

*Full Length Research Paper*

# **Empirical research regarding European funds accessing process by the Romanian entities in the agricultural sector**

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**European funds are instrumental for implementing EU policies and funding a wide range of activities in various fields, one of them being agriculture. By aligning the Romanian agriculture to European standards, Romania benefited from European funds in pre-accession period (SAPARD program) and will benefit further as a full rights member of the European Union from non-reimbursable amounts allocated from the Agriculture and Rural Development European Fund. The research question is: in what extent Romanian companies are interested to access European funds for agriculture in the next years? The objective of this paper is to analyze through empirical research the views of those directly interested in accessing funds (final beneficiaries), on the conduct of EU funded projects post - accession. The results revealed that companies in Romania do not want to access EU funds for agriculture.**

**Key words:** European funds, agriculture, sustainable development, financing projects, empirical research.

## **INTRODUCTION**

In 2007 to 2013, as a member of the European Union (EU), Romania can benefit from structural and cohesion funds from the European Commission to promote its regional policy. Structural and cohesion funds are financial instruments that operate based on principles established to achieve regional development objectives, as they are formulated in general by the European Union, and specifically in each Member State. Thus, in the context of promoting the Common Agricultural Policy (CAP)<sup>1</sup> in the next few years, Romania will receive grants totalling approximately 7.5 billion allocated from the European Fund for Agriculture and Rural Development (EFARD) from 2007 to 2013. The main directions of investments financed by the EFARD will be largely a continuation of pre-accession program SAPARD, namely: improving the agro-processing, supporting the development of subsistence farming, forest management and forest products. However, an important component

will be the conservation of biodiversity through forestation of agricultural land, encouraging agricultural production methods compatible with sustainable development, and maintenance of farms in mountain areas. Also, similar to SAPARD program, EFARD will be based on the co-financing of private investment projects principle.

Through the National Strategic Plan (NSP) 2007 to 2013, four priority directions (axes) were outlined for funding under the EFARD. In these axes, the strategic objectives of the NSP are based on measures financed by private investors, as defined in the National Rural Development Plan (RDP) – Annex 1.

## **LITERATURE REVIEW**

In literature studies regarding the European funds allocated by the EU to the member states were published, some of them having interesting conclusions. However, our research question was never tested before in the European countries. Erjavec et al. (1998) raised the issue of costs and benefits of Slovenian agriculture in

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<sup>1</sup> The common agricultural policy is a set of rules and mechanisms that rules the production, processing and selling of the agricultural products in the European Union and that grants a special attention to the rural development. It is based on common prices and common market organisations (MADR, 2007).

the context of EU integration. The particularity of agriculture was given by the fact that production was small in quantitative terms and based on subsidies. Producer prices are closer to European prices, and therefore they are significantly higher than the world market. At the time of the study, EU membership was seen as potentially generating benefits, and raised the question of a national agricultural policy reform.

Štřeleček et al. (2009) conducted a study aimed to assessing the influence of agricultural subsidies and production structure on the revenue of the farms in the Czech Republic and compare them with the biggest producers in Europe with similar production structures. The findings held based on the “shift-share” analysis are those that the Czech agriculture is competitive compared to selected European countries, it has a lower rate of subsidies and also lower costs. On the other hand, the relatively low rate of accessing the subsidies lead in time to reduced competitiveness as the renewal and modernization of agricultural assets is quite slow. Also, different levels of subsidies depending on the type of agriculture practiced along with increasing rate of granting them can influence agricultural sectors, creating thus a paradox as relatively few products that are currently funded will be stimulated by funding the type of agriculture practiced. Operational risk management in agricultural enterprises in the Czech Republic and the role of subsidies in this process was discussed by Špička et al. (2009). Study’s results indicate that current subsidies have an impact on the stability of the farmers’ income.

In the context of agricultural policy measures, they can be considered as a complement to conventional risk management instruments, whose main purpose is to reduce the volatility of farm income and farmers. The study identified a number of effects of granting subsidies that are linked to the risk related to agribusiness. Thus, the fixed rate payments play an important role in increasing farmers’ income and opportunities to broaden the areas of decision making. Also, these subsidies help farmers to reduce income variability and improve the technology used, which is one of the indirect effects of subsidies on the risk. The impact of current subsidies on farmers’ risk exposure depends on the particular price movement of goods, as the producer price was identified as the most important factor affecting the rate of safety.

Current subsidies have a greater effect on income variability for field crops than livestock. The study productivity of crops/animals affect the risk rate of agricultural goods. Generally speaking, the higher the productivity of crops or animals is, the less risky business is. Rate risk under less favourable conditions varied depending on the needs of each specific type of crop growth.

National Rural Development Strategy will be implemented through the RDP, supported by EFARD and a complementary series of national programs, aiming the demonstrated how less favourable conditions and rural development. In October 2009, the Romanian Centre for European Policies (RCEP, 2009) filed a report “A country and two agricultures – Romania and the reform of EU’s Common Agricultural Policy” and it drew up the following conclusions: if for the countries that adhered to EU in 2004, the first five years of CAP were generally considered as a major success, for Romania, this is not obvious at all. After almost three years from the date of effective membership, the situation of agro food sector did not improve from any point of view, although several weak signs of certain closeness to the European model of agriculture are visible. However, the main characteristics of Romanian agriculture remained the same as in the pre-accession period: the high percentage of population employed in agriculture, due to the subsistence character of the activity in most of the individual households; weak representation of commercial family farms, the agricultural field being used mostly by a large number of small individual exploitations and a small number of very large exploitations; the large amounts received by agriculture from the EU budget and the national budget had an insignificant impact on the technical and economic performances of the farms. Considering this degree of sub-development in the Romanian agriculture, the CAP and the instruments that finance it (EU funds) cannot fill in the gaps provided by the lack of a national target view concerning the role of agriculture in the Romania’s economic modernization.

The main focus areas of Romanian authorities in the last three years were to implement the European regulations (which are quite sophisticated) for an efficient absorption of EU funds for agriculture and they were less preoccupied to prepare programs aimed to transform the agro food sector and rural areas. The absorption of EU funds must be doubled by a native vision on agriculture based on the two sectors (subsistence and agro-industry) integrated in CAP. The research question is: in what extent Romanian companies are interested to access European funds for agriculture in the next years? This study aims to analyze the views of those directly interested in accessing funds (final beneficiaries), on the conduct of EU funded post-accession projects. In order to do this, we organize the rest of this paper as it follows: we present the research methodology, the results of our empirical research and discussions and conclusions

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**Abbreviations:** CAP, Common agricultural policy; EFARD, European fund for agriculture and rural development; NSP, national strategic plan; RDP, national rural development plan; RCEP, Romanian centre for European policies; SAPARD, special accession programme for agriculture and rural development; MADR, ministry of agriculture and rural development.

**Annex 1.** Measures defined in the rural development national plan regarding the private investors financing.

Measure 112	Installing young farmers.
Measure 121	Modernization of the agricultural lands.
Measure 123	Increase in the added value of the agricultural and forest products.
Measure 141	Support of the agricultural semi-subsistence farms.
Measure 142	Support for forming groups of producers.
Measure 312	Support for micro-companies.
Measure 313	Encouraging touristic activities.
Measure 322	Villages renovation and development.

**Table 1.** Link between hypothesis number and question number.

Hypothesis number	Question number
H <sub>1</sub>	1, 5, 6, 7, 8, 9, 10.
H <sub>2</sub>	2, 3.
H <sub>3</sub>	4, 24.
H <sub>4</sub>	11, 12, 18, 19.
H <sub>5</sub>	13, 14.
H <sub>6</sub>	16, 20, 21, 22, 23.

sections.

**RESEARCH METHODOLOGY**

Our research aimed to investigate the opinion of managers of companies in the agriculture in Romania who turned or will turn to EU funds for agriculture. In this sense, for the empirical research we used a quantitative research based on questionnaires<sup>2</sup> sent. The steps were:

- 1) Formulation of research hypotheses;
- 2) Conducting empirical observation process:
  - a) Preparation of a questionnaire that included dependent and independent variables;
  - b) The choice of the investigated population;
  - c) The choice of a representative sample;
  - d) Information processing.
- 3) Confirm or reject the hypothesis.

**Formulation of research hypotheses**

Our research hypotheses were as follows:

- H<sub>1</sub>: After Romania became a member of the European Union, companies wish to use European funding;  
 H<sub>2</sub>: Potential contractors are informed regarding the post-accession funds available to companies in agriculture;  
 H<sub>3</sub>: Support from the state authorities in the process of accessing post-accession European funds is satisfactory;  
 H<sub>4</sub>: Obtaining financing involves various costs;  
 H<sub>5</sub>: The relationship between the beneficiaries of post-accession EU funds and contracting authority is satisfactory;  
 H<sub>6</sub>: Carrying out projects does not encounter difficulties.

<sup>2</sup> For the questionnaire, please e-mail the corresponding author

**Conducting empirical observation process*****Preparation of a questionnaire that included dependent and independent variables***

To test the hypothesis formulated, a questionnaire was developed (Annex 1) comprising a total of twenty-three questions, representing the dependent variables and a separate section for independent variables. Each of the hypotheses set out aforementioned corresponded to one or more questions (Table 1). As for the independent variables, they targeted three dimensions (Table 2).

***The choice of the investigated population***

The population subject to investigation was represented by managers of Romanian agricultural companies.

***The choice of a representative sample***

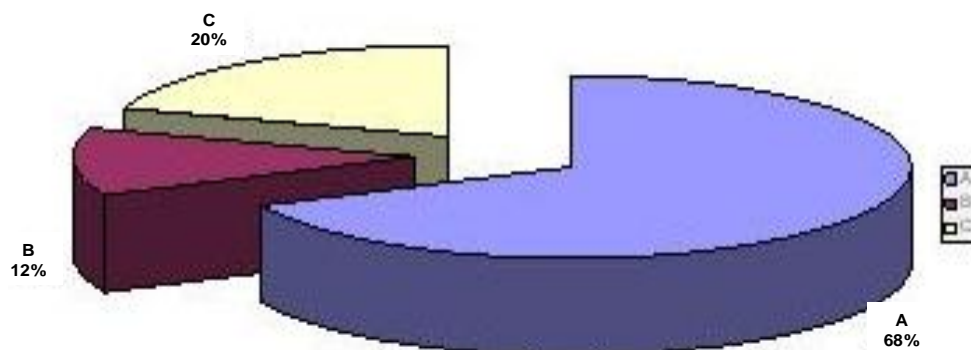
In the representative sample, the clients of consulting firms in the domain of accessing funds were selected. Of these, we chose a sample of 202 respondents. We received answers from 26 persons.

***Information processing***

After collecting the questionnaires, responses were processed using statistics software. In order to verify possible correlations we used the chi test called Hi-square ( $\chi^2$ ). To see if there is a correlation between independent and dependent variables we chose Hi-square test ( $\chi^2$ ). If two classification criteria are not independent, there is an association between them. Probability level  $p = 0.05$  is considered significant, but slightly higher values may be accepted.  $P$  is a decreasing value index of safety results. The  $p$  level is higher, the more unlikely it is for the observed relationship between variables in the sample to be a reliable indicator of the relationship between these variables in the population studied.

**Table 2.** Independent variables description.

Independent variables connected to the type of company	The number of employees	A	1-25
		B	26-100
		C	> 100
Independent variables connected to the type of company	Turnover	A	0 - 500.000
		B	500.001 –1.000.000
		C	> 1.000.000
Independent variables connected to the type of company	Total assets	A	0 - 500.000
		B	500.001 –1.000.000
		C	> 1.000.000
Independent variables connected to the respondent	Agricultural domain	A	Crops
		B	Livestock
		C	Mixt
		D	Others
Independent variables connected to the respondent	Respondent's sex	A	Male
		B	Female
Independent variables connected to the type of the existing project	The axes where the financed project is included	A	121
		B	123
		C	312
	The value of the financed project	A	< financing average (1,154,000 euro)
		B	> financing average (1,154,000 euro)

**Graph 1.** Respondents' opinion regarding the advantages of Romania becoming a member state from the perspective of investments financing.

## RESULTS

Applying the aforementioned methodology led to the following findings:

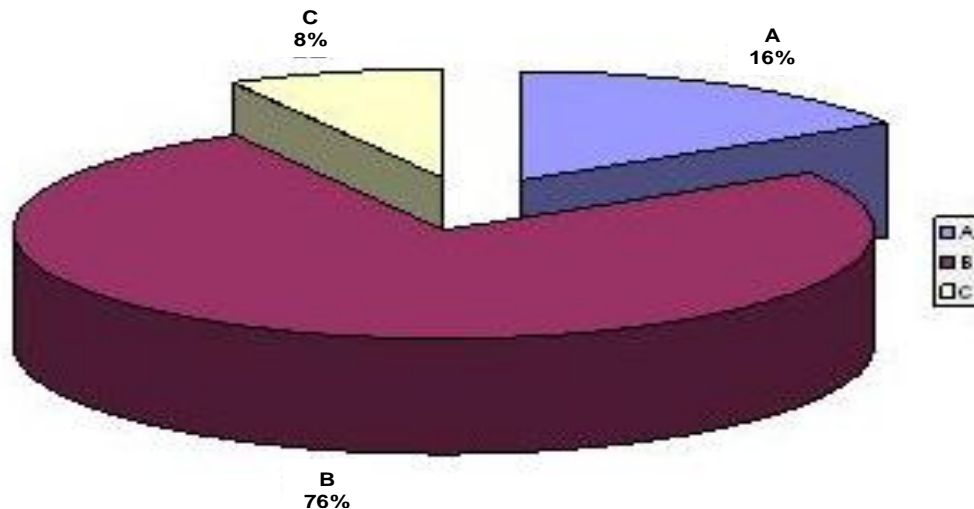
$H_1$ : After Romania became a member of the European Union, companies want to use European funding.

Following the responses received, the situation is as

follows:

### Analysis of the answers on the respondents' opinion on the benefits involved by the appeal to European funding (question 1)

Considering the responses received, the views of respondents are distributed as it follows (Graph 1): Analysing the answers offered by the respondents, we



**Graph 2.** The respondents' intention to access European funds for agriculture.

notice that most of them (68%) consider that the opportunity of obtaining European financing is a beneficial aspect for the company they represent. Only an insignificant part considers that this aspect is not good for the company, while 20% of the respondents do not have a clear opinion. This preference is generally correct, as there are no differences in respondents' perception as a consequence of their exposure to the economic environment they work in, of a previous experience regarding obtaining a project or their sex.

#### **Analysis of the answers regarding the opinion of the respondents concerning their intention to forward a project to access European post-accession funding (question 5)**

The respondents' opinions are distributed as follows (Graph 2). Analyzing the answers given by respondents, we notice that most of them (76%) do not want to access European funds. 19% of them want to submit a project proposal, while 5% do not know. This preference is generally valid, with no differences in the perception of various categories of respondents.

#### **Analysis of the answers on the respondents' preference on the option for a funding measure (question 6)**

Only three respondents answered this question. Of these, one previously received funding on measure 123XS13 and intended to obtain the same type of financing. The other two respondents did not receive such funding earlier, but intended to submit project on measure 121 and on measure 123. Given the limited number of responses to these questions, it was not possible to test any correlation.

#### **Analysis of the answers on the existence of a feasibility study (question 7a)**

Only the respondents expressing their intention to submit a financing project answered this question (5 respondents); the distribution of responses is as follows (Graph 3). Regarding the existence of a feasibility study, most respondents (4 respondents representing 80%) mentioned that they have already prepared the feasibility study in order to submit an application for funding. Only one of the respondents has only the intent, without making any approach in this regard.

#### **Analysis of responses to obtain the necessary approvals (question 7b)**

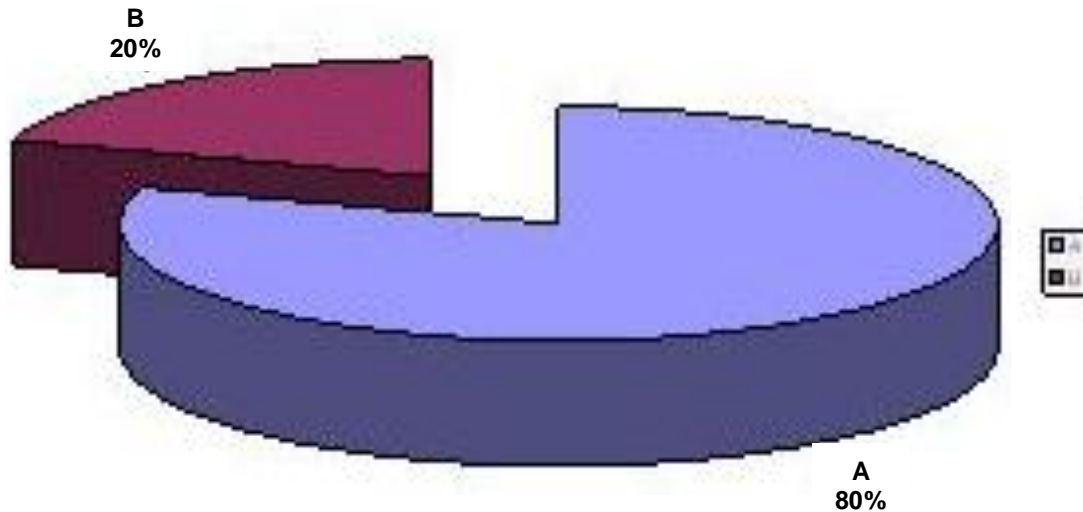
In this case, the situation of the responses regarding obtaining necessary approvals is similar to the one presented at question 7a which concerned the existence of the feasibility study.

#### **Analysis of responses on identifying sources of financing for the project (question 7c)**

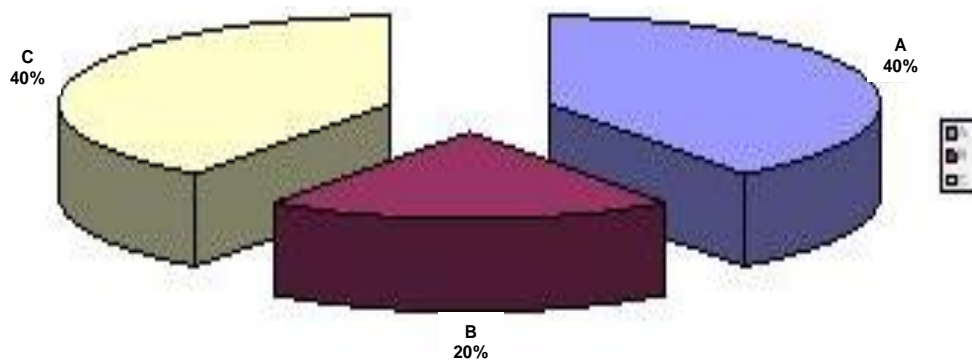
As for identifying co-financing sources, respondents chose answers similar to question 7a regarding the existence of a feasibility study.

#### **Analysis of responses on the value of the project to be implemented (question 8)**

Of the 5 respondents who expressed their intention to access EU funds, we previously found that only 4 have already started this process in the sense that they have



**Graph 3.** The respondents' opinion regarding the existence of a feasibility study.



**Graph 4.** The respondents' opinion regarding the implementation time range.

already addressed some aspects of accessing funds. These four respondents plan to obtain and implement projects with a value between 100,001 and 500,000 Euros. The fifth respondent, who is only on an intent stage, opted for a value of less than 100,000 Euros.

#### **Analysis of responses on the time range the project will be implemented (question 9)**

The respondents' opinion regarding the implementation time range is given in Graph 4.

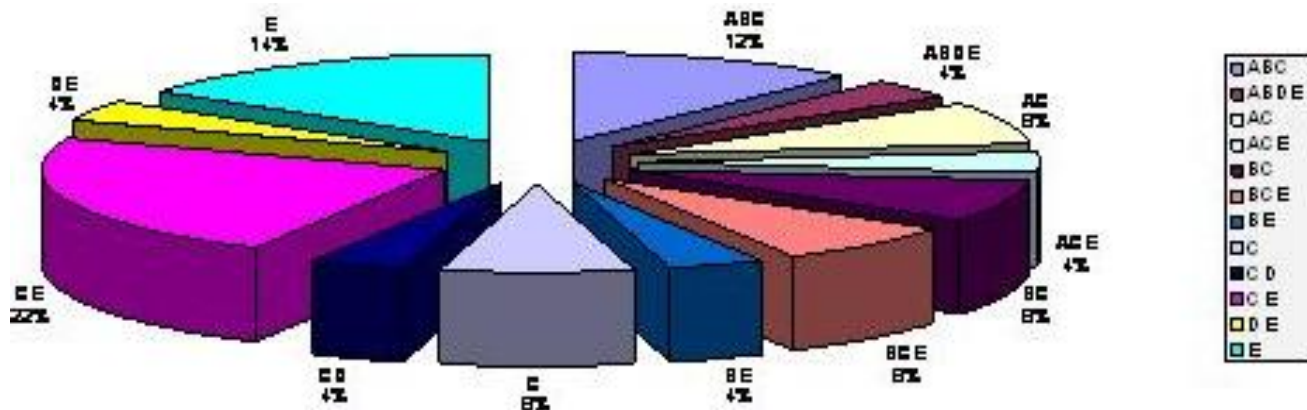
#### **Analysis of the answers regarding the arguments supporting the intention of not submitting a project (question 10)**

This question was with open response. Most respondents motivated their intention not to submit a project as it

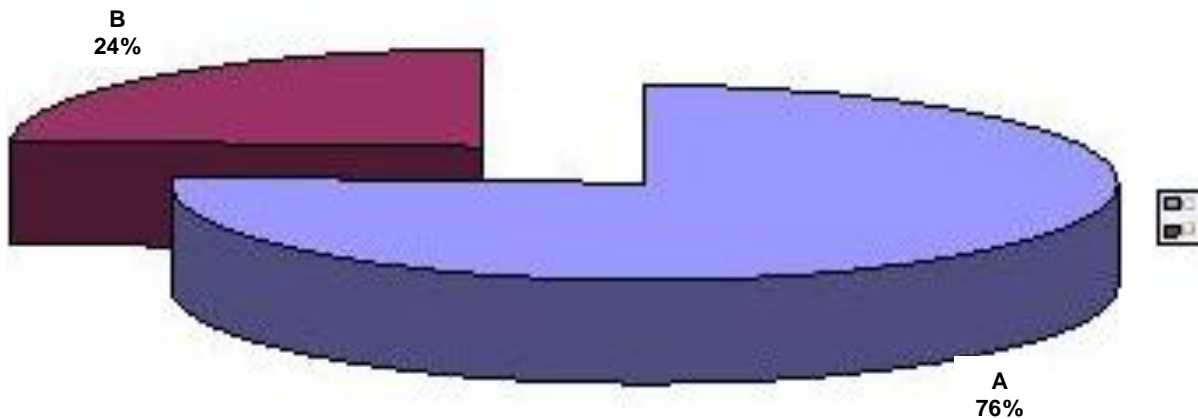
follows: lack of funds, excessive bureaucracy, long time to approval and the existence of an ongoing project EAFRD. The set of questions testing the companies' intent to appeal to European funding included a wider range of issues, from the respondents' opinion about whether a company will appeal to European funding, to their intention to submit a project. It is interesting to note that at the level intent, respondents see the possibility of European funding engagement as a beneficial aspect for the firm (questions 1 and 5). When respondents are asked to answer specifically the intention to apply for EU funding, only 5 of 25 respondents express such an intention, of which four respondents stated that the company started already the steps in this regard. In conclusion, the hypothesis:

$H_1$ : After Romania became a member of the European Union, companies wish to use European funding is rejected.

$H_2$ : Potential contractors are informed regarding the post-accession funds available to companies in agriculture.



Graph 5. The distribution of the information sources.



Graph 6. The respondents' opinion regarding the support of European funds accessing from the state authorities.

**Analysis of responses on the information of the respondents on post-accession EU funds (question 2)**

The respondents unanimously chose the answer 'a' to this question which means that respondents are aware of the opportunity to access EU funds after accession.

**Analysis of responses on sources of information used on post-accession EU funds (question 3)**

The distribution of answers indicates multiple information sources mainly in the respect of options b – media and c – the Internet (Graph 5). The analysis of responses to the two questions shows that all respondents in the sample are well informed, using several ways. In conclusion, hypothesis:

H<sub>2</sub>: That potential contractors are informed regarding the post-accession funds available to companies in agriculture is accepted.

H<sub>3</sub>: Support from the state authorities in the process of accessing post-accession European funds is satisfactory.

**Analysis of respondents' opinion on the perception of the support from state authorities in the process of accessing the post-accession funds (question 4)**

Most of the respondents chose answer C (76%), satisfactory (Graph 6). Only a quarter of respondents were not satisfied with support from state authorities in the process of accessing European funds. Interesting to note is that, statistically, there was an association between the degree of satisfaction of respondents and the company that they work for. We note that if the respondent works in a small company (with less than 25 employees), he believes that the relationship with the state was satisfactory (the ratio is 18 positive responses against four bad). Respondents' opinion is the opposite, if they work at larger firms, considering their relationship with state authorities in the process of accessing European funds to be unsatisfactory. A possible

**Table 3.** Observed frequencies.

II.1	III.4D	III.4C	Row totals
A	4	18	22
B	2	1	3
Totals	6	19	25

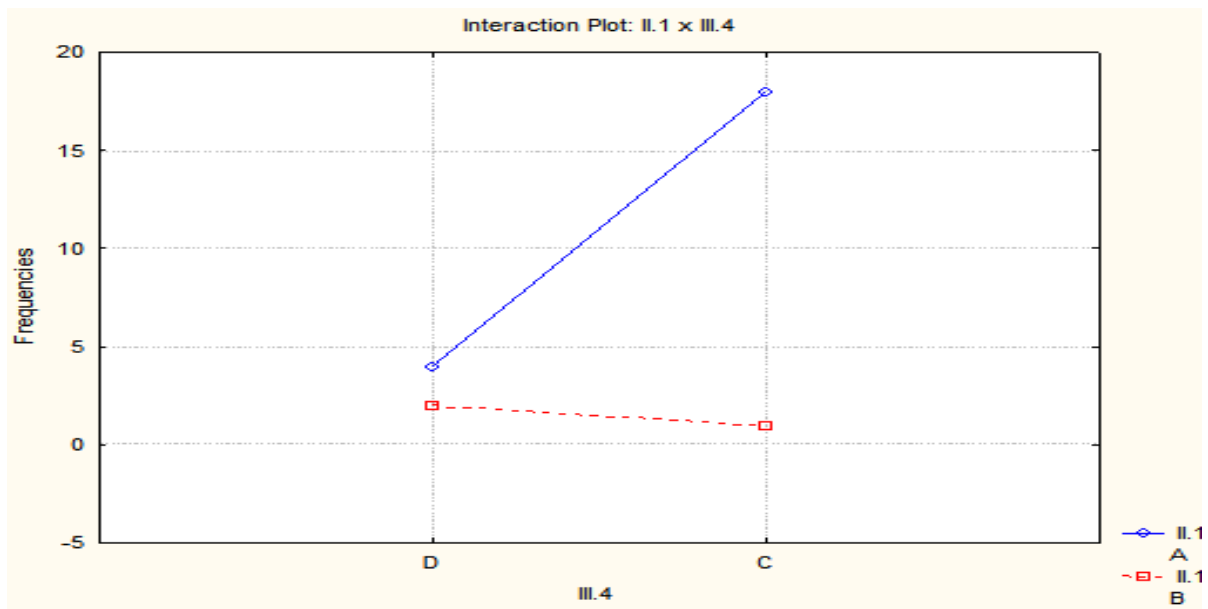
II.1	III.12A	III.12B	Row totals
A	3	19	22
B	2	1	3
Totals	5	20	25

II.1	III.22A	III.22B	Row totals
A	1	17	18
B	2	1	3
Totals	3	18	21

**Table 4.** Statistics.

Statistic	Chi-square	df	p
	3.402446	1	0.06510
Pearson Chi-square	4.640152	1	0.03123
	7.842593	1	0.00510

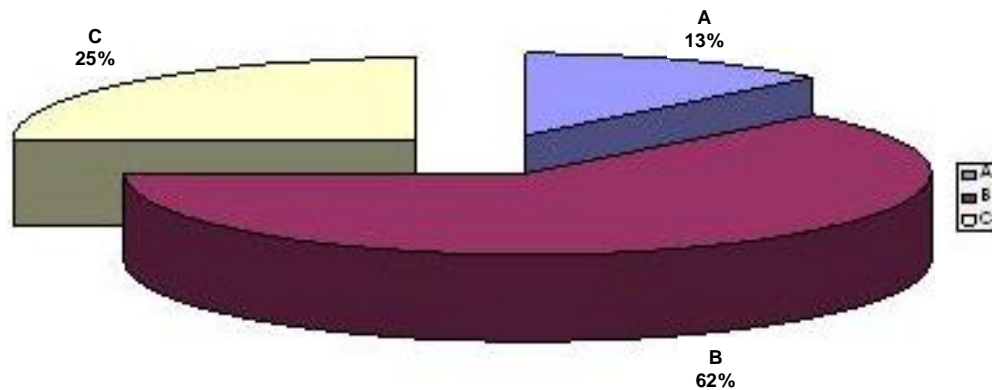


**Figure 1.** Statistical correlation for the respondents' opinion regarding the support of European funds accessing from the state authorities.

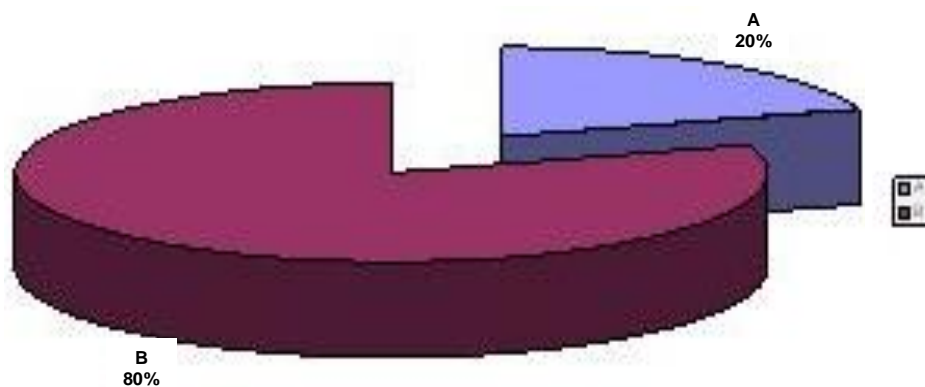
explanation could be that probably larger firms have higher expectations in terms of funding and potential

disappointment. A presentation of this statistical correlation is provided in Tables 3, 4 and Figure 1.





**Graph 7.** The respondents' opinion regarding the organization of the European funds financing projects submission process.



**Graph 8.** Respondents' opinions on the perceived costs associated with preparing European financed projects.

### The analysis of the respondents' opinion regarding the organization of the European funds financing projects submission process (question 24)

When asked what is the opinion about the support from state authorities in the process of accessing post-accession EU funds, most of the respondents (76%) considered that this support is satisfactory. However, when they are asked about their views on the organization of the project application process, a very close percentage of respondents (62%) are dissatisfied. Although, seemingly contradictory responses, considering the question 4 answers, regarding the target level of satisfaction of respondents on the process of accessing the European funds, respondents chose only the option C – satisfactory and ignored variances A and B indicating a greater degree of satisfaction believing that, overall, the response “satisfactory” from the previous question implies a certain degree of dissatisfaction (Graph 7). In conclusion, we believe that the hypothesis:

H<sub>3</sub>: That support from the state authorities in the process

of accessing post-accession European funds is satisfactory is rejected.

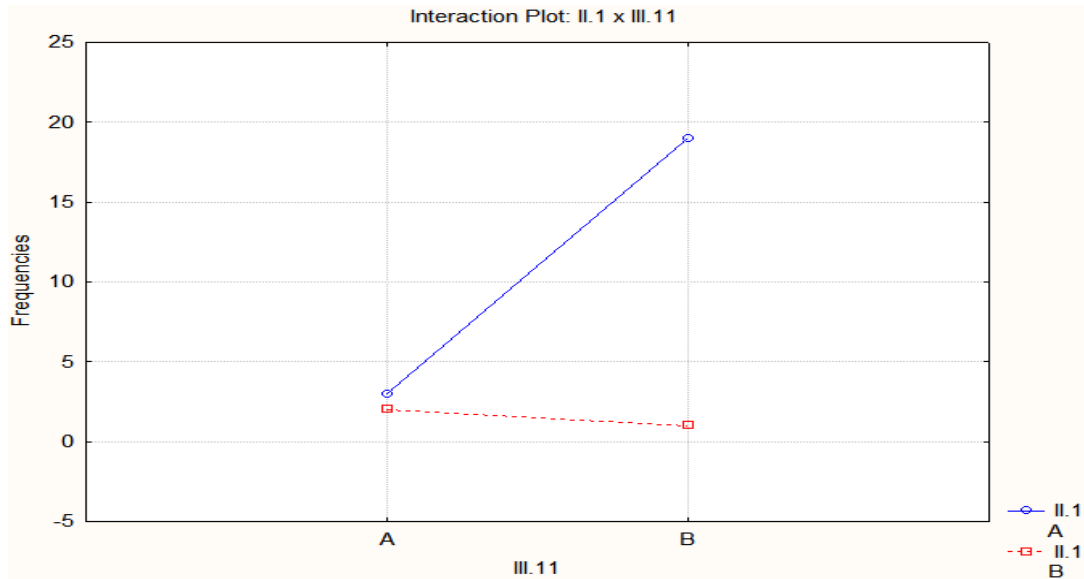
H<sub>4</sub>: Obtaining financing involves various costs.

### Analysis of responses on the appeal to external advice (question 11)

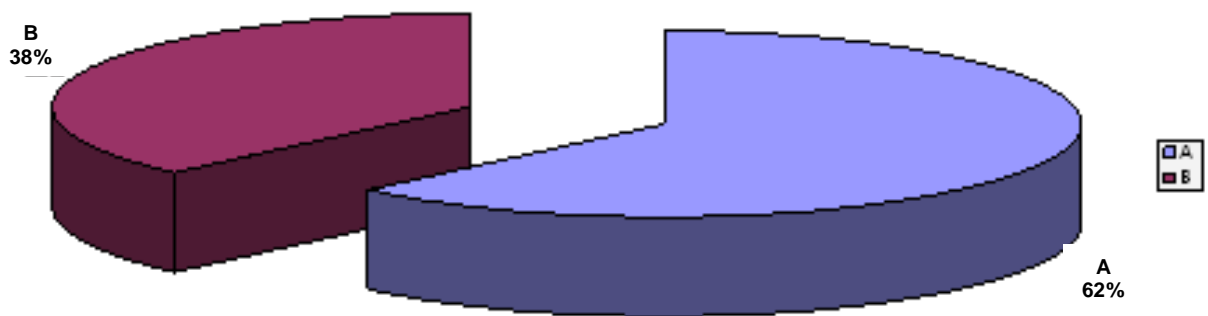
Interesting to note is that all respondents who turned to European financing appealed to external consulting.

### Analysis of responses on the perceived costs associated with preparing European financed projects (question 12)

Regarding the respondents' opinion on the costs associated with submission of European projects, most of the respondents (80%) considered that they are not an obstacle (Graph 8). Such an opinion may be interpreted by the fact that most respondents had the amounts necessary to initiate such a project. Interesting to note is



**Figure 2.** Statistical correlation for the respondents' opinions on the perceived costs associated with preparing European financed projects.



**Graph 9.** The respondents' opinion regarding the European funds financing percentage.

that in this case, the respondents' opinion varies by company type they are employed at. Thus, respondents working in companies with a number of employees less than 25 considered that the associated costs are not high (19 to 3) (Tables 3 and 4), while their counterparts employed in firms with a number of employees over 25 consider the opposite (Figure 2).

**The analysis of the answers regarding the European funds financing process (question 18)**

This question had an open answer. Regarding the range split and the statistical tests we used two intervals, according to the sample's average: 57%. The ranges are as follows: A < 57% and B > 57%. From the analysis of the responses divided into intervals, we find that the majority of respondents (62%) (Graph 9) have a lower financing than the sample average (57%). From detailed

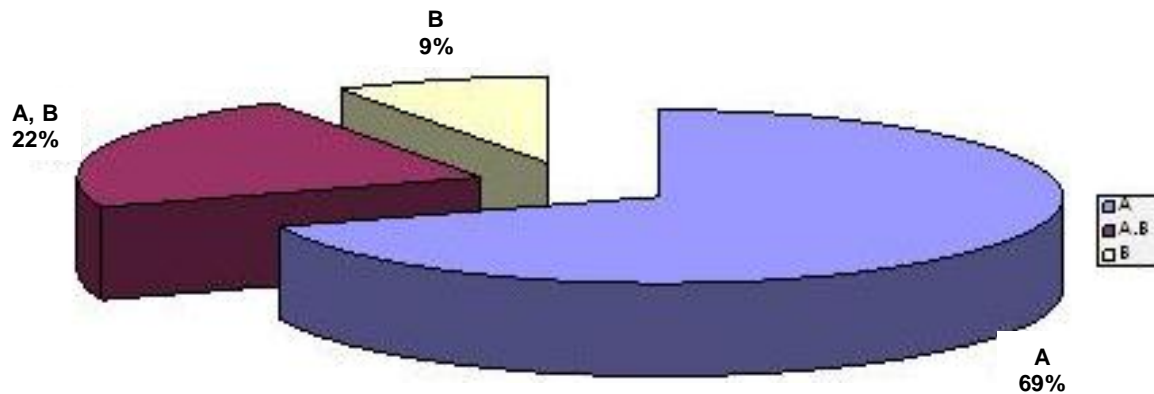
analysis of the responses we notice that most of those who fall into this category received a grant of 50%.

**Analysis of responses on the funding support source (question 19)**

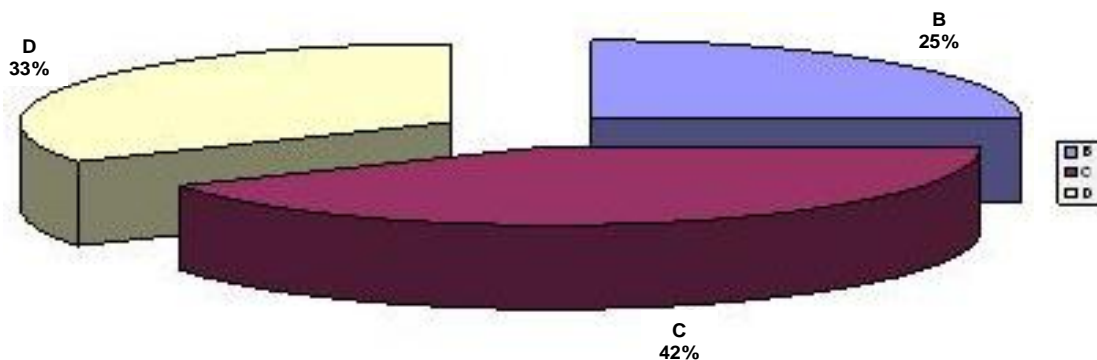
In terms of financing, a considerable number of respondents (69%) said they resorted to bank financing. Alternative sources were equity (9%) or loans from business partners combined with bank financing (22%) (Graph 10). Consequently, except for 9%, there are interest costs. In conclusion, we believe that the hypothesis:

H<sub>4</sub>: Obtaining financing involving various costs is accepted.

H<sub>5</sub>: The relationship between the beneficiaries of post-accession EU funds and contracting authority is



**Graph 10.** The respondents' opinion regarding the funding support source.



**Graph 11.** The respondents' opinion on the selection of projects funded by the management authority.

satisfactory.

#### **Analysis of responses on the selection of projects funded by the management authority (question 13)**

Regarding the selection of projects funded by the contracting authority, most respondents chose answer 'b' (25%), corresponding to qualifier "good", or 'c' (42%), corresponding to qualifier "satisfactory". Assessing the degree of satisfaction can be attributed to the fact that most respondents (80%) already have projects underway and passed the selection process (Graph 11).

#### **Analysis of responses on the relationship of the beneficiary with the management authority (question 14)**

This question was an open response, respondents choosing a score between 1 and 5 to express appreciation on the conduct of the project in relation with the contracting authority. To share the intervals and apply statistical tests, we considered a breakdown of responses

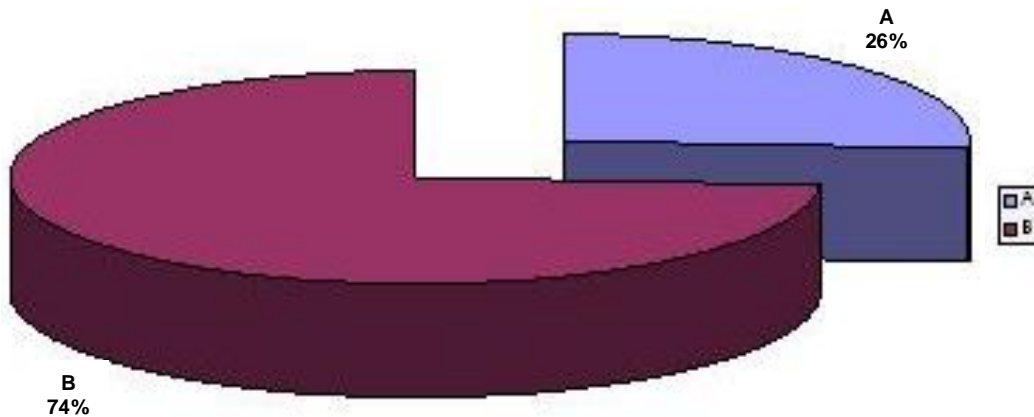
on two categories, depending on the sample average: 2.826. Dividing the interval of the responses is as follows:  $A < 2.826$  and  $B > 2.826$ . Analyzing the responses shows that most respondents (74%) (Graph 12) have a positive opinion, as the score given by them is greater than 2.826. In fact, 3 is the arithmetic mean value of the scale proposed, representing an average degree of satisfaction. In conclusion, we believe that the hypothesis:

$H_5$ : The relationship between the beneficiaries of post-accession EU funds and contracting authority is satisfactory is accepted.

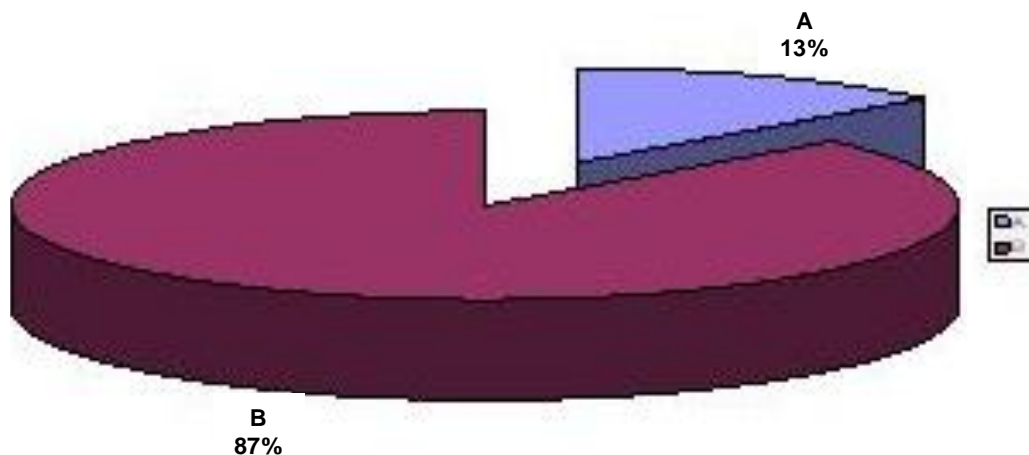
$H_6$ : Carrying out projects does not encounter difficulties.

#### **Analysis of responses on the assessment of a project carried out from the perspective of a company (question 16)**

This question was one with an open response, respondents having to choose a score between 1 and 5 to express appreciation on the conduct of the project in terms of work performed in the company they represent.



**Graph 12.** The respondents' opinion regarding the relationship with the management authority for the existing projects.



**Graph 13.** The respondents' opinions on a project carried out from the perspective of a company.

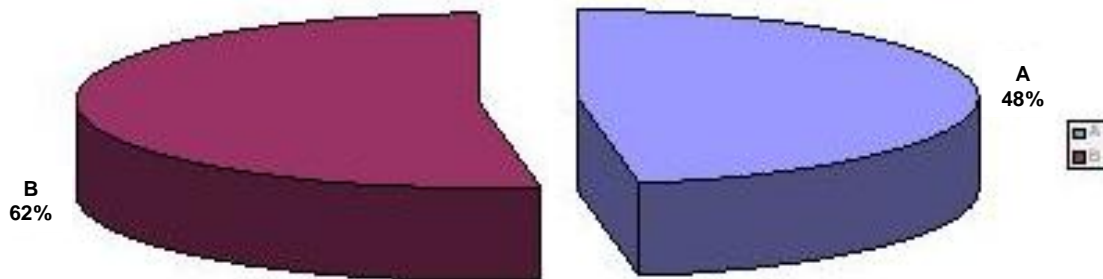
To share the intervals and apply statistical tests, we did a breakdown of responses on two categories depending on the sample average: 3.13. Dividing the interval of the responses is as follows: A < 3.13 and B > 3.13. Analyzing the responses we see that most respondents (87%) (Graph 13) have a positive opinion, in that the score given by them is greater than the sample average of 3.13. In fact, 3 is the arithmetic mean value of the scale proposed, representing an average degree of satisfaction which means that respondents value the satisfaction of the conduct of the project. Comparative analysis of the perception of satisfaction expressed in relation to the relationship with the contracting authority, shows that the respondents have a better opinion as to the behaviour of the firm they represent in the project (average responses obtained at the sample was 2.826 regarding the relationship with the contracting authority as to 3.13, on considering the behaviour of their companies).

### **The analysis of responses on the difficulties encountered in the drafting stage (question 20)**

This question was with open response, in which respondents described their personal perceptions on the project development process. The problems were mainly related to the very extensive documentation to be drawn in such a situation and the long time necessary to obtain such funding.

### **Analysis of responses on the difficulties encountered in the implementation phase of the project (question 21)**

This question was with open response too, in which respondents described their personal perceptions on the implementation of the project. Problems arising during



Graph 14. The respondents' opinion on the observance of the financial forecasts.

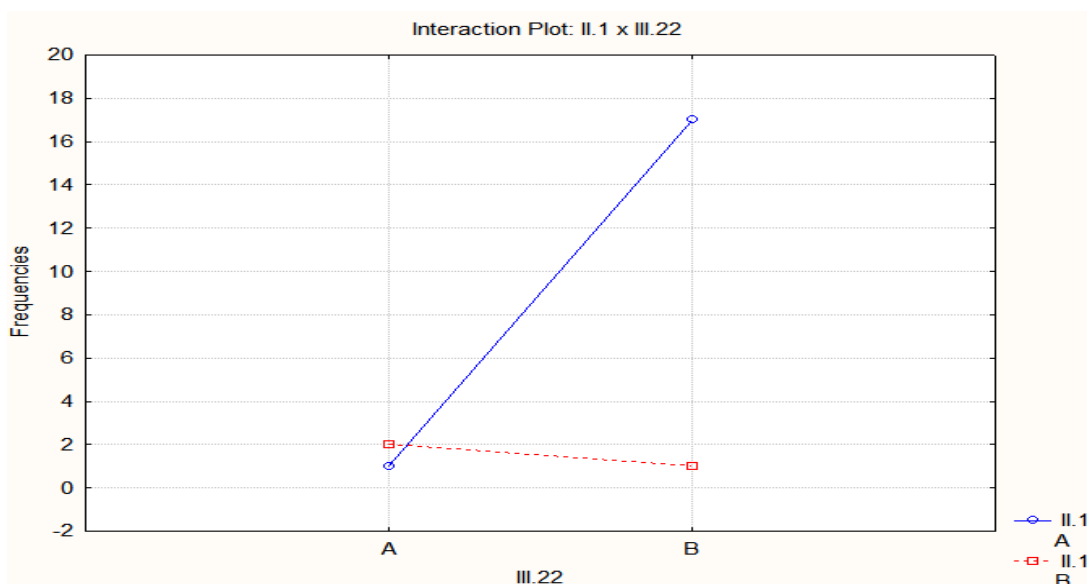


Figure 3. Statistical correlation for the respondents' opinion on the observance of the financial forecasts.

the implementation targeted primarily the co-financing (ensured with a bank loan), but also the difficult procurement procedures. Also, two respondents noticed the difficulty in obtaining environmental permits for project implementation and the lack of a procedure to ensure the possibility to implement the project in case of a single shareholder's death (one answer).

**Analysis of responses on the correlation between forecasts and financial performance (question 22)**

Regarding the respondents' opinion on the observance of financial projections, about half of respondents (48%) say they managed to fit in the baseline, while the other half (52%) failed to do so (Graph 14). Applying the statistical tests, it appears that there is a correlation between the number of employees of the company that received funding and the compliance with financial forecasts. Thus, firms with few employees were unable to fit into the financial projections, in a higher percentage than the

others (Tables 3, 4 and Figure 3).

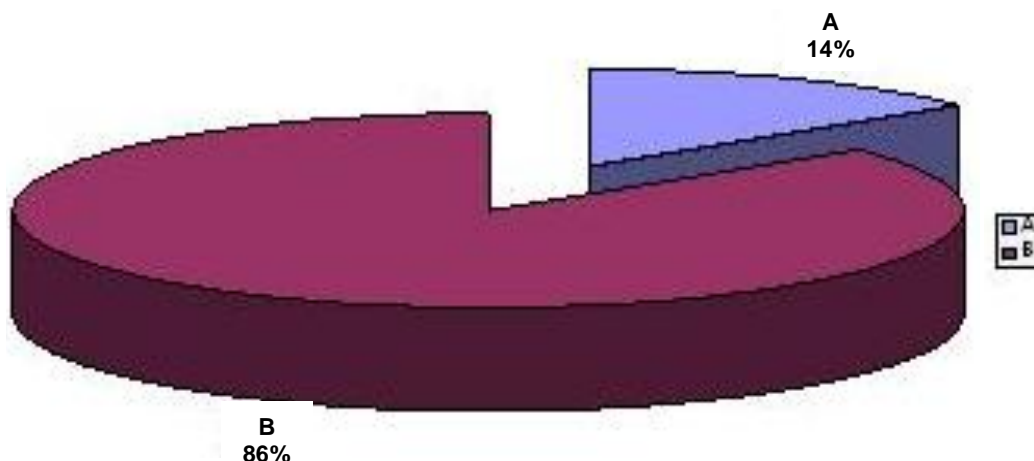
**The analysis of the answers regarding the human resources available (question 23)**

Regarding the human resource specialized in the project management, only 14% of respondents have it (Graph 15). A large proportion of respondents stated the lack of the necessary human resource, which induce, indirectly, an idea that these companies should employ extra cost. In conclusion, we believe that the hypothesis:

H<sub>6</sub>: That carrying out projects does not encounter difficulties is accepted.

**DISCUSSION AND CONCLUSIONS**

The development of Romanian agriculture is supported by the EFARD. A 'progress report' realized by KPMG



**Graph 15.** The respondents' opinion on the human resources distribution.

concerning the EU funds for Central and Eastern European countries (<http://www.kpmg.com/EE/en/IssuesAndInsights/ArticlesPublications/Documents/eu-funds-cee-2010.pdf>) proves the fact that the contracted ratio for rural development and fisheries in Romania at the end of 2009 is only 17%, under the European average of 19% and way under the average of other member states: 20% Bulgaria (this can serve very well in terms of comparisons, as Romania and Bulgaria became EU's members at the same time), 23% Estonia, 40% Hungary, 26% Lithuania etc. According to the study, one of the arguments of this low contracted ratio is represented by the slow and difficult evaluation procedures. The European funds absorption continues to be very slow compared to the real needs of agriculture. Most of European money entered in agriculture through the Agency for Payments and Intervention in Agriculture, which paid approximately 6.6 billion lei from the European Fund for Agricultural Guarantee. Also, through the National Program for Rural Development, there have been made payments of 4.73 billion lei, (representing 14% of the 2007 to 2013 allocation) (<http://www.agroinfo.ro/articole-financiar-agricole/absorbtiie-scazuta.html>). Our research tested the interest of the Romanian managers of the agricultural entities to access EU funds for agriculture. We tested six hypotheses and four were accepted ( $H_2$ ,  $H_4$ ,  $H_5$  and  $H_6$ ). The empirical study revealed that companies in Romania do not want to access EU funds for agriculture. Although, informed in different ways of the existence, accessing and implementing EU funded grants, however, the Romanian companies deemed unsatisfactory state authorities support in this regard and costs of accessing European funds are very important as value. However, those who accessed European funds for agriculture and have ongoing projects, believe that they are carried out without difficulty and the relations with the contracting authorities are satisfactory.

If you put face to face the empirical study findings and the declaration of the Minister of Agriculture (that the institution he leads has the greatest absorption ratio from all the EU funds entered in Romania, focusing on the idea that the funds use ratio for 2007 to 2013 is of almost 40%<sup>3</sup>), we can say that finding appropriate ways of communication and support to potential beneficiaries by the authorities is actually the key to success for both parties, the effort being justified by the benefits of an individual (company) and at a national level.

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