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THE IMPACT OF THE 2007-2013 ROMANIAN NATIONAL RURAL DEVELOPMENT PROGRAMME ON LOCAL TOURISTIC DESTINATIONS

Katalin Gál; Tünde Gál
Assist. Prof., PhD, Partium Christian University, Oradea; PhD Student, Bucharest
University of Economic Studies

Abstract: The aim of the current paper is to measure the impact of the 2007-2013 Romanian National Rural Development Programme on local touristic destinations, in the means of accessed founding compared to the increase in the number of tourist accommodation establishments and tourist overnight stays. After closing at the end of the year 2015 the 2007-2013 programme cycle's eligibility period, the upcoming years are the period of analysis on different levels linked to the efficiency of the funding programmes. The current study aims to analyze the National Rural Development Programmes' Tourism priority axis, but as a part of a wider research also the efficiency of all EU funding programmes from tourism perspective, focusing on the impact on local touristic destinations, evidently in rural areas. During a secunder data analysis we will give a statistical description about the volume and the nature of the tourism investments trough EU funding in Romania. The second part of the research, based on qualitative interviews and case studies, is presenting the impact of the tourism EU funding investments through the National Rural Development Programme 2007-2013 on local economies, local communities and the environment.

Keywords: rural development, touristic destinations, local economies, local communities

Introduction

The necessity and effectiveness of evaluation of different funding programmes is an evidence. In the context of Romania this process represents a highly important issue, because the 2007-2013 programme period was the first experience after joining the EU, regarding the design, implementation, monitoring and evaluation of EU funding programmes. This study aims to present the main regional policy background and the impact of the National Rural Development Programme (NRDP) 2007-2013 from the perspective of tourism development in local touristic destinations.

Rural areas have long been repositories of small-firm entrepreneurship which is seen to be a key source of economic dynamism and innovation. As an effect of globalization, cheap and affordable communication services are available not only in urban area, but also in most of the rural ones, which therefore theoretically can compete on an equal basis with towns and cities for employment. In addition, rural space provides many sought-after opportunities, such as for living space recreation,

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the enjoyment of amenity and wildlife, and a wholesome and pleasant environment (Marsden et al, 1993).

The rural development policy for the 2007-2013 period was based on the idea that, more than 91% of the territory of the EU is "rural", and this area is home to more than 56% of the EU's population. But many of the EU's rural areas face significant challenges, as average income per capita is lower in rural regions than in urban areas, while the skills base is narrower and the service sector is less developed. Also, caring for the rural environment often carries a financial cost. On the other hand, the European countryside gives essential raw materials, many people are attracted by the idea of living and/or working there, provided that they have access to adequate services and infrastructure. The EU's rural development policy is all about meeting the challenges faced by rural areas, and unlocking their potential. The EU has a common rural development policy, which nonetheless places considerable control in the hands of individual Member States and regions. The policy is funded partly from the central EU budget and partly from individual Member States' national or regional budgets.¹

The structure of rural development policy for the period 2007-2013 (Council Regulation (EC) No. 1698/2005) was focused on three thematic priorities, such as improving competitiveness of the agricultural and forestry sector, improving the environment and the countryside, improving the quality of life in rural area and encouraging diversification of the rural economy. A new feature for the 2007-2013 period was a greater emphasis on coherent strategy for rural development across the EU as a whole. This was being achieved through the use of National Strategy Plans, based on EU Strategic Guidelines². This approach helps to: identify the areas where the use of EU support for rural development adds the most value at EU level; make the link with the main EU priorities; ensure consistency with other EU policies, in particular those for economic cohesion and the environment; assist the implementation of the new market-oriented Common Agricultural Policy (CAP) and the necessary restructuring it will entail in the old and new Member States. Before implementing NRDP 2007-2013 there were already improvements made in the infrastructure of rural areas from preaccession assistance fundings but there is still a big gap between urban and rural areas in the means of supply of drinking water, transport infrastructure, health services, educational system and infrastructure.

In Romania in the early 2000's a series of non agricol business activities started, such as agrotourism, agricultural row material processing, local arts and crafts products etc., with a positive impact on rural communities both from economic and social perspective. Rural tourism and agrotourism also developed in point of infrastructure: between 1998-2003 the number of guest houses increased from 600 in 1998 to 3.500 in 2003, which represents an increase of 5.8 times. Tourist guest houses and agro-tourism pensions could be found in 27 counties, covering all the development regions; a bigger concentration of pensions being noticeable in the regions of the Centre, Northeast

¹ http://ec.europa.eu/agriculture/rurdev/index_en.htm accessed on 25.05.2016

² In case of Romania: Official Journal of the European Union, special edition 2007, 03 Agriculture, Volume 70 http://eurlex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:32006D0144&from=EN accessed on 12.05.2016.

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and Northwest. Analysis of SMEs in the rural area in 2002 shows the relatively low capacity of SMEs to meet the requirements related to the supply of jobs for the rural population, both due to the small number and to the structure of employees. During these years, most SMEs were set up in the rural area in the field of trade (48.6%), following the processing industry (19.6%), agriculture (9.8%), tourism (7.2%), transport (5.9%), construction (3.3%), services (1.3%), and last the extraction industry (0.2%). The set up SMEs were mainly in the field of trade, since trade presupposes smaller resources, shorter periods of return on investment. An important role is played by inhabitants who returned to the rural area from the urban area, have a high level of education and are also qualified in many different industries, which could be performed or adjusted to trades of interest for the rural community as a modern community.³

In the above presented context have been designed the NRDP 2007-2013 taking into consideration the European Strategic Guidelines and National Development Plan 2007-2013⁴, with the following general objectives: increasing the competitiveness of agriculture and forestry; improving the rural environment; improving the quality of life and diversification of the rural economy; starting and operating a local development initiatives. The objectives are synchronized with the National Development Plan, the CAP and the objectives of the financing instrument called European Agricultural Fund for Rural Development (EAFRD). The objective of the EAFRD cofinanced guarantee schemes is: improving the business environment by increasing the access of farmers, rural area SMEs and other categories of NRDP beneficiaries to the crediting sources from the banking-financial market, increasing the interest and confidence of banking-financial institutions concerning the rural economy and intensifying the rural development process through the additionality effect (attracting additional private financing) generated by such schemes⁵.

Although agriculture may no longer dominate the economy in some rural areas, the degree of historical and contemporary reliance upon it, often sustained also by funding support, is still a principal conditioning factor for new rounds of investments. In our situation the focus is on rural development and the non-agricultural economic activities, especially the tourism sector.

Theoretical background

To design correctly the analysis according to the main objective of this study, it is necessary to review shortly the most important theoretical issues regarding rural development, to identify the theoretical framework which permits the scientific contextualization of the researched area. To realize this objective, it is very important to go beyond the EU rural development policy and to describe the deeper theoretical context. It must be mentioned that the EU rural development policy formulation is also precisely developed and based on research findings, but also the academic sphere is highly

³ http://discutii.mfinante.ro/static/10/Mfp/pnd/documente/pnd/NDP2007_2013.pdf pp.184-187 accessed on 15.05.2016.

⁴ http://discutii.mfinante.ro/static/10/Mfp/pnd/documente/pnd/NDP2007_2013.pdf accessed on 05.05.2016.

⁵ http://old.madr.ro/pages/dezvoltare_rurala/nrdp-consolidated-version-june-2010.pdf pp. 172 accessed on 10.05.2016

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interested to understand, independent from the political background the allocation of financing resources, the mechanisms and impact of policy interventions.

Hodge and Midmore (2008) identify the most important problems of rural development and the fundamental barriers in analysis and evaluation of rural development policy, which are generating also conceptual and methodological problems. What most researchers and involved experts agree is that rural space, as a concept, means a diverse range of socio-economic conditions. In an article published in 2000 Van der Ploeg and his international team proclaimed, that rural development was a practice without theory. At the same time they identify rural development as a multi-level, multiactor and multi-facetted process. In Van der Ploegs' vision the multi-level label means that rural development is highly contextualized in historical tradition, and identifies five levels of it. As first level the rural development "takes place" in the superposition of global intersections between agriculture and society, which means the global changes in the role of agriculture in society – and needs a contextualization in relation to time and space. The second level refers to the fact that rural development means a new model for the agriculture sector – at this level the role of synergy between economical/agricultural actors and different development spheres is crucial. Thirdly the authors states that rural development can be operationalized at the level of individual farm households – this means a whole redefinition process, respecting the rule of time and space, where the concept has to be contextualized, and synergy is inescapable (at the level of actors and economical sectors). The fourth level in Van der Ploegs' vision expands the definition levels and says, that rural developments' definition level should be the countryside and its economic actors. This highlights the importance of contextualization of rural development, taking into consideration the physical/geographical, economical and social context – especially in the process of identifying new forms of rural activities. The fifth level in understanding rural developments' multi-level nature is the level of different policies and institutional background – with all variations in different European countries under the umbrella of common agricultural policy and connected financing programmes. This level also highlights the importance of newly connected economical activities, and the interconnection with other development policies. The political and institutional background of rural development highlights that we are talking about a multi-actor process. Rural development goes trough a decentralization process, where the local and global levels are interconnecting in different dimensions: across activities, institutions, policies. This process also means in many countries the relegitimating of the local interests and clientelism. The last attribution of rural development is the multi-facetted nature of it, which underlines that many types of interconnected practices are functioning under the umbrella of rural development. The multi-level, multi-actor and multi-facetted nature of rural development in the authors' view means that there is a need to a paradigm shift, the mono-approach has to be changed into a multi-functional approach, which reflects the new networks, practices and identities of rurality (Van der Ploeg et al, 2000).

The above mentioned paradigm shifts are very spectacular described by Hodge and Midmore (2008). They identify four predominant models of rural development: sectoral, multi-sectorial, territorial and local. The *sectoral* approach describes the post-war period, where agriculture

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represents the major sector in rural economy. In this context the performance of rural economy affects the performance of local economy in all dimensions. In this period we are talking about agricultural policy, which goal was to ensure of domestic food security. But in the mid 20th the decline of agricultural sector has been associated with important social changes (urbanization, industrialization), which meant the decreasing importance of agriculture in the rural economy. The multisectoral approach underline that, as a consequence of the above mentioned process, other economic sectors, than agriculture, have come to play a role in rural economy: recreation and tourism, generally the sector of services and industrial sectors. In the late 80's the diversification of rural economy has been popularized in different policies. The essence of multisectoral approach is, that the conventional agricultural view has been changed. The territorial approach recognises the wider interactions within the rural economy and the importance of social and environmental as well as economic issues. Finally, the differentiation between rural areas and the variation in individual circumstances within areas promotes a search for actions that recognise the specificity of solutions at most local levels. These changes have reflected both forces fundamentally associated with national economic change and other factors more governed by local circumstances. So in this context the *local* approach highlights the importance of decentralization of decision-making and the importance of building a system whereby local circumstances can be assessed against national priorities and information disseminated to individual households and businesses on the opportunities and resources that can be made available in support of the objectives. According to the above described rural development models, the policy implementation has to be adopted to the modern view of rural life, and it has to has in focus local community development. (Hodge and Midmore, 2008)

Research methodology

The empirical analysis is based on secondary quantitative data. The statistical description of the NRDP 2007-2013 focuses on those priority axes, which were designed for tourism development, and present the volume of EU funding in this sector.

The analysed NRDP 2007-2013 priority axes were: Improving the competitiveness of agricultural and forestry sector (axis 1), Improving the environment and the countryside (axis 2), The quality of life in rural areas and the diversification of the rural economy (axis 3). In our analysis the focus is on axis 3 with it's two sub-measures: support for the creation and development of microenterprises (Measure 312) and encouragement of tourism activities (Measure 313).

Research results

The general objective of these interventions were the development of tourist activities in rural areas to increase the number of jobs and alternative incomes in rural areas, as well as to increase the attractiveness of local rural destinations. The specific objectives were to create and maintain jobs through tourism activities, especially for women and youth; to increase the added value of touristic

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activities; to create, improve and diversify the tourism infrastructure and services; to increase the number of tourists and the duration of visits. The operational objectives were to increase and improve the small scale tourism accommodation facilities; to create leisure facilities in order to ensure the access to the tourism natural areas. Beneficiares were aimed to be: micro-enterprises, physical persons (not registered yet as economic agents, but committed that untill the date of signing the financial contract to authorise themselves with a minimum status of authorised natural physical persons and to function as a micro-enterprises); communes through their legal representatives according to the national legislation in force, as well as the inter-community development associations realized only between communes and establised according to the national legislation in force and NGO's.

The above mentioned interventions, consisted of the following types of investment components, such as: a) construction, modernization, extension and endowment of tourism accommodation facilities (agro-tourism structures and others type of accommodation structures developed by a micro-enterprise) having up to 15 rooms; b) private investments in the leisure tourism infrastructure, related – or not – to the existing tourist accommodation structure such as camping spaces, swimming places/pools, purchases of traditional vehicles means for walking, horse-riding tracks, including the first purchase of horses for tourism (except those for races and competitions), as well as securing shelters for horses (as a component part of the project), rafting; component c) aimed for local communes: construction, modernization and endowment of information centres in order to promote, present commune as local touristic destination; development of local on-line booking systems for the tourism accommodation centres in the rural area connected to regional and national systems; touristic routes marking and tourist shelters for public utility; investments for rebuilding for tourism purposes, of the old railways with narrow gauge, with all their complementary facilities; investments for setting up and marking rural thematic roads, like wine routes, chees routes etc.; component d) aimed at elaboration of promotional leaflets for touristic activities such as first publication of leaflets, billposter etc.⁶

According to the latest available annual progress report of the NDRP for the year 2015, which includes all the contracted projects for the 2007-2013 period, the following number of projects and budget were contracted:

Table nr. 1: Number and value of projects submitted for Measure 312: Creation and development of micro-enterprises

Year of	Submitted	Selected	Contracted
submission			

⁶ The financial criteria respects the provisions regarding the State Aid according to Commission Regulation (CE) No. 1998/2006, dated December 15, 2006, implementing Articles 87 and 88 of the Treaty on the "de minimis" aid, Official Journal L 379 dated December 28, 2006 (the total value of the de minimis received by a beneficiary during a period of three fiscal years shall not exceed the maximum ceiling of the non-refundable public aid, of 200,000 EUR/beneficiary).

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	Nr.	Public	Nr.	Public	Nr.	Public	
		value		value		value	
		(TEURO)		(TEURO)		(TEURO)	
2008	144	22,384	114	18,277	80	11,498	
2009	2,056	314,110	1,268	186,049	1024	147,629	
2010	1,780	207,366	975	107,426	620	65,444	
2011	2,553	346,679	908	89,014	518	47,910	
2012	2,966	426,633	923	134,947	451	63,737	
TOTAL	9,499	1,317,172	4,188	535,713	2,693	336,218	

Source: edited by the authors on the basis of the NDRP Annual Progress Report 2015

As the above table presents, the number of contracted projects show a very low financial execution for the year 2008, and an average execution for the upcoming four years, 2009-2012. The total cost for the Measure 312 for the year 2007-2013 was 589.891.817 Euros (public and private contribution) according to the NDRP 2007-2013 Programme Document, and the number of project aimed to be contracted was 2757. Therefore we can conclude that number of projects targeted was attained in 97%, despite the value, which was attained only in 57%.

Table nr. 2: Number and value of projects submitted for Measure 313: Encouragement of tourism activities

Year of submission	Subr	nitted	Sele	ected	Contracted			
	Nr.	Public	Nr.	Public	Nr.	Public		
		value		value		value (TEURO)		
		(TEURO)		(TEURO)				
2008	273	49,416	222	43,309	92	16,252		
2009	538	93,386	412	72,209	224	35,784		
2010	589	96,166	445	70,663	225	32,086		
2011	297 45,275 2,006 285,648 3,703 569,891		213	31,386	150	21,432		
2012			1,294	174,722	598	74,314		
TOTAL			2,586	392,289	1,289	179,868		

Source: edited by the authors on the basis of the NDRP Annual Progress Report 2015

As the figures in the above table presents, the number of contracted projects show a low financial execution for the year 2008, and better execution for the years 2009, 2010, a low one for the year 2011, and an exceptional one for the last year, 2012. The total cost for the Measure 313 for the year 2007-2013 was 597.353.960 Euros (public and private contribution) and the number of project aimed to be contracted was 10091, according to the NDRP 2007-2013 Programme Document. Therefore we can conclude that number of projects targeted was attained in 13%, despite the value, which was attained only in 30%, which can be considered a very low rate.

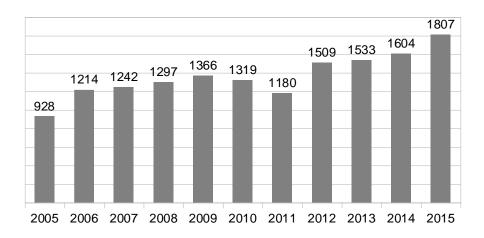
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When analyzing the efficiency, efficacy and impact of the NDRP 2007-2013 it is important to take into consideration also the fact that the Programme Document was formulated before the financial crisis of 2008. The efficacy degree performed on the contracted projects within the Measures 312 and 313 present average results, especially related to the creation of workplaces and the volume of generated investments. The low efficiency degree shows the low number of obtained results with respect to the number of beneficiaries and projects financed in relation with a high volume of investments per project. This is due to multiple reasons: the 2007-2013 Programme period was the first one, neither the beneficiaries nor the institutions responsible for implementing had previous experience, the system is way too bureaucratic and the beneficiaries were lacking information.

In order to analyze the impact of the above presented measures, we extracted all the agrotouristic and touristic guest houses from the available data from the National Statistic Institution for rural areas (the data is available for every locality per county, therefore we could take out the rural localities, without cities and towns).

Figure nr. 1:

Number of guest houses in rural areas (agro-turistic and touristic) in Romania, 2005-2015



Source: edited by the authors on the basis of the National Statistic Institution data, Tempo online As the above figure shows, the number of gust houses in rural areas had a constant positive evolution between 2005-2015 except for the year 2011, evidently not all due to the NDRP 2007-2013 financing mechanisms.

Table nr. 3: Number of guest houses in rural areas by counties (agro-turistic and touristic) between 2005-2015, top 15 counties with the highest numbers in 2015

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	County	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1.	Brasov	155	193	200	206	198	177	180	243	276	288	330
2.	Harghita	193	277	277	284	195	152	103	171	151	143	163
3.	Arges	60	65	50	50	58	56	65	88	99	112	135
4.	Neamt	39	46	53	61	108	101	88	100	119	124	132
5.	Suceava	70	106	117	115	108	106	107	129	131	126	128
6.	Maramures	60	79	83	102	105	100	76	76	76	69	80
7.	Alba	10	19	24	26	34	35	50	55	56	69	74
8.	Bihor	7	7	7	11	22	30	37	52	50	61	73
9.	Sibiu	20	26	29	41	50	56	16	18	14	17	73
10.	Caras-	23	28	31	30	34	35	34	49	52	54	69
	Severin											
11.	Cluj	69	91	93	92	105	113	72	90	72	65	61
12.	Valcea	15	20	22	22	29	32	39	61	56	58	52
13.	Buzau	18	26	26	28	31	33	30	42	44	45	45
14.	Covasna	6	11	6	5	22	25	34	38	44	44	43
15.	Mures	9	16	16	18	16	17	20	27	57	57	39

Source: edited by the authors on the basis of the National Statistic Institution data

The fifteen counties with the highest number of guest houses is mostly in concordance with the highest number of projects contracted by the Measure 313 by development regions, as Nord-Vest region has the most projects, 333, and Center region following with 260 (according to annual report NDRP 2015).

Table nr. 4: Index of accommodation capacity usage in rural areas 2005-2015 (%)

	1 0								, ,			
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Agro-	14.5	14.4	16.3	18.4	14.2	12.4	13.8	13.2	12.6	13.2	15.1	
touristic												
Touristic	18.9	19.6	22.3	21.9	16.6	14.6	15.5	14.8	14.6	15.4	17.7	

Source: edited by the authors on the basis of the National Statistic Institution data, Tempo online

But when analyzing the impact of NDRP on rural areas, it is important to take in consideration not only the number of projects executed, but also the usage, which can be exemplified by the Index of accommodation capacity usage in rural areas, which, as the table shows, is very low in rural areas. But this fact is due not only to low tourist income in rural areas, as a very important factor which plays its role when measuring the capacity usage: the national statistics do not include the overnights stays unregistered, belonging to the grey economy (some researchers say, the real number of overnight stays is five times higher, than the officially registered ones). Therefore the impact of the above mentioned measures it is very hard to express in exact numbers. According to the study cases,

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there were good and bad experiences as well. In the cases of good examples, at this date the guest house is ready and in use, but the total costs were at least 30% higher because of the projects, than it would have been without. In less fortunate cases, when the need for private funding could not be obtained on time, or went higher than expected, the projects were suspended, and either no construction was started, or the construction process was stopped.

Conclusions and future recommendations

The conclusions are focusing on both micro and macro level, taking into consideration the outcomes of the research and the proposals for the upcoming programming period. The Rural Development Programme 2014-202 for Romania focuses mainly on three priority areas: promoting competitiveness and restructuring in Romania's large agricultural sector; environmental protection & climate change; and stimulating economic development, job creation and a better quality of life in Romanian villages, where the situation is frequently well below both EU and average national levels. From tourism perspective all three of the priority areas are very important, as without special attention for sustainable forestry, the modernization of farms and cooperatives, the support for young farmers to start up there will be no competitive rural settlements where tourism businesses could flourish. In the future Also the benefits through the priority focusing on restoring, preserving and enhancing ecosystems related to agriculture and forestryshould improve the evolution of rural destination by supporting biodiversity and promoting environmentally-friendly land management practices.

The NDRP Programme strategy was formulated based on the context indicators specific to an economic situation very different from the current one. The Programme was approved in 2008, a year with economic growth for Romania, characterized by optimism at economic level, partially due to the absorption of the European funds. The low level of the efficiency and effectiveness comes partially from the lack of experience especially of the Programme beneficiaries in the CAP implementation. They start from agricultural structures not adjusted to CAP implementation and from an agri-food industry disadvantaged in comparison with other Member States that create a certain disadvantage in the objective of assuring the implementation efficiency and effectiveness. The fulfillment of the Programme objectives is limited by the low degree of implementation of its measures. The determination of the estimated objectives and results was made based on the available statistic data, being insufficient or not updated at the level for a Programme with such extension.

Regarding the Measures 312 and 313, the creation of micro-companies in the rural area represents an important opportunity of carrying out economic activities alternatively to the agricultural ones. Its impact on the economic diversification was moderate. The potential of creating jobs recorded quantifies only the proposed workplaces, not the created ones, because of the low number of finalized projects. In the Regional Operational Programme, as well as in the national law in force, there are areas not covered by any of the two programmes (NRDP and ROP), respectively the suburban area (the villages belonging to the towns). As regards the Measure. 312, the microcompanies creation occurred significantly in the area of the services, which shows a correct approach

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in order to increase the offer of services for agriculture and population and the diversification of the economic activities, and most of the micro-companies supported within the period 2007-2010 are in start-ups. Unfortunately the artisanal activities represented a lower percentage in relation with the programmed one. As regards the Measure 313, the impact of the investments in agri-tourism activities is low, although there is a light trend of increase, but the number of contracts signed by youth under 40 years old or by women is high, in relation with the total number of contracts signed.

In the future it is necessary to strengthen the coordination procedures between the institutions involved in managing the NRDP to enable the coordination for the measures application and monitoring. The information exchange and the dialogue between the actors involved led to a key process to increase the consistency and the representativeness of the evaluation conclusions. It is necessary to strengthen the participation processes at all the management levels, in order to consolidate the evaluation processes. It is necessary to increase the time of fulfilment of the subsequent evaluations of the Programme, in order to increase the period of reflection about the evaluation results for all the involved representatives. For Measure 312 it is recommended the disaggregation at the level of the targets for certain indicators, necessary to promote the nonagricultural production, focusing on handicraft production and stimulate its valuing, to increase the intensity of the support provided to the beneficiaries in order to improve their co-financing possibilities. For Measure 313 it is recommended the involvement of other agents from the sector and, especially, of those having knowledge related to the planning within the tourism strategies. The investments should be diversified, searching to guarantee a complete tourist service. For both measure it is recommended to find solutions in order to finance the suburban areas representing an important segment of the rural area, with an important development potential by connection to the urban centres.

For the 2014-2020 period under the priority social inclusion and local development in rural areas, as predicted by the European Commission almost 27 000 jobs will be created in rural areas and the setting up and development of 3 000 non-agricultural businesses will be supported. Nearly 27% of the rural population should benefit from investments to improve rural infrastructure in the upcoming 2014-2020 period. Positive changes in the submission process can already be observed, but in order to achieve these numbers by the end of the programme period, it is important to simplify the bureaccratic procedures and hold large information events in order to have fundamentalized projects developed in rural destinations.

As the International tourism trends in EU-28 member states in it's current situation and forecast for 2020-2025-2030 the seven emerging economy destinations in the EU-28 (Bulgaria, Croatia, Hungary, Latvia, Lithuania, Poland and Romania) are expected to grow faster, at 3.7% a year on average through 2025, than the 21 advanced economy destinations (1.9% a year). Also, as the European Commission's, Flash Eurobarometer 432 report on Preferences of Europeans towards tourism states, the most important source when deciding on travel plans is the recommendation of friends, colleagues or relatives, which is most of the times relevant in Romania's rural tourism case, but the survey also clearly shows the importance of online methods to book holidays. Therefore in the future it is not enough to build the facilities for rural accommodation but it is crucial to improve

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online presence, and marketing activities to improve capacity usage. When talking about economic impact, it is important not only the construction and establishment of SMEs and guest houses in rural areas, but they have to be marketed as well. Most of the local tourism organizations are established by either the national tourism organization, regional tourism organization or state tourism organization as a liaison office and not necessarily promoting the rural destination. The increased global competition in the tourism industry in both domestic and international markets has forced tourism destinations to apply fundamental marketing practices to destinations, notably is the application of destination branding. Consequently, even the well-established tourism destinations need to distinguish themselves due to increasingly competitive global tourism market in order to attract more tourists, therefore, it becomes imperative to develop a destination management and destination marketing for rural tourism that will be responsible for bringing new or promoting existing tourism business. In addition, destination marketing and management, tourist decision making in relation to destination, destination image, positioning and communication management, and destination tourism product development must be well positioned.

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