THE USE OF FUNDS FOR AGROTOURISM AND RURAL TOURISM DEVELOPMENT

UTILIZAREA FONDURILOR IN DEZVOLTAREA AGROTURISMULUI SI TURISMULUI RURAL

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Abstract: *The rural tourism, as part of the overall national tourism, is considered a subsector with a particularly high development potential. This is an employment alternative for the active population, a way of economic activities diversification and a population stabilizing factor. Its development can help to alleviate imbalances within certain areas, being a source of growth and income diversification of rural inhabitants. The authors propose to answer in this paper to the following questions: To what degree has this support contributed to the tourist activity development? What is the share of the investments in agrotourism, on one side, and in rural tourism, on the other side? To what extent has the support led to the creation of new jobs in the rural areas? To what extent has the support contributed to the improvement and diversification of rural economic development? To what extent has the support contributed to improvement of life quality in rural areas?*

Key words: *programs, funds, measure 313, tourism, proposals*

INTRODUCTION

EU, through various bodies set up and by developing various programs supports rural development and agrotourism as a component of rural development. The EU main objective is to provide the development of a tourism product that would directly boost farmers and local communities and preserve the rural heritage.

In EU regional development policy, tourism practiced at farms granted the aid by "EU structural and regional development funds", support in financing investments in tourist infrastructure, natural parks development, sports and promoting agrotourist services. The tourist activities development in rural areas can help to increase the employment and income alternatives and the attractiveness of rural areas.

MATERIALS AND METHODS

The authors of this paper have completed two phases. In the first phase, it has been required a theoretical and bibliographical documentation concerning programs by which rural and agrotourism development measures are supported and presentation of Measure 313 on tourist activity encouragement. It has been defined the issue and formulation of the main hypotheses in order to constitute an explanatory and convincing model, inducing the importance and activity of the researched subject. The final phase has been drawn up and completed by the collected information. The drafting of this paper was made in laboratory, based on the notes from the ground, the existing material and consulted bibliography.

RESULTS AND DISCUSSIONS

A. EU initiatives concerning the actions of rural tourism and agrotourism development:

1. Council of Europe launched the campaign for "Rural World" which certainly had a strong impact on tourist development of these regions. The Parliamentary Assembly Report invites all Member States to promote rural tourism which can contribute to achieving a social contract that will guarantee an integrated European policy, eco-cultural and social balance between town and country.
2. European Commission, through Rural World Future Report, as well as the reform of structural funds and their incidence on rural tourism development, emphasizes the importance that the committee must provide to economic sector. Operational programs from almost all regions and most business plans of local development groups from LEADER initiative contain innovative projects and shows that the

local "actors" (agrotourist service providers) are involved in a harmonious development of a high level rural tourism.

3. Common Agricultural Policy in European Union (EU). EU regulations which aimed to increase the efficiency of agricultural structures envisage a financial support system to increase investment in tourist and artisan activities in peasant farms.

4. EU regional policy. Rural tourism is realized in those areas eligible for financial aid from the Structural Development Fun and the European Union Regional Fund. For example, in the framework of EU support in order to achieve the objectives of rural development, the most important place is occupied by measures to encourage rural tourism and professional training in tourism field. This involves financing investments designed to create tourism facilities such as accommodation in peasant farms, natural parks development, sports activities.

5. By LEADER initiative, the Community aimed to promote the integration of local rural development by establishing a network of over 100 action groups in rural areas. Each group has the following tasks: directing subsidies to finance their own geographic areas, workforce training and providing technical assistance, rural tourism development, encouraging small firms, artisan enterprises and providing local service, exploiting and marketing local agricultural products.

B. European programs concerning rural tourism development

To encourage the rural tourism in EU countries and in others non-European countries, several programs have developed, including:

1. The "Expert" Programme is based on the principles of innovation, sustainability and profitability. The concerned sector was the sector of "specialized tourists" such as: professional organizations, schools, universities, groups with a particular vocation. After the first year of operation, Rural Tourism Development Association (RTDA) was established in order to encourage the rural and cultural tourism and to continue the projects of "EXPERT" Programme. The project allowed the development of rural tourism activities taking into account the environmental protection, and creation of a network covering 17 countries.

2. The "The Village I Love" Programme deals with the problems in rural tourism by organizing competitions. The report is accessible to everyone and it is a good means of information and a good

reference source for local authorities which seek to develop rural tourism in their area.

3. Through "Data Base on Rural Tourism Services" Programme, it is developed a computer program (MSDOS, MacIntosh) to collect relative information about services provided on rural tourism market. Such information indicates what companies offer travel services, which are the elements of art and culture specific to concerned region, what are the characteristics of the environment.

4. "European Rural Tourism Network" Programme has three elements: technical assistance for developing a network of tourist accommodation, knowledge of European rural tourism market, creation of an information programme and promotion of tourist residences in each country.

5. The "Transnational AgriTourism Information Centre" Programme aims primarily to create an educational service concerning green tourism and environmental protection to visitors of the region where is Bishop Burton Agricultural College. The project has allowed the realization of a center and an international network providing green tourism promotion, taking into account environmental protection.

The Measure 313 of the National Programme for Rural Development "Encouragement of tourism activities" falls within Axis III - "Improving the quality of life in rural areas and diversification of rural economy" and has as general objective the development of tourism activities in rural areas that would help to increase the number of jobs, alternative incomes and attractiveness of rural areas.

Specific objectives include: 1. creating and maintaining jobs by tourism activities, particularly for young and women; 2. increasing value added in tourism activities; 3. creating, improving and diversifying tourist infrastructure and services; 4. increasing number of tourists and visits duration.

Public contribution for the Measure 313 is: 388.280.074 Euro of which 9.540.000 Euro represents the financial allocation related to guarantee scheme for SMEs: Romanian Government contribution - 20% and EU's contribution - 80%. The total cost, comprising public and private contribution, is 597.353.960 Euro. The amounts are allocated:

1. for investments in public interest without generating income, the public support non-refundable will be up to 100% of total eligible costs, without exceed 200.000 Euro/project;
2. For income-generating investments, non-refundable public support will be up to70% of total eligible costs and will not exceed 70.000 Euro/project in the case of investment projects in agrotourism and 50% of total eligible costs and it will not exceed 200.000 Euro/project for other types of investment in rural tourism.

Types of investment

a) Investment in tourist reception infrastructure

- Construction, modernization, expansion and endowment of accommodation units
- Comfort level of and services quality proposed in the project must achieve at least the standard quality of 3 Daisies category / stars;
- Comfort level of and services quality proposed in the project must achieve at least the standard quality of one daisy.

b) Investment in recreational activities (camping facilities, and swimming pools arrangements, purchase of traditional transport for walks, riding trails, etc..)

c) Investment in infrastructure on a small scale as well as information centers, development of tourist marks, etc.

d) Development and/or marketing of tourism services related to rural tourism (presentation brochures, information panels, maps, plans of cities, tourist guides, CDs, DVDs, posters, information and/or promotion websites).

By 31.12.2008, two sessions for the submission of projects were conducted within this measure, during which 273 projects have been made. By the end of 2008, the selection was not achieved for none of the two sessions for projects submission. Details concerning the regional distribution of submitted projects (in number) are presented in the figure 1:

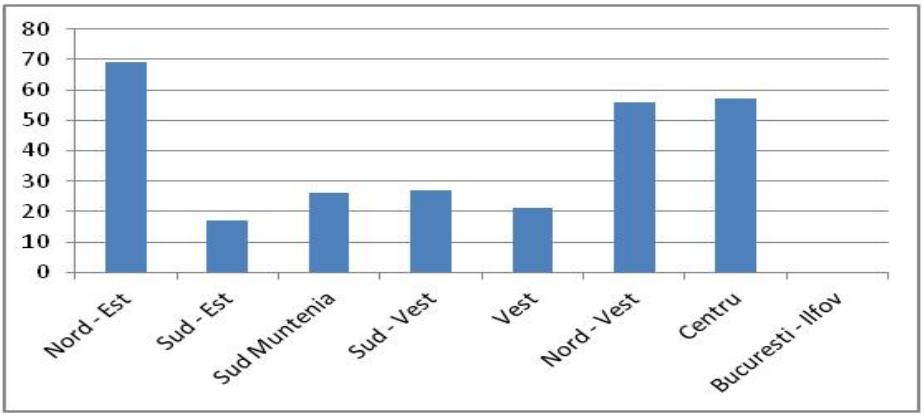


Figure 1. Number of projects approved under the Measure 313

According to monitoring data transmitted by APDRP (Payments Agency for Rural Development and Fishing), the measure has a total volume of incurred investment of 269.668,5 million Euro of which about 94.2% (254.064,9 million Euro have been engaged for investments in tourist infrastructure and in recreational activities. The payments volume of 4.744.229 Euro since 30 September 2010 accounts a total of 0,9% of budget allocated for the entire execution period and 1.8% compared to the objective of 2010, according to monitoring data of APDRP.

Investments included in component A "Investment in tourism accommodation infrastructure" were the most common. A rate of 84% of selected projects under this measure corresponds to investments for component A, according to monitoring data of APDRP. These data reflect that investments for components A and B possess an investment volume which represents 94.2% of investments made. The programme objective aim to develop 2041 projects for agrotourism - 38% and 1905 projects for rural tourism - 35% of those 5369 scheduled during the full implementation according to monitoring data of APDRP.

Selection criteria of the measure for its components A and B gives ten additional points of eligible projects for investment in agrotourism, provided that beneficiaries can prove that the agricultural activities exist at the time of submission for funding. Of 222 selected projects as a result of two submission sessions, in 2008,

2.2% have met the selection criteria on agrotourism activities. This ratio has increased to 10.6% of 412 projects selected within the two sessions in 2009. The programme had moderately contributed to the development of tourism activities depending on the number of microenterprises created and on the executed budget during 2007 to 2010. By this date, a total of 39 investments in agrotourism have been achieved of those provided – 2041, consequently, investment rate was minimal in this period of implementation.

The measure has directly contributed to the development of rural economy by investing in 595 new activities of tourist sector, according to monitoring data of APDRP. Most of these activities were developed within Component A (84%). The measure encourages the diversification of rural economy by giving ten additional points of approved projects which combine more than one of its four components. The rate of approved projects that have met this criteria oscillates between 77% in 2008 and 80,6% in 2009.

For the component C (investments at small-scale infrastructure as well as information centers, development of tourist marks, etc.) and component D (development and/or marketing of tourism services related to rural tourism), this criteria was modified in November 2008 session, attributing 25 points for the projects integrated in a strategy in order to promote at national or local level. This change has been a success with a growing rate of selected projects that have met the criteria of 0,9% in 2008 to 16,7%in 2009.

Investments by nonprofit public interest can get up to 100% public co-financing, while for profit-making investment the maximum values of public funding reaches 70% for investment in agrotourism and 50% for other investments in rural tourism. According to monitoring data of APDRP, the projects placed in the component C represented 11,7% of signed contracts and 6,2% regarding their value.

CONCLUSIONS

Rural tourism and agrotourism can be supported by: training operators in rural tourism, tax and legal consulting, marketing and management, assistance on financial support opportunities, awareness of local people on the possibilities offered by agrotourism, state

intervention by various grants. As any productive activity type, rural tourism and agrotourism may involve synergistic effects of growth by attracting new variables in the planning process and operational strategy.

This measure will support tourist and agrotourist activities aimed at increasing attractiveness of the area, creating new jobs, developing, marketing services and tourist infrastructure at small-scale.

Some perspectives for Measure 313: it is recommended to involve other agents from the sector and especially those who possess knowledge about tourist planning strategies, it is recommended to find solutions for the financing of suburban areas which represent an important segment of rural areas with an important development potential by networking with urban centers, investments must be diversified trying to ensure a full tourist service.

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