active and more likely to be subsequently developed rural areas, judging by the level of activity and the celerity of absorption of non-refundable funds, and the areas in which the severe deficiencies registered at a national level are much more reduced at a regional and/or county/local level. The territorial illustration of some financial funds offered for a limited period of time, expresses, in its turn, the characteristic traits of the population inhabiting that particular space. In this case, the beneficiary population in all its forms, from the physical body to the local administration institutions, becomes itself the factor of present rural economic development, only by what can be defined as sense of property, innovation and of entrepreneurship.

Tab. 1

## Quantitative and chronological absorption of SAPARD funds, at regional level (Euro)

Year	2002		2003		2004		2005		2006	
Region of development	Measure 1.1									
	value	(%)	value	(%)	value	(%)	value	(%)	value	(%)
North-East	5293864	31.2	3929691	13.0	537850	1.7	21256754	17.9	15724919	11.0
South-East	803859	4.7	6900745	22.9	5937871	19.2	19571282	16.5	21016880	14.7
South Muntenia	1968618	11.6	7325069	24.3	5033029	16.3	17496885	14.7	26583761	18.6
South-West Oltenia	424492	2.5	4899084	16.2	2528918	82	8096156	6.8	9751520	6.8
West	0	0.0	897454	3.0	4248673	13.7	10619072	9.0	25717375	18.0
North-West	3409085	20.1	736391	2.4	1722916	5.6	7703537	6.5	12893463	9.0
Centre	5094444	30.0	4115298	13.6	7032409	22.7	23194452	19.6	24700845	17.3
București-Ilfov	0	0.0	1359952	4.5	3901380	12.6	10698299	9.0	6443234	4.5
ROMANIA	16994362	100.0	30163684	100.0	30943046	100.0	118636437	100.0	142831997	100.0
Region of development	Measure 2.1									
	value	(%)	value	(%)	value	(%)	value	(%)	value	(%)
North-East	145919943	31.84	0	0	0	0	0	0	19283344	12.70
South-East	76562298	16.71	0	0	0	0	0	0	17217658	11.34
South Muntenia	80646058	17.60	0	0	0	0	0	0	43902514	28.90
South-West Oltenia	56307602	12.29	0	0	0	0	0	0	19989849	13.16
West	34435135	7.51	0	0	0	0	0	0	9711196	6.39
North-West	30833680	6.73	0	0	0	0	0	0	18462683	12.15
Centre	29373950	6.41	0	0	0	0	0	0	21342269	14.05
București-Ilfov	4154744	0.91	0	0	0	0	0	0	1985879	1.31
ROMANIA	458233410	100.0	0	100.0	0	100.0	0	100.0	151895392	100.0
Region of development	Measure 3.1									
	value	(%)	value	(%)	value	(%)	value	(%)	value	(%)
North-East	0	0	0	0	4597532	19.73	6228750	10.19	25931016	17.70
South-East	0	0	0	0	4557182	19.56	11743446	19.21	31059916	21.20
South Muntenia	0	0	247973	19.6	3182908	13.66	16275049	26.62	33202884	22.67
South-West Oltenia	0	0	0	0	1270043	5.45	3979984	6.51	11986804	8.18
West	0	0	1017735	80.4	3659353	15.70	8065425	13.19	14129871	9.65
North-West	0	0	0	0	4446412	19.08	7882369	12.89	14790199	10.10
Centre	0	0	0	0	1181058	5.07	5809789	9.50	14044340	9.59
București-Ilfov	0	0	0	0	409514	1.76	1161240	1.90	1347198	0.92
ROMANIA	0	100.0	1265708	100.0	23304002	100.0	61146052	100.0	146492228	100.0
Region of development	Measure 3.4									
	value	(%)	value	(%)	value	(%)	value	(%)	value	(%)
North-East	0	0	0	0	1825453	24.25	4852713	16.73	6759859	19.29
South-East	0	0	0	0	836228	11.11	1444288	4.98	2137460	6.10
South Muntenia	0	0	0	0	784115	10.41	1893041	6.53	2279012	6.50
South-West Oltenia	0	0	0	0	508588	6.76	3993647	13.77	3194238	9.12
West	0	0	342141	100	733507	9.74	2187692	7.54	2929199	8.36
North-West	0	0	0	0	879921	11.69	4234009	14.60	4278581	12.21
Centre	0	0	0	0	1952832.9	25.94	10058633	34.67	13359494	38.12
București-Ilfov	0	0	0	0	8260	0.11	345655	1.19	104807	0.30
ROMANIA	0	100.00	342141	100.00	7528904	100.00	29009678	100.00	35042650	100.0

Source: Ministry of Agriculture and Rural Development

The level of education of the beneficiaries is also of great importance in view of progress. In order that the rural space to become functional and competitive economically speaking, certain structural modifications are imperative and inevitable. All along this time Romania benefited of non-refundable for strengthening agriculture as a dominant activity of the rural space, within which a great part of the active population is engaged. The objectives of this research concentrate upon illustrating the rural development in an idealistic manner by relating it directly to the non refundable financial allocations Romania benefited from.

The results reflect balanced values between the manifest interest for the development and strengthening of certain agriculture activities and the absorption of the allocated funds.

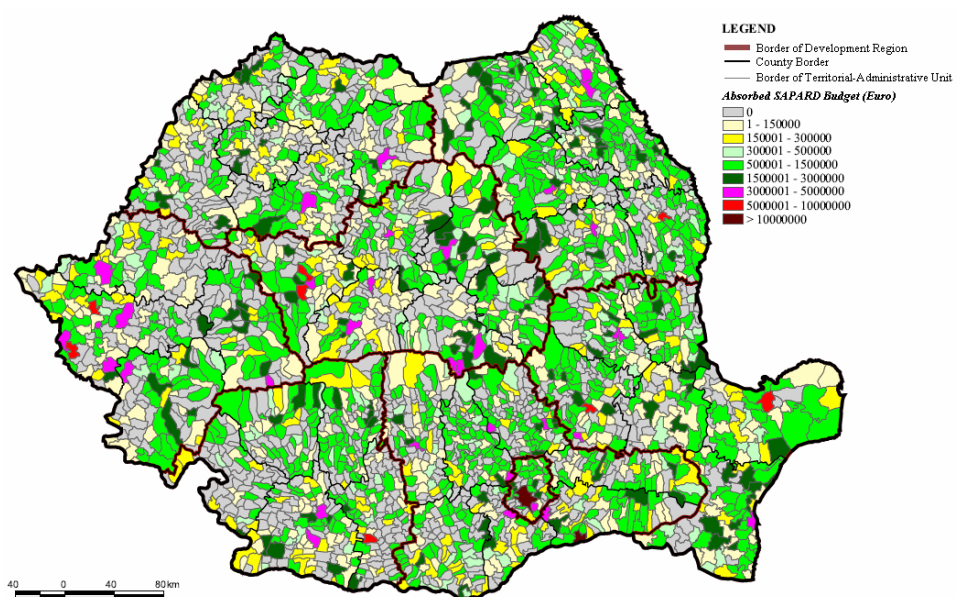


Fig. 2. Territorial distribution of SAPARD Funds, at the level of local administrative units

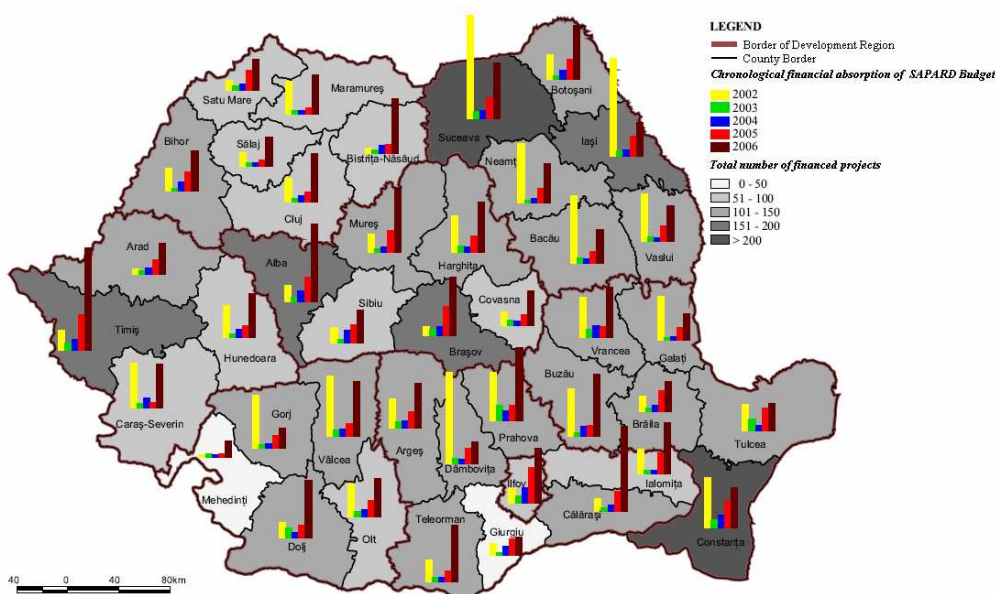


Fig. 3. Chronological distribution of SAPARD budget (2000-2006)

All in all, at the national level there were registered 4588 projects of development, co-financed by the constructive initiative and financial power of inhabitants, be it individually or as a group. The generalization of a financial programme as a support for the population with a view to begin economic activities within the rural space has overall effects and particular effects, both quantitatively and qualitatively speaking.

The results of a primary estimative evaluation represent the corroborate effect of the activities of all inhabitants of all the counties components of regions. These do not include the particular progressive or stagnant behaviour predominant in each of the administrative units. The degree of understanding of the advantages brought by personal investments in a system of family-type economic activities, holding real advantages of involving the entire family although the number of hired/the engaged personnel is 1:1, can be proven by the engaging activities from measure 3.1., mainly, but also by those specified under measure 3.4.

The potential factors influencing the decision-making process of the beneficiaries in time are multiple. We can mention here: the local degree of information the rural population benefited of; the level of education, decisive for the access to practicing agriculture or non agriculture activities; the financial power the beneficiary holds, essential condition for accessing investment projects, in most cases the financial requirement being of at least 50% of the investment; the degree of traditionalism and constancy that still canonises the rural spaces into practicing low productive agriculture activities from the perspective of quantity and quality of products; the modernization and openness to innovation, factor that results from promotion and information through the regional information bureaus, county authorized organisms, and local administrations.

The informative research succeeds in illustrating the perception of the inhabitants upon the alternative productive rural space, fact that indirectly proves the slow or rapid adaptation of the human component to the new local, regional and national policies, strategies and development programs. If we were permitted to establish a hierarchy by considering only the quantitative aspect, the result would be that the position of the counties holds a fluctuant character, depending on each measure taken into consideration. Yet, if such were permitted, one could notice that the counties hold different places within the national hierarchy, sometimes the records registering certain shifts among the hierarchy positions.

## CONCLUSIONS

The present study offers a new perspective upon the detailed evaluation of the positive overall effects of the SAPARD Programme implementation in the territory, in accordance with the manifested behaviour of the inhabiting population. It is hereby evident the identification of the county component as the “engine” of the region.

The procedure of detailed analysis applied to such a process of development through investment projects with European financing, is the result of a statistical method of calculus and classification, difficultly to be observed from the communal (local) administrative level up to the national level. The minuteness with which each of the local initiatives in the territory have been identified, expresses the importance that this national development process holds for the local stakeholders, living and practicing activities at a local level. The concentrations of investment projects in certain rural areas depict the degree of dissemination of information at a local level, the zones with tradition in practicing different types of agriculture practices, the degree of initiative manifested towards development, but also the financial power of the population. All these aspects target a detachment from the individual type qualitative and quantitative analysis, trying to blend all characteristics that would depict a sufficiently

detailed development frame, which would constitute the basis and the legislative frame of application of new programs and policies of rural development after the pre-accession period.

When we analyse rural development, and, by this, agriculture development, one cannot only limit the research to aspects related to the consistent financial input distributed to the beneficiary population having expressed its necessity by filing in a financing project, but it is compulsory that the analysis comprise the agro-potential of the varied geographical areas from which an administrative unit at a county or regional level may benefit. Another important aspect of rural development is represented by the present tendencies of development of priority activities, and so the potentials resulted from the qualitative analysis of the sectors of predominant activities, in local development models, defined by the beneficiaries of the SAPARD Programme. Any financing project can constitute a local model, in a successful or less successful way. The models of positive implementation of a financing project, with positive finality for the beneficiary (i.e. the household association or physical body), succeeds, in most of the cases, to trigger in its individual course to involve other local actors, who may contribute to the increase in the quality standard of the agriculture production, and of their own life within the rural space.

If the proposal and implementation of a financial programme for rural development aimed to start an integrate process of economic development for rural areas in Romania, in this case the level of entrepreneurial initiative is clearly illustrated through the ratio of investments at a county and regional level, but differentiated only in accordance with the data registered at a local level. Far from being over, this development process has to continue, currently entering a new stage, coordinated through the national plan for development 2007-2013, to which end we tend to suppose at least an equivalent financial absorption, yet with a more regular and uniform territorial distribution.

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