RURAL DEVELOPMENT, TOURISM AND SUSTAINABILITY

IN ROMANIA

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PROFILE OF ROMANIA:

- **Territory**: 238,000 km² (it has the 6% of the EU area and represents the 2\textsuperscript{nd} largest new Member State, after Poland).

- **Population**: 21 millions.

- **GDP**: 34% of the EU 25 average (it represents less than 1% of total EU GDP).
The territory of Romania covers the highest diversity of European biogeographic regions: continental, pannonic, alpine, pontic and steppic.

The steppic biogeographic region is not represented in other EU States. And the pontic biogeographic region is present only in Romania and Bulgaria.

Romania has a rich natural environment and high biodiversity, including the Carpathian Mountains (about 30% of the national territory), the Danube Delta Biosphere Reserve and 300,000 ha of virgin forests.

Total Less Favoured Areas accounts for 42% of national territory.

For example, the Council Directive 92/43/EEC (OJ L 206, 22.07.1992, p. 7) – the Habitat Directive – prioritises 65 out of 198 European types of habitats; and, in Romania 24 out of 94 of such types of habitats are established as priorities (Romanian Law no. 462/2003).

Forestry: 6.7 million ha (28.3% of total national area); there are problems related to the correct forest management due to the fragmentation of ownership following restitution of nationalised land.
The Danube Delta is UNESCO world natural heritage and Biosphere reserve.
THE TOURISM IN ROMANIA:

- The Romanian tourism potential could compete with the touristic supply of any other country in the world.

- In the 60s Romania was a successful touristic destination basically due to the Black Sea.

- But, the Communist national isolation caused an important regress in this sector, too.

- Nowadays, according with the Research Institute for Tourism, over ½ of Romania’s surface has tourist potential.

- And, according to the final data, Romania is divided into 3 areas:
  - areas of great value (with complete tourist potential)
  - areas with a high tourist potential
  - areas with reduced tourist attractiveness

- A ¼ of Romania’s surface is considered a tourist paradise (includes: the mountain and sub-mountain area of the Carpathians, Maramures, the Danube Delta and the coastal region, national parks and reservations, natural monuments of national interest), and a 1/3 has certain potential (balneary resources and resources considered cultural heritage as: museums, memorial houses, historic areas, etc.).
Rural tourism with its component – *agro-tourism* – has been empirically practised in Romania for over 60 years.

After 1990, this sector developed more amply and even organised itself on internal and external market.

As it is known, these two forms of tourism frame to the area of a sustainable tourism.
THE AGRICULTURE IN ROMANIA:

- **Rural areas**: 87.1% of territory.
- **Rural population**: 45.1%.

- **Agricultural sector**: is more important than in most other Member States, with 32% of the population employed in agriculture and forestry, contributing 12.1% to GDP in 2006.

- Agriculture represents the basic branch of the Romanian economy; holds 18.5% if the internal gross income.

- **Productivity in the agricultural sector**: is very low and during the last years the negative trade balance in agri-food products was increased.

- **Romanian farming**: a dual structure – a small number of legal entities and a huge number of individual farms, mostly subsistence and semi-subsistence holding.

- The rural economy is highly dependent on agriculture and forestry, with low development of alternative activities and lower incomes than urban areas.
The Community Strategic Guidelines and the Lisbon and Goteborg objectives have defined the following overall objectives:

1. Facilitate the transformation and modernisation of the agriculture and forestry production and processing sectors, improving competitiveness and ensuring environmental sustainability

2. Maintain and enhance the rural environment.

3. Facilitate the movement and social conditions for the rural population.
FINANCIAL AND TECHNICAL ASSISTANCE

There are 3 types of financial instruments:

1. **PHARE** (Economic aid to Hungary and Poland; the main channel for the European Community's financial and technical cooperation with the countries of Central and Eastern Europe)

2. **ISPA** (Instrument for structural policy for pre-accession)

3. **SAPARD** (Pre-accession agricultural instrument)

- With the passing of the years, the two Balkan countries have become among those which have benefited most from Community funding

- From 1\textsuperscript{st} January 2007 on, as both Rumania and Bulgaria are now EU Member States, they have been receiving economic assistance by way of the Policy of economic and social cohesion, in accordance with agreements reached during negotiations for accession
MAP OF DEVELOPMENT REGIONS
- **Region 1**: North-East (including 6 counties)
- **Region 2**: South-East (including 6 counties)
- **Region 3**: South (including 7 counties)
- **Region 4**: South-West (including 5 counties)
- **Region 5**: West (including 4 counties)
- **Region 6**: North-West (including 6 counties)
- **Region 7**: Centre (including 6 counties)
- **Region 8**: Bucuresti-Ilfov (including Bucharest the capital and county Ilfov)

These 8 development regions are set up by voluntary association of neighbour counties. The development region is not a territorial administrative unit and it does not have a legal personality.
Eligible areas in the EU under the Convergence Objective and the European Competitiveness and Employment Objective

- Convergence Regions
- Phasing-out Regions
- Phasing-in Regions
- Competitiveness and Employment Regions
Lists of the ERDF beneficiaries published

Not yet published
For the 2007-2013 period, Romania has been allocated approximately:

- **€19.2 billion** under the Convergence objective
- **€455 million** under the European Territorial Cooperation objective

Romania’s contribution to complement the EU investments will be at least €5.5 billion.

The total amount of the investments in structural and cohesion policy will be of approximately **€25.2 billion** during the 2007-2013 period.

All the Romanian regions are eligible under the Convergence objective (article 87 (3) (a) of the Treaty instituting the European Communities).

The European norms allow regional development aid for regions whose GDP is less than 75% of the average GDP of the EU.

The maximum aid intensity is 50% for the whole territory, with the exception of Bucharest which will be eligible at a maximum aid intensity of 40%.
The main objective of the EU funding is to reduce the economic and social development disparities between Romania and the other EU Member States, by generating **15-20% additional GDP growth by 2015**.

**FIVE THEMATIC PRIORITIES** have been established to achieve this general objective:

1. Development of basic infrastructure in line with European standards
2. Increasing the long-term competitiveness of the Romanian economy
3. Development and more efficient use of Romania’s human capital
4. Building an effective administrative capacity
5. Promoting balanced territorial development (territorial priority)
European Regional Development Fund / Cohesion Fund 2007-2013

- Culture 1.3%
- Energy 3.9%
- ENVIRONMENTAL PROTECTION AND RISK PREVENTION 30.2%
- Improving access to employment and sustainability 0.2%
- Information society 2.9%
- Investment in social infrastructure 3.6%
- Research and technological development (R&TD), innovation and entrepreneurship 12.0%
- Technical assistance 3.6%
- TOURISM 2.3%
- Transport 34.3%
- Urban and rural regeneration 5.8%
Romania’s managing authorities related to the implementation of the EU Regional Policy

A. Ministry of Development, Public Works and Housing
B. Ministry of Economy and Finance
C. Ministry of Environment and Sustainable Development (National Environmental Protection Agency + 8 Regional Agencies)
D. Ministry of Transport
E. Ministry of Agriculture and Rural Development (National Network for Rural Development + 8 Regional Development Agencies)
The National Environment Protection Agency (NEPA)

- Is a specialised authority of the public central administration
- Is subordinated to the Ministry of Environment and Sustainable Development
- Is run by a President, having the rank of Secretary of State
- Has powers in implementing environmental policies and legislation, such as:
  - Strategic environmental planning
  - Environmental factors monitoring
  - Permitting of activities which have an impact on the environment
  - Implementation of the environmental legislation and policies at national, regional and local level
  - Reporting to the European Environment Agency, through the Eionet network, the priority data flows for air quality, climate change, protected areas, contaminate soil and water
The NEPA has different responsibilities, such as:

- Providing technical support for the substantiation of the legislation, sector strategies and policies, according to the *acquis communautaire*, and based on the concept of sustainable development

- Implementation of the environmental legislation

- Management of the national reference laboratories for air, waste, noise, vibrations and radioactivity

- Coordinating the implementation of environmental strategies and policies at national, regional and local level

- Representation in the external and internal relations, according to the mandate of the Ministry of Environment and Sustainable Development

- etc.
Regional Environment Protection Agencies
The Environmental Impact Assessment (EIA) Directive in Romania


- The EIA Directive is transposed in the Romanian legislation by Governmental Decision (GD) no. 1213/2006 that establishes the framework procedure for environmental impact assessment of certain public and private, and is implemented by the following legislative acts:
  - Order no. 860/2002 on the approval of the environmental impact assessment procedure and issuance of the environmental agreement modified by Order 210/2004 and Order 1037/2005
  - Governmental Order no. 863/2002 for the approval of the methodological guidelines applied to the environmental impact assessment framework procedure
  - Governmental Order no. 864/2002 for the approval of the impact assessment procedure and public participation in the decision making procedures for projects with transboundary impact
The Strategic Environmental Impact Assessment (SEA) in Romania

Nowadays, the *Directive 2001/42/EC* is in the process of implementation through the Decision no. 1076 of 8.07.2004 for setting up the environmental assessment procedure of certain plans and programmes.

For its implementation has been elaborated and adopted:

- The Manual for application of the Decision no.1076/04
- MO 995/2006 for approval the list with plans and programs that are under the provision of the GD 1076/2004
Romania’s Environmental Legislation:

- Horizontal legislation
- Climatic changes
- Industrial pollution control
- Air quality
- Noise
- Water quality
- Waste products management
- Chemical substances
- Organisms genetically modified
- Nature protection
National Development Agency

- It has been created in 1998
- It belongs to the Romania’s Government

8 Regional Development Agencies (Law 315/2004)
## Regional distribution of Structural Funds 2007-2009 (MEURO)

1. North-East Region: 172-258
2. South-East: 111-116
3. South: 128-192
4. South-West: 95-143
5. West: 70-106
7. Centre: 88-132
8. Bucharest-Ilfov: 40-60
The 8 Regional Development Agencies are NGOs, for public utility that acts as an executive institution at regional level.

At regional level, there is a decisional institution – the Regional Development Council.

At national level, there is an executive institution – the Ministry of European Integration.

The decisional institution is the National Regional Development Council. This is presided by the head of the Ministry of European Integration.

**The main activities of the 8 Regional Development Agencies are:**

- To conceive and update the Regional Development Plan (2007-2013)
- To implement and monitor the Programmes
- To work in partnership
- To promote relevant information for the Region
România
Publication of the ERDF beneficiaries

Lists of the ERDF beneficiaries published
Not yet published
The Rural Development Programme (RDP) for Romania for the 2007-2013 period:

- Is centred on the 3 key challenges of transforming and modernising the agriculture and forestry production and processing sectors, to maintain and enhance the quality of the rural development, and to ensure adequate economic and social conditions for the rural development.

- The RDP overall budget consist on:
  - Axis 1, 2 and 3
  - LEADER

Axis 1:

- The main priorities are:
  - Skills and management capacity will be improved
  - Improving the competitiveness of the farming sector
  - Restructuring and modernisation of processing and marketing of agricultural and forestry products
Axis 2:
- The main priorities are:
  - Maintain sustainable farming in mountain and other disadvantaged areas (in order to maintain the environment, avoid land abandonment and address problems such as soil erosion)
  - Maintain and enhance the environment benefits generated by traditional extensive farming systems in High Nature Value ecosystems (Carpathian mountains and Transylvania)
  - Protect endangered bird species and their habitats
  - Forestation of agricultural land

Axis 3:
- The main priorities are:
  - Diversification of the rural economy and job creation will be encouraged through support to micro-enterprises and tourist facilities and attractions
  - Village renewal and development
  - The Romanian RDP encourages communities to submit integrated projects covering a range of physical and social infrastructure elements, to improve village life
LEADER:
- The main priorities are:
  - To improve local governance capacity and to promote local development
  - 91% of the funds will be used for the implementation of local strategies by Local Action Groups, including cooperation projects with other LEADER groups
At national level, in July 2008 the National Sustainable Development Strategy was adopted for the 2013-2020-2030 period.

This Strategy contains 3 strategic objectives for the short, medium and long run:

A. Horizon 2013: to incorporate the principles and practices of sustainable development in all the programmes and public policies of Romania as an EU Member State

B. Horizon 2020: to reach the current average level of the EU countries for the main indicators of sustainable development

C. Horizon 2030: to get significantly close to the average performance of the EU Member States in that year in terms of sustainable development indicators

On the other hand, this National Strategy foresees a proposal for the creation of a Ministry of Energies and Resources and also of an independent office for monitoring and surveillance of the energies market. This Ministry could be created as a result of the reorganization of the Ministry of Economy and Finance.
Regarding the **regional development**, the weak points identified at regional level are, among others, the following:

- Concentration of the economic growth and of foreign direct investments around the city of Bucharest and increasing disparities compared to the other regions, accompanied by worsening congestion of the capital
- Socio-economic decline of a significant number of larger cities and their diminished role in the development of the adjacent areas and of the regions
- Increasing demographic imbalances at regional level
- Loss of urban functions in many small and medium towns, especially in mono-industrial localities that were affected by restructuring and the resulting deterioration of social problems
- Re-emergence of the historical development imbalance between the Eastern and the Western parts of the country
- Limited experience and ability of local public authorities to manage complex sustainable development programmes including the economic, social and environmental components
- etc.

Regarding the **rural development**, **agriculture, forestry and fisheries**, the legal dispositions, programming documents and executive decisions in these areas are correlated with the EU Directives and Community regulations, as well as with Romania’s national strategies sectorial programmes.
Apart the National Sustainable Development Strategy, there also is a **National Network for Rural Development**.

In this sense, the art. 68 of the *Council Regulation (EC) No. 1698/2005* on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, pp. 1-40) stipulates that “every Member State shall establish a national rural network, which groups the organisations and administrations involved in rural development”.
During 2008, lots of projects were presented in the framework of the National Rural Development Programme in order to receive EU funds. Its budget is about €8 billion for the 2007-2013 period.

The sum of the global projects applied for is more important than the total budget of this Programme for the entire period of its existence.

Some examples:

- “Modernization of the agriculture farms” component – more than 600 projects were presented monthly and finally 200 projects have been selected.
- “Renewal of villages” component – more than 170 projects were presented monthly and about 40 projects have been admitted.
During the same period, lots of projects were presented for financing the Environment Programme and finally the European Commission have elected 8 projects related to the systems of water and used water.

But till now no project has been presented in relation with the integrated management systems of wastes and only 23 such projects are still in the preparation phase.

The Ministry of Environment and Sustainable Development has launched an important programme – *The Green House* – for having ecological houses. In 2009 its budget is about €110 million. The physic persons could receive up to 90% of finance in order to set up their own systems of producing the renewable energy.
Strategic guidelines:


Policy instruments:


- **Financial management:**


- **Control:**

Rural development budget:

- Commission Decision 2007/680/EC amending Decision 2006/410/EC, setting the amounts which, pursuant to Articles 10(2), 143d and 143e of Council Regulation (EC) No 1782/2003, are made available to the EAFRD and the amounts available for EAGF expenditure, and Decision 2006/636/EC fixing the annual breakdown by Member State for Community support to rural development for the period from 1 January 2007 to 31 December 2013 (OJ L 280, 24.10.2007, p. 27–30).


- etc.
State aid:


- etc.
Thank you!

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