# MANAGEMENT ISSUES RURAL DEVELOPMENT PROJECTS FINANCED FROM STRUCTURAL FUNDS

# ASPECTE PRIVIND MANAGEMENTUL PROIECTELOR DE DEZVOLTARE RURALA FINANTANTE DIN FONDURI STRUCTURALE

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***Abstract:*** *Following the common agricultural policy reform, rural development has gained an increasing role in all actions which are supported by rural areas face the challenges of XXI century in terms of economy, social and environmental policy. Rural areas constitute 90% of the merged some extended. Investments in rural areas, namely agriculture and processing oriented manufactured products aimed at the development of initiatives, investments that generate jobs and create wealth.*

***Project management*** *in a large area, including components, as follows: business plans, investment projects, restructuring plans for refurbishment projects and introduction of technical progress, revitalization project information system etc. With regard to conditions for operation management through investment projects they emerge the following components:*

- *resource management at a higher level of use;*
- *existing own resources and be attracted to achieve efficient use of strategic and tactical objectives;*
- *consumption of resources must be done with maximum efficiency;*
- *need for their management as a proper entity, is a decisive prerequisite for a profitable activity and achievement of performance indicators;*
- *projects include responsibilities and incentives at the center;*
- *the development projects is imperative to attend the best specialists to provide a structure to be functional performance.*

***Key words****:* management, rural areas, investment projects

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## INTRODUCTION

**Project management**, both in theory and the practice is a way to solve scientific problems facing the management of a project under certain conditions, including those of complexity, interdependencies and change that characterizes today's world.

After EU accession, Romania has become the taxpayer and the beneficiary of ***structural funds***. In this context the importance of the development, management and project implementation has become crucial in the absorption capacity of these post-accession funds, amounting in total to about 30 billion for the period 2007 to 2013. This money will not receive the budget allocations, but only on a project basis. This type of financing is very flexible and is agreed an extremely wide range of fields, or about any investment (production, infrastructure, social services, etc..). The only conditions are the realization of viable projects and hold funds for financing, about 20 to 30% of the project.

*Structural Funds* are financial instruments that the EU acts to eliminate economic and social disparities between regions, in order to achieve economic and social cohesion. Regional policy puts in place a concrete solidarity between the peoples of Europe mentioned in the preamble of the Treaty on European Union. This policy contributes to one of the fundamental objectives defined in the Treaty: "to strengthen economic and social cohesion throughout the EU by reducing development disparities between regions". At the same time, policy, to which I refer, has a significant impact on regional competitiveness and living standards of their citizens, particularly through multi-annual development programs co.

These programs are supported by the four Structural Funds, namely:

- European Regional Development Fund (ERDF) for infrastructures, the impact investment in creating new jobs and SMEs;
- European Social Fund (ESF) for training and professional integration; Guidance and Guarantee Fund (EAGGF) for rural development and farm support,

- Financial Instrument for Fisheries Guidance (FIFG) for the adaptation and development of the sector

## MATERIALS AND METHODS

To provide a modular organization of **management of investment projects** is necessary to promote the most advanced methods and techniques of management and organization. This process is innovative and creative, aiming at, based on a thorough SWOT analysis, to stimulate the hottest points and opportunities, along with the adoption of vigorous measures to limit and remove disfuctionalitatile determined the existence of weaknesses.

Essential benefits they provide leadership through projects refer to:

- increasing scientific analysis to establish project objectives,
- improving monitoring and evaluation methods, and ensure motivation for personnel engaged in making proiectlui;
- conditions for increasing activity of foreign revenues, the prerequisites for increasing economic efficiency, profit and performance;
- provided ample opportunities contributions to the strategy of regional and national.

## RESULTS AND DISCUTIONS

**Structural Funds** focus on three priority objectives, namely:

- Development of regions lagging behind (Objective 1);

- Socio-economic conversion of industrial, urban and rural or dependent on fishing (Objective 2);

- Training systems and promote it (Objective 3), outside Objective 1 programs that already contain these measures.

These targets are supplemented by four Community initiatives encouraging throughout the European Union:

- cross-border, transnational and interregional cooperation (INTERREG III);
- revitalization of urban areas in crisis (URBAN II);
- equality on the labor market (EQUAL);
- rural development (LEADER +).

Finally, innovative measures by the European Union allow experimentation of new ideas. Programs are developed by the European Commission and by national and regional guidelines proposed by the Commission and the priorities set by Member States.

For the **period 2007 - 2013**, European Commission intends to focus priorities on three components, with a budget of 336 billion global Euro. Component "Convergence" will stimulate growth and employment in less developed regions (especially in new Member States), which will continue to benefit from the Cohesion Fund.

Component "*Competitiveness*" will anticipate changes occurring in the rest of the European Union. This will include a regional party, which will allow each state to choose the beneficiary zones, and national chapters, based on the European strategy for employment. In turn, component "Cooperation" will leave the experience gained through INTERREG to promote harmonious development throughout the European Union.

**Eligible measures** under the Structural Funds are:

*1. European Regional Development Fund* (ERDF) - is a structural fund supporting less developed regions by financing investments in productive sectors, infrastructure, education, health, local development and small and medium sized enterprises and the economic and social conversion of areas facing structural difficulties.

*Measures eligible* for this fund are:

- productive investments that allow the creation or retention of jobs;
- investment in infrastructure, with different purposes depending on the purpose of intervention;
- indigenous development, local development and SMEs;

*2. European Social Fund* (ESF) - is a structural fund for European Union social policy, employment measures supporting labor and human resources development. This fund helps to:

- promoting opportunities for employment - unemployed and disadvantaged groups by increasing their mobility and facilitate their adaptation to industrial changes;
- European Strategy for Employment.

*Eligible measures* are:

- Support people: educational and vocational training, employment assistance, higher education in science and research, information on new sources of jobs;

- Assistance to structures and systems: improving education and training, modernization of labor employment, development of systems to anticipate skill needs;
- Accompanying measures awareness, services, etc.;

*3. The European Agricultural Guidance and Guarantee Fund* (EAGGF) - the "Orientation" - is a structural fund for EU common agricultural policy, supporting measures for modernization of agriculture and rural development. The "Orientation" help support less developed regions, by improving efficiency of production structures, marketing and processing agricultural and forestry products, and developing local potential in rural areas. The "guarantees" of the fund, which is not structural, contribute to rural development in the Common Agricultural Policy in areas with structural difficulties.

*Measures eligible* under these funds include: investment in agricultural holdings; start support for young farmers; professional training; support for early retirement schemes; disadvantaged area compensatory allowance; agri-environment measures; processing and marketing agricultural products; developing and promoting forest; adaptation and rural development;

*4. Financial Instrument for Fisheries Guidance* (FIFG) - is a structural fund for EU fisheries policy, which supports measures to increase competitiveness of the fisheries sector, in terms of ensuring a sustainable balance between resources and operational capacity. This fund contributes to the adaptation and modernization of the fishing industry in Objective 1 regions and elsewhere through:

- creating a sustainable balance between marine resources and their use;
- increase the competitiveness of companies;
- improve the provision and development of fisheries and aquaculture;
- support for revitalizing areas dependent on fisheries.

*Eligible measures* are: adjustment effort in the fisheries sector; fleet modernization; develop fishing farms; protection of marine areas; facilities in fishing ports; fish processing and marketing; promoting of fisheries products.

Currently available **for rural development** a number of funds allocated by the European Union and can be accessed by people in rural areas who want to modernize their farms and villages to contribute to the redevelopment to build farms and pensions agro. Thus, **the National Rural**

**Development Programme (RDP) from 2007 to 2013** are allocated funds for rural development from the European Agricultural Fund for Rural Development (EAFRD) according to four axes.

**The measures** under **Axis 2** to maintain and improve the environment by promoting sustainable management areas of both the soil and of the forest in order:

• improving the balance between the need for rural economic development and sustainable use of natural resources, which will form the basis of economic growth;

• address the problem of abandonment of farming in disadvantaged areas in terms of agriculture;

• financial support for farmers and forest owners for providing environmental services to preserve and protect wildlife, water and soil - as environmental priorities of the European Union on agriculture and forestry - to maintain HNV farming systems of type (natural high value - high natural value) and to mitigate climate change;

• maintaining and enhancing the attractiveness of rural areas as a basis for diversification of farm functions and generate alternative economic activities, non;

• address the problem of poor information management practices of farmers in the extensive agricultural land.

The overall objective of **Axis 3** is represented by encouraging diversification of rural economy and improving quality of life of rural.

The *strategic objectives* of Axis 3 are:

- maintain and develop economic activity by increasing the number of jobs;
- increase the attractiveness of rural areas;
- skills and raise awareness about the importance of local actors of local governance

The *specific objectives* of Axis 3 refers to:

- Diversification of economic activities in non-agricultural farms and encouraging small businesses in rural areas;
- Creation, improvement and diversification of tourism facilities and attractions;
- Creation and modernization of physical infrastructure in rural areas;
- Improving the quality of the social, natural and rural economic;
- Protect and preserve cultural and natural heritage;

- Creation, improvement and diversification of tourism facilities and attractions;
- Capacity building of local actors to stimulate territorial organization.

Under Axis 3 were defined several **measures** to regulate the conditions of funding rural development projects, namely:

- *Measure 312* - support for establishment and development of micro enterprises in rural areas;
- *Measure 313* - Encouragement of tourism activities in rural areas;
- *Measure 322* - Village renewal and development, improving basic services for economy and rural population and upgrading of rural heritage.

Financial support through **Axis 4 - LEADER** aims mainly implementing local development strategies based on local needs and strengths of rural areas, combining the three main objectives of the three axes, namely:

- competitiveness of agricultural and forestry products; improving rural environment and quality of life;
- diversification and non-agricultural activities in rural areas.

## CONCLUSIONS

The specific objectives of the **National Strategy for Regional Development** to increase the competitiveness of regions in terms of localization economies support business and local / regional affected by industrial restructuring and the traditionally underdeveloped.

*The main problems* identified by the SWOT analysis carried out at regional level is the existence of an inadequate infrastructure for a competitive business environment.

Also, analysis showed a poor interaction between private companies and research institutes, which explains the low capacity of the Romanian companies to quickly transfer the production and market products based on new, high added value. This explains to some extent the low level of use of technological innovations in Romania.

*The main areas of intervention and activities* related Operational Programme (ROP) are: business support infrastructure in individual regions, which refers to technology-oriented industrial parks and rental buildings and providing support in management, marketing, recruitment and other professional and commercial services as well as other regional entities technology transfer (different types of technology transfer regional entities).

Based on the latest assessment on the identification characteristics and recent business trends have been established and selected activities eligible for funding under the ROP, namely: development of business support through rehabilitation / extension of streets within the city, creating / expanding utility system (water treatment plants, facilities and gas supply, sewers, etc.), renovating / upgrading / demolition of ancient buildings and dissemination of ICT technology, which provides point starting in business development. In the future, will be required equipment on a large scale, with hardware, software, and communication platforms that require extension of broad-band of the fiber optic dissemination of integrated computer systems.

*Potential applicants* must be companies active in industry and services, including micro and start-ups, especially in areas in economic decline, but with growth potential.

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