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## Strategic National Plan 2023-2027: Opportunities or constraints for sustainable agriculture in Romania?

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# STRATEGIC NATIONAL PLAN 2023-2027 - OPPORTUNITIES OR CONSTRAINTS FOR SUSTAINABLE AGRICULTURE IN ROMANIA?

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**Abstract:** *The present work aims to make a synthesis of the specialized literature and European and national policies and strategies regarding the promotion of sustainable agriculture. In this way, an overview is achieved, in which synergies and common objectives can be noticed between various European policies and strategies that are based on the European Green Deal, these being the "Farm to Fork" Strategy, the Biodiversity Strategy, the EU Soil Strategy for 2030, the Long-Term Vision for the EU's Rural Areas. The four strategies are correlated with the three pillars of sustainability: Environment, Economy, Society. In the face of the new European policies and strategies that promote sustainable agricultural practices with beneficial environmental and health effects on the long term, which can contribute to reducing the effects of climate change, Romania, through the National Strategic Plan 2023-2027, has ambitious targets to achieve, which will represent a great challenge in the next period.*

**Keywords:** *sustainable development, sustainable agriculture, agricultural policies*

**JEL Classification:** Q01, Q18

## INTRODUCTION

The sustainable development concept has expanded and acquired new values at theoretical and practical level in recent decades, and the agricultural sector has continued to have a very important place in sustainable development, both from the point of view of specialized literature and from the point of view of European and national political decision-makers.

At this moment, sustainable development is at the core of several European strategies and policies within the European Green Deal, such as the "Farm to Fork" Strategy (F2F, European Commission, 2020a), the Biodiversity Strategy (BS, European Commission, 2020b), the EU Soil Strategy for 2030 (SS, European Commission, 2021b), the Long-Term Vision for the EU's Rural Areas (LTVRA, European Commission, 2021a). The four strategies are correlated with the three pillars of sustainability: Environment, Economy, Society.

According to the European Green Deal, agriculture is one of the key areas – along with environmental protection, climate change, energy, industry, transport, digitalization and finance – in order to reach the goal of climate neutrality that the EU has proposed for the year 2050. Promoting sustainable agriculture is considered an important factor in balancing the economic, social and environmental needs. (Ștefănescu M., 2022).

## MATERIALS AND METHODS

In the present work, the main working hypothesis is the fact that sustainable agriculture is the central subject of several European strategies and policies, generating additional requirements on Romanian agriculture. The transposition of European strategies and policies on agriculture itself is carried out through the National Strategic Plan for the period 2023-2027.

In carrying out this work, a methodology was used based on the collection of information from specialized literature (scientific articles published online - Researchgate, Academia.edu, etc., various scientific magazines, specialized books), as well as from European and national reports on the topic of agriculture sustainable in Romania from the perspective of the new PNS 2023-2027. This

review of the specialized literature aims to create an overview and understand the processes that take place regarding the topic addressed.

## RESULTS AND DISCUSSIONS

### **Prospects of sustainable agriculture in Europe.**

As agriculture is the second sector responsible for greenhouse gas emissions (11%) in the European Union (EU), ahead of the industrial sector (9%) (European Environment Agency, 2021), a strong focus is laid on the transition to a more sustainable agricultural and food system to help mitigate climate change and protect biodiversity.

To better understand the farming systems and identify the most sustainable forms of production, it is important to acknowledge that the agro-ecosystems produce much more than crops (Dale and Polasky, 2007) and that rural lands can provide much more than agricultural produce (Gawith and Hodge, 2019). When agro-ecosystems are well maintained, they serve society and human well-being by generating a range of ecosystem services, many of which are based on soil functions (Luján Soto et al., 2020), biodiversity, landscape features and traditional knowledge (de Groot et al., 2022).

The European Green Deal, through the “Farm to Fork” Strategy, the Biodiversity Strategy and the Soil Strategy provide clear political objectives and targets for the deintensification of production systems, making them less dependent on external inputs (Buckwell et al., 2022) and promoting ecosystem services that rural areas and farming systems provide to society. With 40% of land dedicated to agriculture, the rural area is an active factor in the transition to a green Europe (European Commission, 2021a). Thus, farmers play a key role in biodiversity conservation through sustainable agriculture practices; at the same time, biodiversity improves agricultural productivity by providing safe, sustainable conditions, nutritious and affordable foodstuffs (European Commission, 2020b).

The “Farm to Fork” Strategy (European Commission, 2020a) aims to promote the transition to sustainable agriculture based on the premise that there is an urgent need to reduce dependence on pesticides, antimicrobials and fertilisers, and at the same time to increase ecological agriculture, improve animal welfare and increase biodiversity. It is aimed to achieve the target of minimum 25% agricultural land under organic farming in Europe, reduce the use of pesticides by 50% and of fertilisers by 20% by the year 2030. This strategy encourages the transition to sustainable food systems, although the sustainability concept remains ambiguous and certain authors point out that no clear conceptual limits are established in this regard (Schebesta and Candel, 2020).

A key question concerning food security and the implementation of “Farm to Fork” Strategy is whether an increase by 25% of the EU’s organic farming will produce enough crops to feed an already large and growing population. It has been scientifically proved that lower yields are obtained from the organic farming system, which means an increased need for farmland areas to produce the same quantity of crops (Muller et al., 2017). Expanding the agricultural land areas is not a good option as this would mean the conversion of forestland, meadows or wetland into arable land, which would result in the loss of products (timber, fibres, energy, etc.) and of eco-system services (carbon sequestered in soil and vegetation, water regulation, biodiversity, etc.).

To meet the proposed European targets, an integrated approach to the Common Agricultural Policy and the Green Deal was used, aiming to *“transform the way food is produced and consumed in Europe, in order to reduce the environmental footprint of food systems and strengthen their*

*resilience in the context of crises, while ensuring healthy food at affordable prices for the present and next generations.”* (EU Council, 2021). To this end, the CAP provides support under the form of subsidies and direct financing to European agricultural producers in order to integrate rural economy and environmental protection.

The New CAP 2023-2027 is a key instrument to connect the objectives of the “Farm to Fork” Strategy and farmers and will be implemented at national level with national strategic plans and ambitious environmental targets. 40% of the CAP budget will be dedicated to climate and environment (European Commission, 2020c). In addition to the environmental objectives, the CAP Reform also aims at a better and more equitable distribution of the financial support provided by establishing a maximum amount of 100,000 € subsidies per beneficiary per year. This measure is meant to prevent the situation from the previous programming period when at least 80% of CAP payments reached less than 20% of beneficiaries and thus supports social justice and socio-economic development, as foreseen in the Long-Term Vision for the EU’s Rural Areas (European Commission, 2021a).

At present, the “ecological programs” are an integral part of the National Strategic Plans and thus funding will be provided to stimulate sustainable practices (for instance: precision agriculture, agro-ecology, organic farming included, carbon sequestration in agricultural soils and agro-forestry).

The conditionalities imposed on agriculture by the European Green Deal will put European farmers in front of a great difficulty in keeping up with global competition. For European farmers, this means less means to protect their crops, difficulty of the new breeding technologies in the face of restrictive legislation, etc. There will be rigours and pressures that will make European farmers uncompetitive in the short and medium term.

### **Prospects of sustainable agriculture in terms of the National Strategic Plan 2023-2027**

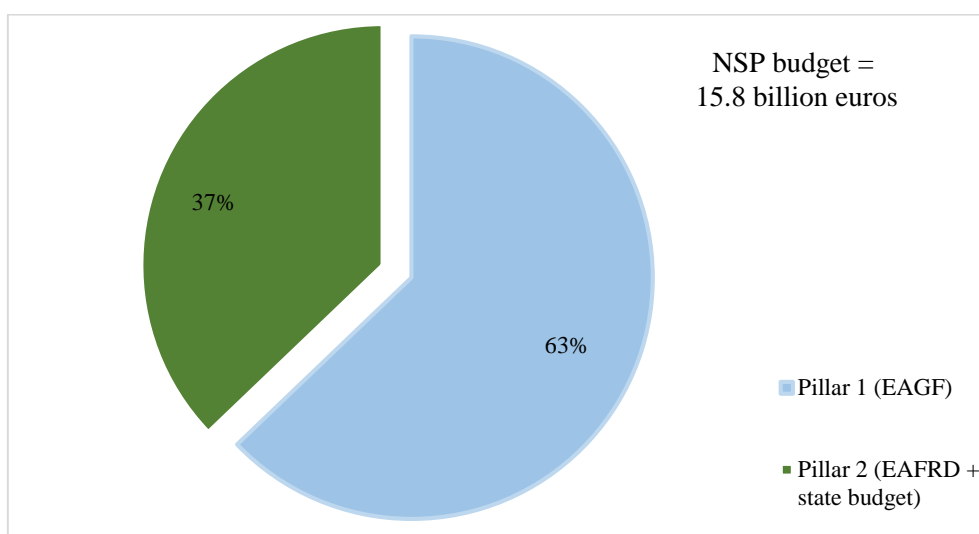
The challenge for Romania comes from transposing the ambitious targets from the European strategies into the national strategic plan and reaching them in a relatively short period of time (Report on the national CAP Strategic Plan, 2021), out of which: to reduce the use and risk of chemical pesticides by up to 50% by the year 2030, to reduce the use of more hazardous pesticides by up to 50% by the year 2030; to reduce nutrient losses resulting from the use of fertilizers by at least 50%, without damaging soil fertility, and to reduce by at least 20% the amount of fertilizers used in agriculture by the year 2030; to ensure 10% of the agricultural area with highly diverse landscape features; to reduce by 50% the sales of antimicrobial substances for farm animals and aquaculture by the year 2030; to reduce by at least 55% the greenhouse gas emissions by the year 2030, compared to their level in the year 1990; to reach climate neutrality by the year 2050 and to ensure that 25% of the EU’s agricultural land will be under organic farming by the year 2030.

For Romania, the National Strategic Plan 2023-2027 was approved by the European Commission on December 7, 2022. Its budget is 15.8 billion euros, out of which Pillar 1: 9.78 billion euros under the form of Direct Payments and 151 million euros Sectoral Interventions – support instrument under the European Agricultural Guarantee Fund (EAGF) and Pillar 2: 5.87 billion euros – instrument for the rural development policy funded from the European Agriculture and Rural Development Fund (EAFRD) and the State Budget (Figure 2).

Against the background of decreasing funds allocated to EU’s agriculture in the next period, Romania receives a slightly higher funding for Pillar 1 and a significantly lower funding for Pillar 2. These funds will be distributed, as in previous programming periods, by the Agency of Payments and

Intervention in Agriculture (APIA) for Pillar 1 and the Agency for Financing Rural Investments (AFIR) for Pillar 2.

The National Strategic Plan has the following established objectives for the period 2023-2027 (Report on the CAP strategic plan 2021): I. Promoting a smart, resilient and diversified agricultural sector to ensure food security, increase farm viability by stabilizing farmers' incomes and eliminating disparities between farms; II. Strengthening market orientation and increasing the competitiveness of the agri-food sector by intensifying cooperation, encouraging collective investments, farm restructuring and modernization, through investments to improve productivity alongside with the development and modernization of food industry; III. Socio-economic development of rural areas by attracting and supporting young people, facilitating business development, promoting and increasing employment, social inclusion and local development in rural areas.



**Figure 1. NSP 2023-2027 budget**

Source: [https://www.madr.ro/docs/dezvoltare-rurala/2022/PNS\\_2023-2027-versiunea\\_1.2-21.11.2022.pdf](https://www.madr.ro/docs/dezvoltare-rurala/2022/PNS_2023-2027-versiunea_1.2-21.11.2022.pdf)

In the case of NPS 2023-2027, the environmental objectives become paramount, and these will take into account the contribution to the mitigation and adaptation to climate change, the promoting of sustainable development and the efficient management of natural resources, as well as the contribution to the protection of biodiversity, the improvement of eco-system services and the conservation of habitats and landscapes. Thus, the new NSP comes with more environmental obligations for Romanian farmers both through Pillar 1 and Pillar 2.

To benefit from European payments, farmers must comply with more ambitious conditionalities. Through the eco-scheme payment system (25% EAGF), through environmental and climate commitments, for economic agriculture and irrigations (41.32%), an additional payment will be established for farmers to compensate for exceeding the minimum mandatory requirements.

The new NPS has been subject to a number of changes, out of which the most important would be that the focus is now laid on economic and ecological performance. Among the changes related to Pillar 1, the most notable would be the following:

- Change of terminology used in the new programming period, namely: Basic Income Support for Sustainability (BISS) replaces Single Area Payment Scheme (SAPS). BISS has a ceiling of 4.82 million euros and will be applied on an area of 9,697,000 ha, and its planned value ranges from 96.47 euros/ha in the year 2023 to 103.06 euros/ha in 2027.

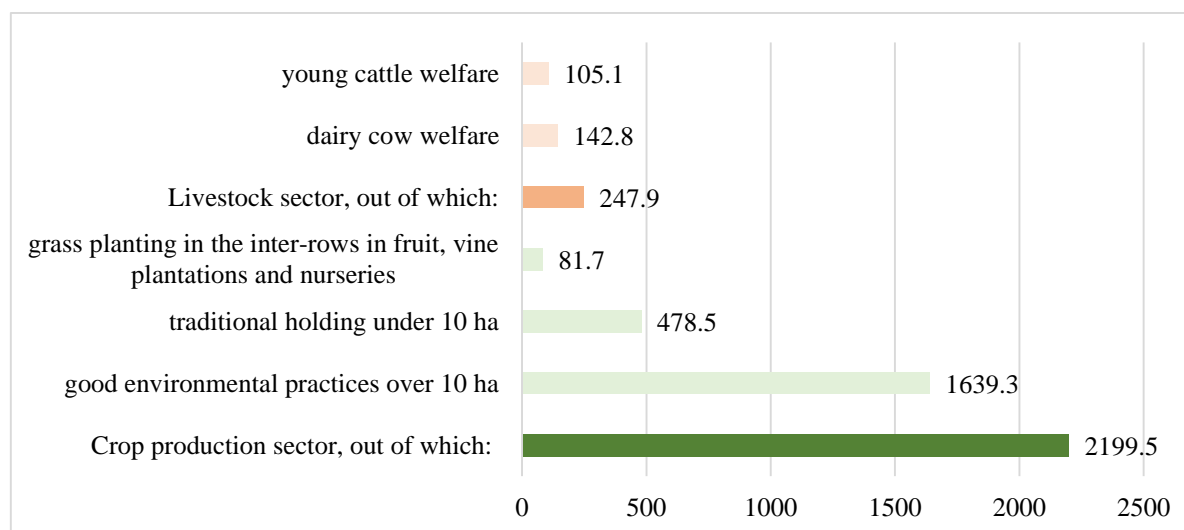
*Important for this programming period is the fact that in order to benefit from the BISS basic payment, a series of minimal (basic) environmental conditionalities will have to be respected, a level applicable to all beneficiaries of direct payments and compensatory payments on the entire holding and throughout the calendar year. Compliance with this conditionality system will raise certain difficulties for Romanian farmers.*

- The Complementary Redistributive Income Support for Sustainability (CRISS) is a new scheme designed to farms from 1 to 50 hectares that represent the majority of holdings in our country; it has a ceiling of 978.69 million euros, that is 10% of total direct payments and covers an area of 3,748,473 ha. CRISS addresses farmers eligible for BISS payment, being a complementary support scheme.

- The coupled support for crop production involves interventions for the following crops: soybeans, alfalfa, legumes for processing (green peas, beans and green beans), hemp. Rice, potato seeds, hops, sugar beet, field vegetables for consumption, fresh or for processing (tomatoes, cucumbers, peppers, eggplants) and vegetables grown in greenhouses and plastic tunnels (tomatoes, cucumbers, peppers, eggplants, cabbages), as well as fruits (plums, apples, cherries, sour cherries, apricots and peaches) and seeds for forage crops. The allocated amount is 408.10 million euros, out of which: 78.78 million euros – 2023; 80.44 million euros – 2024; 81.28 million euros – 2025; 82.95 million euros – 2026; 84.65 million euros – 2027.

- In the livestock production sector, the coupled support will cover dairy cows, beef cattle, buffalo dairy cows, sheep/goats and silkworms, with the following amounts allocated for the four years: 522.02 million euros dairy cows; 114.9 million euros coupled support for beef cattle; 10.45 million euros coupled support buffalo dairy cows; 411.84 coupled support sheep/goats; 0.15 million euros coupled support silkworms.

*One holding (1-50 ha) can simultaneously benefit from BISS, CRISS, ECO-SCHEME and Coupled support for the crop and livestock sectors, if it meets the requirements of those support schemes.*



**Figure 2. Allocated budget for Eco-scheme under Pillar 1**

Source: [https://www.madr.ro/docs/dezvoltare-rurala/2022/PNS\\_2023-2027-versiunea\\_1.2-21.11.2022.pdf](https://www.madr.ro/docs/dezvoltare-rurala/2022/PNS_2023-2027-versiunea_1.2-21.11.2022.pdf)

- The Eco-scheme is a means of stimulating the provision of public goods through the application of agricultural practices beneficial for the climate and the environment, hence it contributes to a higher environmental level. Farmers are stimulated by annual lump-sum payments, as is the case of eco-schemes regarding: good environmental practices, applicable in arable land over

10 ha (56 euros/ha); environmental-friendly farming practices on small farms (traditional holdings under 10 ha) (76.0 euros/ha); grass planting in the inter-rows in fruit, vine plantations and nurseries (77 euros/ha).

The annual payment for the eco-scheme will be granted for the partial coverage of income losses resulting from the additional costs following the application of general mandatory conditions and specific conditions. To be eligible for the eco-scheme, farmers must fully comply with the standards of good agricultural and environmental conditions provided for in BISS, in the conditionality requirements respectively.

As a first *mandatory requirement*, farmers must allocate, starting from 2024, 5% of arable land to non-productive and landscape elements (including fallow), so as to ensure the protection of soil as main natural resource for the agricultural activity. Another mandatory requirement concerns the cultivation of protein crops on 10% (2023) and 5% (in the following years) of the arable area. This practice is a stimulating tool for reaching the targets from the Green Deal Strategy (“The Farm to Fork” component), the protein crops being a natural alternative to enrich soil with nutrients and reduce the application of chemical fertilizers. As a mandatory general requirement, soil cover is meant to protect soils in the most sensitive periods of the agricultural year (June 15 – October 15), in order to mitigate climate change.

As regards the *specific conditions*, farmers can opt for one of the following requirements that boost the environmental ambitions: I. *Diversification of crops in arable land*, which contributes to the increase of biodiversity, sustainable management of environmental resources, preservation of natural capital and obtaining of safe and high-quality agricultural products. At the same time, this can contribute to climate change mitigation and adaptation, mainly by improving the capacity of carbon sequestration in soil. II. *Minimum tillage* (avoiding a great number of practices involved by ploughing, disking and other works such as seedbed preparation or crop maintenance) that contributes to the increased capacity of soil adaptation to the climate change effects, by preventing soil erosion and moisture loss. At the same time, through these methods, soil texture and structure and soil biota will be improved, and organic matter in soil will increase (+ of humus). III. *Planting two trees /ha/year* will contribute to the protection of crops, halting and reversing biodiversity loss, to the improvement of eco-system services and conservation of habitats and landscape that can be a refuge for wild birds and animals. At the same time, on medium term, this can contribute to soil erosion diminution, decrease of soil temperature in the proximity area of holding, slightly influencing the capacity to maintain water in soil and carbon sequestration capacity.

As compared to the previous programming period, the budget allocated to Pillar 2 Rural Development in the period 2023-2027 is significantly lower, which can be also noticed in the allocations for the environment and climate, and thus a more accurate selection of areas that will benefit from support is necessary or a better adaptation of conditions applicable to the specific environmental protection needs.

The interventions from Pillar 2 Rural Development with regard to Environment and Climate amount to 1,719.91 million euros, which represent 41.8% (a percentage higher than the mandatory percentage of 35%), while the main destinations are quite the same as in the previous programming period: Agro-environment and climate 492.33 million euros; Organic farming 389.12 million euros; Areas with natural constraints 663.99 million euros; Forestry 174.47 million euros.

As regards the environmental commitments in the NSP 2023-2027, there are no significant changes, these aim to continue the efforts from the previous programming periods with a series of optimizations that highlight higher ecological ambitions. The actions promoted for environmental

protection and climate change by the new NSP will contribute to reaching the objectives and targets of the EU/national policies referring to the conservation of biodiversity and ecosystems, soil and water protection, reduction of GHG and ammonia emissions and adaptation to the effects of climate change.

The agro-environmental and climate interventions in the NSP bring increased consistency from the perspective of more accurate correlation, on the basis of the most recent available data, of farmland sustainable management models with the most representative areas for the biodiversity elements whose protection is sought.

In this programming period, there is a decrease in the amounts dedicated to areas affected by natural and specific constraints, while the amounts dedicated to mountain areas are increasing. Unfortunately, the map of areas with natural and specific constraints has not been updated for 10 years (for example, there are large areas in the eastern part of Romania that have been facing severe drought in recent years). Another change that does not benefit these areas with natural and specific constraints is that they do not receive additional points for projects funded under Pillar 2.

Romania supports organic farms both in the conversion and maintenance period, as against other countries that have cut financial support to farms in the maintenance period. The European Green Deal sets the target that 25% of the EU's agricultural area should be under organic farming by the year 2030.

## **CONCLUSIONS**

For Romania, reaching the environmental and climate targets proposed through the NSP 2023-2027, which overlap the European targets, appears difficult to achieve due to complex requirements, and the financial support is not correlated with the level of losses suffered by farmers, even though the environmental effects are positive. On the other hand, our country has a good level of environmental indicators, and reducing the current level of use of chemical inputs would lead to a decline in the productivity of agricultural land, and, implicitly, to jeopardising food security.

The transformation of the present Romanian agriculture into a more sustainable, organic agriculture represents a great challenge and needs a holistic approach that takes into consideration the social, economic, cultural and environmental aspects, while also taking into account the unforeseen changes that may occur, as was the case with the COVID-19 pandemic or the border war. The two crises have had many negative effects that we still feel today, but at the same time they have also created many opportunities that must be exploited in the future (e.g. digitalization accelerated by the pandemic or energy independence imposed by the war).

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