



At a glance:

ROMANIA'S CAP STRATEGIC PLAN

Agriculture
and Rural
Development

CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, while ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

CAP Plans support a wide range of interventions addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The Russian aggression against Ukraine and the ongoing commodity price surge highlight the integral link between climate action and food security. In this context, the Commission invited Member States to review their CAP Strategic Plans to exploit all opportunities: to strengthen the resilience of the EU's agricultural sector; to reduce their dependence on synthetic fertilisers and scale up the production of renewable energy without undermining food production; and to transform their production capacity in line with more sustainable production methods.

Romania submitted its first proposal for a CAP Strategic Plan on 28 February 2022, after consultation of stakeholders. On 21 November 2022, Romania submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 7 December 2022. This document presents some of the main features of the CAP Strategic Plan of Romania.

1. DID YOU KNOW?



Romania's agriculture is characterised by a polarised structure with a very large number of small individual holdings, many of which are practicing agriculture on small plots of land for their own consumption and several thousands of large companies. Romania is the country with the highest number of farmers in the EU, amounting to almost 3.5 million. However, 90% of these are small farms of less than 5 hectares. Romania is one of **the biggest producers of cereals in the EU and the largest producer of sun-flower seeds, honey and plums.**

- ➔ The area in Romania used for **agriculture** constitutes almost 13.5 million hectares (57% of the total area of the country).
- ➔ **23% of the Romanian labour force are employed in agriculture**, which is the highest percentage of people employed in agriculture in the EU.
- ➔ Romania is also one of the countries with the **highest share of farmers over 65 years** (44.3%).



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF ROMANIA

The strategic objectives of Romania's Plan are to develop a resilient and sustainable agricultural sector by increasing the economic viability of farms, reducing income disparities between farms and increasing the market orientation and competitiveness of the agricultural sector as a whole. The plan will also support farmers who contribute to protecting the environment, increasing the welfare of farm animals and ensuring a coherent socio-economic development of rural areas.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

The overall profitability of the agricultural sector in Romania is low, reflected in the low income of farmers compared to other economic sectors. Increasing farms' profitability, productivity, market orientation and encouraging younger generations to take up agricultural activities are, thus, key challenges to address in order to **ensure food security and improve farmers' livelihoods** in Romania.

To safeguard agricultural income and production levels, almost EUR 1.5 billion will be used for support that is linked to production of specific products paid per hectare or per animal (coupled income support). For a **fairer redistribution of financial support**, almost EUR 1 billion from the direct payments envelope will be allocated to small and medium-sized farms of less than 50 hectares.

In order to increase the competitiveness of the agricultural sector, the Plan will allocate EUR 1.1 billion for **investments in farms and processing units**. These investments will be primarily aimed at strengthening the market orientation of farmers and increasing the value added of the agricultural products by investing in new and innovative technologies and in renewable energy sources.

EUR 663 million will benefit **areas affected by natural constraints**, such as mountainous areas or regions affected by drought or erosion, in particular in the South and East of Romania.

- ➔ *Further to the area-based support received through the Plan, an additional EUR 67 million will be redistributed to young farmers. This will contribute to the promotion of generational renewal and safeguarding the future of agricultural production. The aid is complementary to other support paid to young farmers.*
- ➔ *The Plan offers different solutions to farmers whose income is affected by adverse climatic events. EUR 82 million will be allocated to risk management tools, such as support for insurance premia or compensation for the loss of agricultural production. 3% of the direct payments envelope will also complement this amount.*

2.2 A GREENER CAP

Romania's Plan is aligned with the EU's environmental and climate ambitions and aims at mitigating and adapting to climate change, sustainable development, efficient management of natural resources (water, soil, air) and conservation of biodiversity and landscapes.

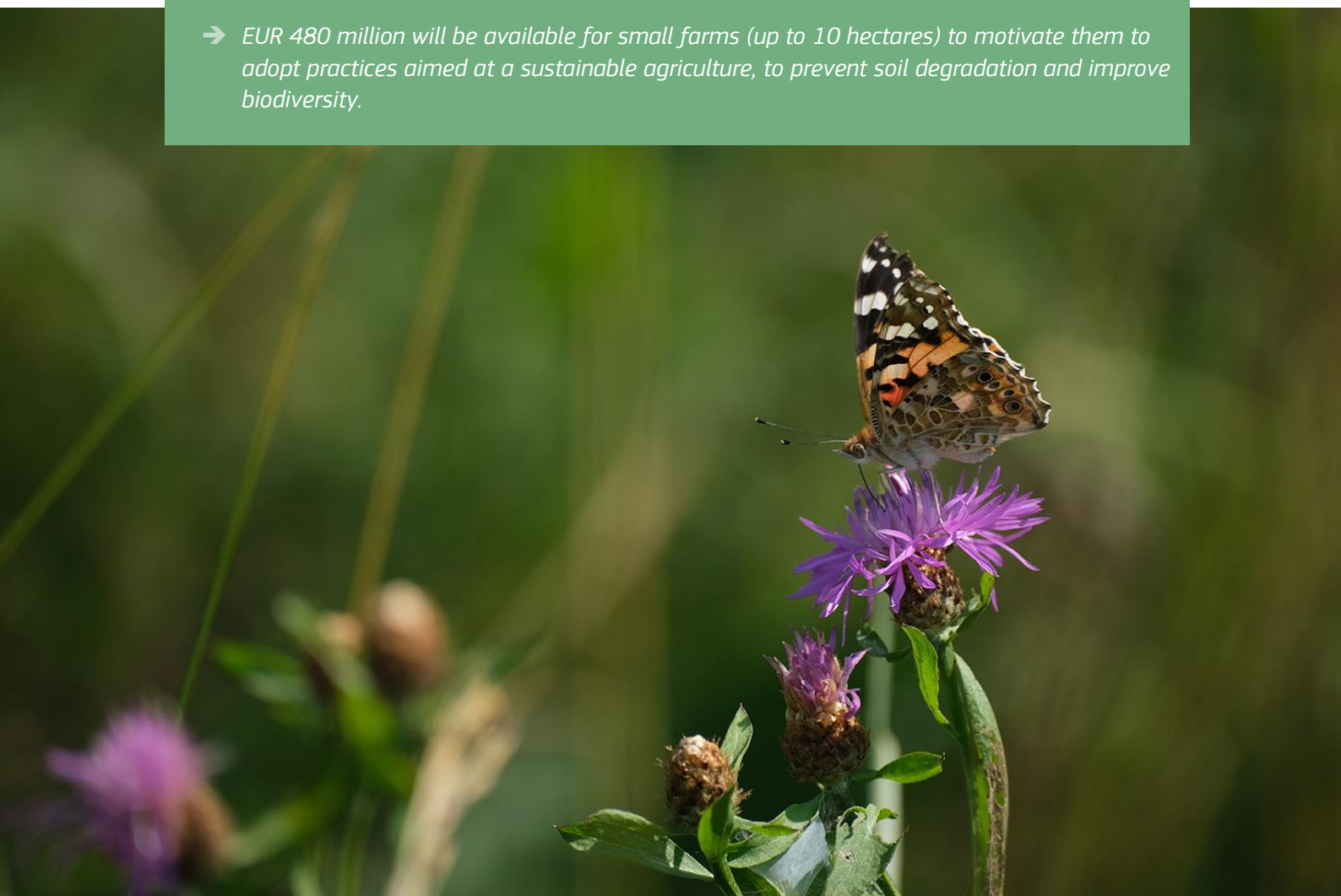


The enhanced standards for good agricultural and environmental conditions (GAECs) **further increase the environmental and climate ambitions** and represent minimal requirements for farmers. For example, on the same plot, farmers will have to implement sustainable crop rotations. In addition, farmers will need to ensure a minimum cover for the soil during the most sensitive climatic period to avoid soil erosion. In order to protect biodiversity, farmers will also need to leave a certain proportion of their land unfarmed.



Romania allocates around 29% of the direct payments envelope to eco-schemes (see examples in the box below), which represent **incentives to farmers that go beyond the legal requirements or usual practice in terms of climate and environment**. Significant support (41% of the rural development budget) will also be used to encourage environmentally friendly practices for areas with high natural value, for example areas that are important for the life of birds and butterflies. Annually, farmers are expected to apply these practices on 611 000 hectares of land.

- ➔ *Around EUR 1.64 billion of support will go to farmers who are willing to implement environmentally friendly agronomic practices. These include ensuring that at least 5% of the area contains non-productive landscape features (fallow land, groups of trees, cairns), diversifying crops or protecting soil through minimum tillage.*
- ➔ *EUR 480 million will be available for small farms (up to 10 hectares) to motivate them to adopt practices aimed at a sustainable agriculture, to prevent soil degradation and improve biodiversity.*



2.3 SOCIALLY SUSTAINABLE CAP

A significant number of Romanians still live in rural areas and work in agriculture. In order to maintain and further increase the attractiveness of rural areas, Romania's Plan will support the creation of **more than 12 000 jobs in rural areas**. Entrepreneurship in rural areas will be promoted through support for farmers that want to diversify their activities (also through non-agricultural activities).

LEADER, which is a community-led local development approach bringing together public, private and civil-society stakeholders to find shared solutions for rural areas, is one of the key interventions of the Plan. In this framework, **206 local development strategies** will be put in place (with a support of EUR 500 million), reaching 86% of the rural population.

Considering the size of the livestock sector in Romania, the Plan sets very ambitious targets for the **improvement of animal welfare**. The support will concern the rearing of pigs, poultry, laying hens and reproductive hens, milking cows and calves with funding up to EUR 884 million for all the dedicated interventions under eco-schemes and rural development measures. Almost 5 million livestock units will benefit from enhanced animal welfare standards, such as increasing the space of animals in stables, providing better bedding materials and increasing the quality of air.

- ➔ *Romania expects to support more than 36 000 young farmers with a mix of installation supporting rural areas (EUR 250 million) and complementary income support (EUR 67 million). Moreover, almost EUR 170 million is reserved for investments supporting the development of the businesses of young farmers.*
- ➔ *Around EUR 170 million will be invested in modernising communal roads in rural areas. This will help modernise transport infrastructure in rural areas and make them more attractive.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Romanian Plan includes **measures to promote knowledge sharing, through advisory services or training.**

The application of the Agricultural Knowledge and Innovation System (AKIS) through the Plan, which combines organisations, people and institutions to use, produce and share knowledge about agriculture, will contribute to the development of farmers' know-how and will enhance their responses to current and future challenges (climate change, digitalisation, precision agriculture). Furthermore, the Romanian Plan supports and promotes innovative solutions (such as partnerships between farmers and researchers), stimulating added value in agricultural products.

Romania aims to **strengthen coordination between actors** at regional, national and European level to focus on the specific objectives of the CAP. Supported by the Plan, the European Innovation Partnership (EIP) will also contribute to better knowledge diffusion by reinforcing the cooperation of actors from the agricultural, forestry and rural sectors.

- ➔ *Almost 66 000 persons will benefit from advice, training or knowledge exchange, or from participating in EIP operational groups supported by the CAP.*
- ➔ *Almost EUR 39 million is allocated to interventions related to training, advisory services, and cooperation and innovation through the EIP operational groups.*





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	9 783 148 797	n/a	9 783 148 797
Sectoral support	143 083 900	30 408 150	173 492 050
Rural development	5 034 728 288	834 439 248	5 869 167 536
Total	14 960 960 985	864 847 398	15 825 808 383

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflect possible transfers between pillars and include technical assistance.

EU FUNDING RESERVED FOR	In EUR
Young farmers (generational renewal)	309 621 824
Environmental and climate objectives under rural development	2 080 266 316
Eco-schemes under direct payments	2 447 372 825
LEADER	424 750 000
Complementary redistributive income support	978 688 816

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115.

More financial information can be found in section 6 and in Annex V of Romania's CAP Strategic Plan.

