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## **A Development Visions Approach of Designing Rural Strategies**

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# A DEVELOPMENT VISIONS APPROACH OF DESIGNING RURAL STRATEGIES

## *Abstract*

The paper aims to present possible development visions for the rural areas in a candidate country to access the EU. The proposed objective is to provide a decision-making tool useful in strategic planning process, by designing models of integrated rural development, applicable at country or regional levels.

The scenarios method was used to conceive alternatives for rural development and design scenario matrices, focusing on the institutional and socio-economic modules of analysis. The paper proposes a trend scenario, based on the potentials and constraints identified in the analysis phase, and 3 goal scenarios, based on distinctly different sets of goals or development visions.

The expected outcome consists in development of the potential for economic diversification in rural areas emphasizing the creation of local/regional employment and income opportunities, in several alternatives supplied by different visions of development.

*Key words: rural development (O18), economic diversification (O15)*

## **1. Introduction**

The paper aims to present possible development visions for the rural areas in a candidate country to access the EU. The proposed objective is to provide a decision-making tool useful in strategic planning process, by designing a model of integrated rural development, applicable at country or regional levels.

Based on the ration that a strategic planning process should comprise certain logical and practical phases - i.e.: the analysis phase, scenarios design, elaboration of sector strategies, elaboration of project profiles - the paper attempts to provide a model of development scenarios, focusing on the institutional and socio-economic modules of analysis.

The research output proposes ways to establish and update of rural development strategies, as well as to facilitate government institutions and agencies in the formulation of rural development projects, especially in methodological aspects.

## **2. Methods and Tools**

### *2.1. Analysis and key parameters*

The strategic planning process related to rural development deals with a wide range of parameters corresponding to the complexity of issues concerned, e.g. given in the table 1.

The first step in this process is to evaluate the present state of rural development, by conducting an extensive analysis to indicate the diagnosis of rural areas<sup>1</sup>.

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<sup>1</sup> The analysis relies mainly on the *FAO Project TCP/ROM/0167 "Strategy for Agriculture and Rural Development in Romania"*, results supplied by the Rural Development and Land Tenure Task Forces. The Rural Development Report was carried out by: Mirela Rusali - coordinator (*Institute of Agricultural Economics – Romanian Academy*), Victoria Burtea (*SAPARD Agency*), Liliana Guran (*Institute of Geography - Romanian Academy*) and Luiza Toma (*Institute of Agricultural Economics - Romanian Academy*), under the guidance of Jack P.N. Damen - *FAO Visiting Expert* and Fritz Rembold - *FAO Backstopping Officer*.

The main purpose of the diagnosis was to determine the major constraints and potentials of the rural development in the country's rural areas, as a basis to build a new rural development strategy.

The method consists of analysis and synthesis, based on the stocktaking exercise, focused on the main problems and in the limits of the available information. It regarded the governmental rural development approach of the current policies, programs and projects, operational constraints and bottlenecks that impede partnerships and cooperation in the provision of rural development services and the corresponding variables featuring the rural areas. Information was collected from published reports and studies, information disseminated through Internet (institutions, legislation, programs), interviews with key stakeholders, observations, statistical analysis.

**Table 1. Major parameters for rural development analysis**

Macro-Economics	Social	Rural Economy		Physical/Spatial	Institutional framework	Environment
		Agriculture	Non-agriculture			
Market and price policy Income disparity Trade policy GDP	Demography Human resources Gender Education Health Cultural heritage Ethnic issues Religion	Farm structures, land utilization Agri- processing Agricultural markets Agricultural services and institutions Research, extension service Veterinary service Producer organisations	Non-farm activities Rural tourism Forest and non wood products	Infra-structure Utilities Village renewal	Government NGO's Rural Finance Legal issues	Environmental awareness Agri-environmental policies Monitoring and inspection

The selection of the key indicators took into account the triple win approach that links three development objectives: economy, sound institutions, quality of life. The selected key parameters and their corresponding indicators are listed in table 2.

**Table 2. Indicators corresponding to selected socio-economic key parameters**

Parameters <i>Social</i>	Indicators	Parameters <i>Rural economy</i>	Indicators	
<i>Demography</i>	Percentage share of rural population in total population	<i>Agriculture</i> - Farm structures	Productivity in agriculture Average farm size No. of: individual households; agricultural associations; agricultural commercial companies Percentage of total farms: subsistence farms; commercial farms Farm income Level of capitalization	
	Percentage share of young rural migratory population in total migratory population		- Management of natural resources (land utilization)	Percentage of cultivated arable area Percentage of arable area is in the 1 <sup>st</sup> fertility class Percentage of agricultural area is under infrastructure with agricultural destination Percentage of agricultural area is under infrastructure with non-agricultural destination
	Average population age			<i>Non-farm activities</i>
<i>Human resources</i>	Distribution and changes in education attainment index	<i>Forest and non wood products</i>	Share of private forest land in total land Share of rural non-farming enterprises having an income from wood and non-wood transactions/processing employment Share of holdings being connected to associations of forest holders development Assisted outlets, in particular for products of small dimension/low quality	
	Share of assisted trainees experiencing job improvements			
	Structure of rural employment			
	No of full time jobs maintained or created			
	Measure of rural empowerment			
	Structure and amplitude of absolute and social poverty			
	Profile of population benefiting from social assistance			

The present attempt follows the essence of the living standard improvement, therefore, from the rural development diagnosis and SWOT analysis there are to be presented the development alternatives for several selected key parameters, such as: institutional framework, demography, human resources, and rural economy especially non-agriculture activities, as a development promoting factor.

The expected outcome consists in development of the potential for economic diversification in rural areas emphasizing the creation of local/regional employment and income opportunities, in several alternatives supplied by different visions of development.

## *2.2. Scenarios design*

The scenario method was used to conceive alternatives for rural development and design scenario matrices. The paper proposes 4 scenarios: the trend scenario, based on the potentials and constraints identified in the analysis phase; and 3 goal scenarios.

A particularly approach was used in the scenario writing phase, which is a qualitative and holistic method of forecasting, attempt in which the emphasis is placed on describing the interdependence between individual phenomena and sectors. The scenario writing phase deals with projections, with forecasting from the existing situation into the future:

- trend scenario describes an end state that will occur if prevailing trends are allowed to continue. It has been based on a clear analysis of the potentials and constraints of the current situation;
- the goal scenarios are qualitative in nature, the forecasts are supported by a development vision based on distinctly different sets of goals or development visions.

## *2.3. Scenario matrices*

The scenario matrices put in contrast the goal scenarios with a trend scenario. The goal scenarios defines three alternative development visions, with the time horizon corresponding to year 2013:

- Zoning intensive / extensive agriculture scenario
- Integrated participatory agriculture and rural development scenario
- Rural industrialization scenario.

# **3. Results and discussions**

## *3.1. Evaluating rural development*

The diagnosis of present state of development in rural areas was drawn on a SWOT analysis, comprising the major potentials/opportunities and constraints identified by four study modules: institutional and legal aspects, physical and social infrastructure, socio-economic variables and processes, as well as environment and resource management issues.

The output was summarized in the diagnosis below (Table 3) to underline the major constraints to rural development corresponding to a selection of socio-economic key parameters.

**Table 3. Rural diagnosis according to selected key parameters**

Parameters	Diagnosis
Institutions	Poor cooperation between ministries and other government institutions Vertical cooperation between government institutions is not functioning properly On a local level certain relevant institutions are missing Too few NGO's are active in rural areas Too little cooperation and coordination between NGO's and public institutions Insufficient legal structure for rural area problems Minor importance given to rural development as a political domain, comparing to agriculture
Demography	General decreasing trend of population Migration from rural to urban areas Ageing population in rural areas
Human resources	Low level of education and skills of rural population High agricultural employment High rates of economic dependency Low diversity of employment opportunities Hidden unemployment High level of part-time employment Unequal opportunities for women in rural areas High poverty rates
Agriculture	Large agricultural and forestry potential, but inefficiently used No essential link between natural resources management and rural development Prevailing subsistence private agriculture, small and fragmented farms (0.6% farms >10 ha); polarized farming structure - small (individual households) and large farms (agricultural associations; agricultural commercial companies) Low productivity caused by: large labor force; low use of other production factors; existing food processing capacity is largely obsolete and disproportional to local supply Land market inhibited by: no high-quality land information; land functions as social security; lack of coordination between land policy and financial policy; hiring and concession of land in an early stage
Non-agriculture activities	Non-farm employment opportunities not sufficiently used because of poor infrastructure Non-viable rural financing system Small enterprises unevenly spread out; de-concentration of opportunities (e.g. for tourism) Few projects directed at socio-economic development Too many of the same type of small businesses are emerging Unstable income prospects due to informal market Low level of services in small communities; client oriented skills are missing; facilities not corresponding to the norms Modern life style is replacing traditional activities Lack of information and promotion
Forest and non wood products	Access to resources is impeded/obstructed (the lack of / not completed legal framework; political inconsistency regarding the connections between ownership rights, use rights, and land value; traditional, obsolete forms of forest exploitation) Lack of skills of private owners and lack of control determining forestry degradation Enterprise opportunities not sufficiently used because of the lack of infrastructure (e.g. forest roads) Lack of value-adding to local products
Infrastructure	Deficient physical and access infrastructure Poor drinking water supply systems Few rural settlement have sewage system Too little project investments in rural infrastructure Poor quality of utility services Rural dwellings lack urban standards of comfort
Environment	Little awareness of agri-environmental issues among farmers and environmental institutions Problems related to agri-environmental data definitions, quality and regularity of data collection and methods of indicator measurement Permitting system is not integrated and in need of more detailed technical guidance on permit requirements Insufficient local staff, expertise, and technical equipment of modern standards Monitoring system is too fragmented; laboratories are not accredited; poor data on waste arising and on disposal facilities

### 3.2. Description of development scenarios

#### *Trend scenario*

The trend scenario supposes a linear continuation of rural development as it happens now in the country. It means in terms of national investment that the emphasis is on road infrastructure. In fact it comes down to co-financing of investments from foreign loans (WB) and the EU PHARE, ISPA and SAPARD funds. The local communes collect taxes on a small scale, but these funds do not allow new investments, and are mainly directed at maintenance.

The level of private investment in non-agricultural activities is in general low, and remains predominantly to the surrounding areas of the larger towns and cities. The majority of small agriculture holdings and subsistence farms are not able to invest, due to lack of funds and the restricted size of their properties. The few large commercial farms and associations of small farmers have probably investment capacity, but more information is needed.

Demographically rural population will continue to decline. The ageing of rural population will still increase but it will gradually slow down.

Obsolete industries are still disappearing, and workers are laid off, without having other employment opportunities.

Farm size will decrease and the number of plots will be bigger. The subsistence individual households consolidated their position. There are no many viable and marked oriented farms which could compete with foreign competition. Land fragmentation is a critical phenomenon. Land resources are not used to their full potential. There is a significant decreasing trend of the cultivated area and of the forest area.

The laws will continue to be complicated and to lack transparency as regards property rights, land leasing, land association, land concession and purchasing of land. Land policy and financial policy will not be coordinated.

Environmental state of rural areas (soil, water, air) gradually improves. No significant changes as regards agricultural impact on biodiversity and wildlife. No significant change on agricultural pollution level.

#### *Scenario 1. Zoning intensive / extensive agriculture*

This scenario envisages that primary agricultural production will greatly intensify on the plains, particularly in the regions which are the most suitable for agriculture in the South and the Eastern part of the country. Subsistence farms, which are spread out over the country remain, extensively farmed, mainly using a single crop system.

Land consolidation takes place due to extension of the existing large commercial farms. Agricultural credit facilities will be established, for example by creating a special credit institute to that effect. Agricultural output will increase considerably, which will partly serve the internal market, and partly is exported.

The link between natural resources management and agricultural development will begin to operate and land resources will begin to be used to their full potential. In the plain regions, land consolidation measures create the conditions for a rationale management, conservation and provides for an increased ecological stability of landscape. Co-ordination between land policy and financial policy will develop land market.

There will be two tendencies regarding the farm size: the private farm size will become larger in traditional agricultural areas and smaller sized farms will remain specific for the other areas. Farms will start to specialize in products and services.

No improvement of environmental state of rural areas (soil, water, air). Agriculture might impact negatively on biodiversity and wildlife depending on type of management of large farms. No significant change on agricultural pollution level.

#### *Scenario 2. Integrated Participatory Agriculture and Rural Development*

This scenario foresees the integration of a multifunctional agriculture in rural development. This policy aims mainly to accompany the reform changes and the development of the agricultural sector, by promoting investments, modernization and diversification. It also seeks to reduce or correct the negative effects of these processes on rural areas, by preserving or restoring a minimum of rural society, as well as the environmental and cultural landscape and heritage.

Targeted government aid could therefore be necessary, at least for a critical phases, mainly for supporting the social function of semi-subsistence farming as a social safety net and to induce the creation of rural jobs, by stimulating local demand. Its justification would then proceed not only from the political choices of social solidarity and cohesion, but also from the effective macroeconomic use of national and Community budgets.

Due to the present situation, rural development will be able to absorb only a very small portion of the high agricultural over-employment, whether it is through diversification (as in farm tourism and other non-farm jobs) and the new services (such as the environment). In this respect, the existing infrastructure makes rural areas more effective targets for financial support to the creation of local non-agricultural jobs. This could delay or reduce the rural exodus to the major cities. But sooner or later, migration towards urban jobs, mainly by not replacing elder farmers who cease working, will establish itself as a major way of reducing agricultural over-employment. An alternative for the economy and the overall society would consist therefore of organizing this migration and of supporting it with appropriate programmes of general and expand vocational training, associated with appropriate economic development, social security and housing policies.

Integrated rural development programmes may play an important part in creating/improving/developing the infrastructures, institutions and agri-industries needed for 'intensive', competitive holdings to emerge and for developing a vivid entrepreneurial sector and adequate services providers. In this respect the measures eligible to the European rural development funds are very flexible and, as the SAPARD programme shows, the main axis of such an approach must be the modernization and restructuring of holdings and of the processing and distribution sector. In addition, the restructuring of the labor and markets is governed by institutional and social issues, requiring a complex efficiency approach. The integration process therefore requires the participation of all rural stakeholders, very specific adjustments in rural and agricultural policy and institutional support for policy (e.g. planning, evaluation and monitoring, supplied by a structure to be created between the national and regional levels).

The size of farm slightly increases and fragmentation will decrease. There will be 3 types: individual farms (subsistence farms, commercial farms), agricultural associations, agricultural commercial companies. The size of family farms increases, and the weight of subsistence individual households in total farms lessens. There are many viable and market-oriented farms which could compete with foreign competition. Implementation of land consolidation measure creates conditions for rational land management. Land resources will be used to their full potential and link between natural resources management and rural development will function.

Sustainable environmental state of rural areas (soil, water, air). No negative agricultural impact on biodiversity and wildlife. Significant decrease of agricultural pollution level.

### *Scenario 3. Rural Industrialization*

Development implemented by either small groups of local entrepreneurs or external/foreign investors strictly profit oriented. Rural space is in general better off from massive volume of investments in the development of infrastructures and from establishment of new rural industrial capacities favoring non-farm job diversification, including service. Under these circumstances, rural areas can benefit from the increase in local revenue (including the local administrations), and some zones from gaining socio-economic identities. However, the rural communities would not be able to improve their own development capacities and even some risks could appear: the competition is strongly stimulated, but may induce social tensions in the communities and the environment could be endangered from the lack of interest of the profit oriented entrepreneurs.

There is a stable institutional structure because the responsibilities of each institution are clearly defined. There is an efficient co-operation between the private sector and the public sector. The implementation of current legislative framework regarding land (requests for EU instruments, donors approaches etc) are in place. Land resources are used to their full potential. The land use structure has changed, there is a decrease in agricultural land area.

Family farm size increases. There will be 3 farm types: individual households, (subsistence and commercial), agricultural associations and agricultural commercial companies. Farms over 10 ha will slowly increase. Subsistence individual households lose their position. There are many viable and market-oriented farms that could compete with foreign competition.

Environmental state of rural areas (soil, water, air) might worsen. Agriculture might impact negatively on biodiversity and wildlife depending on type of management of large farms. Increase in agricultural pollution level is very likely to occur.



### 3.3. Goal scenarios matrices - development year 2013

Parameters/ Development Scenarios	Trend Scenario	Scenario 1  Zoning Intensive / Extensive Agriculture	Scenario 2  Integrated Participatory Agriculture and Rural Development	Scenario 3  Rural Industrialization
Institutions	Low level of development of institutions involved in agriculture and rural development No coordination of institutions concerning development Partnerships develop very slowly in the regions NGO's local support is weak; insignificant ability to draw in resources NGO's remain de-concentrated organizations of the local governments; little impact in the local society Legislative framework not entirely operational	Redefinition of the role of agricultural ministry and entire system of public administration related to agriculture, in view of increasing capacity to elaborate and implement agricultural policies; priority given to agricultural producers Development of market organisations and mechanisms in the sphere of producer organizations A sectorial approach of the legislative framework, focused on agriculture sector	Reassessment of the implementing and policy making decision institutions (including research and extension services) and the development of links of these institutions with the public and local central administrations from the other sectors Participatory approach for elaboration rural policy involving civil society Strengthened the coordination and management structure regarding the administration capacity – a decisional process based on the efficiency and partnership principle at the regional and local level Encouraged local initiative-human resources trained in order to strengthening the institutional capacity of local public administration to carry out rural development programmes Complete operational legislative package on rural development	Development of the market institutions and mechanisms in the sphere of the agrifood sector producers organizations (professional organizations, cooperatives, syndicates) Redefining the role of agricultural ministry and entire system of the public administration from agriculture in the view of increasing capacity of elaboration and implementation of agricultural policies, heaving as priority the agrifood sectors Development of producers organizations, professional organizations, cooperatives, syndicates mainly on agri-food sector Sectoral approach of the legislative framework, focused on agrifood sector
Demography	Continued decrease of population Young people are still migrating to the urban areas Ageing of population is developing less severely	Decreasing trend of population continues Migration of young skilled population slacken Ageing population develops less severe	A more balanced population structure Reduced trend of migration Improvement of ageing structure	The decline of population lessens (positive evolution of migration and returns from urban areas but negative birth rates) Migration tends to stop Attenuated ageing population
Human resources	Education facilities have further deteriorated, and level of skills is only marginally improving Employment opportunities in- and outside agriculture are still limited Labor force slowly decrease coupled with the increase in external jobs Poor abilities of communities to attract financial resources Increasing trends of poverty (higher pressure on social insurance services) Traditional culture is generally hard to preserve	Improved agricultural business education, environmental education Increased interest in extension, consultancy Agricultural employment maintains Labor force stagnates Increase labor productivity per unit in intensive zones due to more efficient use of land Slow increase in farm income Social polarization deepens Better development of the manufacturing activities related to the agricultural ones is expected as a second financial source of the household	Improved educational level Significant decrease of agricultural employment Diversified employment structure Emergence of local business leaders More specialists in social and assistance services providers Developed human (and administrative) abilities/capacity to attract and absorb funds Decreasing trend in poverty, improved quality of life Traditional manufacturing and cultural activities will develop in relation to the tourism ones Higher possibilities for household diversification	Increase the rural education level Increase social productivity Non-farm labor skills are stimulated, are developed business and managerial abilities Significant decrease of agricultural employment Increase non-agricultural employment Improvement of the rural income level due to the increase of investment volume brought by, but accentuated social polarization Traditional manufacturing activities may suffer from the potential industrial competition or can develop functionally related to the specific industrial activities; Raising living standards

				will provide financial support for the development of different cultural (traditional) activities
Agriculture	Commercial farms are larger; slightly less subsistence farms Low productivity due to large labor force Slight increase of mechanization Land will have a social function Significant decreasing trend of the cultivated area and of the forest area Land resources will be not used to their full potential No essential link between natural resources management and rural development	Larger number of viable farms and considerable less subsistence farms Moderate increase of productivity High degree of mechanization on commercial farms The economic land function will become prevalent Sustainable farming system will begin to be promoted. A decreasing trend of the cultivated area but the forest area is increasing An essential link between natural resources management and agricultural development will begin to operate	Larger number of viable farms and considerable less subsistence farms Higher productivity per labor unit Higher level of mechanization The economic value of land becomes the main value, land price will increase Land management develops. There are important investments in land development. Land resources are used to their full potential There is an essential link between natural resources management and rural development	Increasing commercialization of the farming sector Higher productivity High degree of mechanization The main function of land will be of an economic nature, land price will increase The land use structure will change, agricultural land area will decrease. There will be important investments in land development.
Non-agriculture activities	Non-farm employment opportunities in are still limited More marked disparities due to slow development of rural economy Some small business disappear Few projects directed at socio-economic development Expand handicrafts, workmanships Continues to exist informal markets Low level of services in small communities maintains Access to resources (e.g. forest and non wood products) improved	Develop SMEs providing services for agriculture Moderate development of handicrafts and craftsmanship Unstable income prospects due to informal market maintains Access to resources improved (the connections between ownership rights, use rights, and land value are established More rational production of forest products (shifting the accent form intensive to extensive exploitation; afforestations increase because of better use of land)	Higher degree of diversification of activities Expanded business opportunities Increased number of SMEs in all regions The development of several networks of services for population in the rural area create the prospect for increasing the labor employment Enterprises more specialized and local specific/traditional products are better promoted and reevaluated Competition is stimulated Decreased importance of the informal market in rural economy Higher capitalization degree due to emergence and attraction of investors More efficient exploitation of forest products (or services), increased value adding Development of local entrepreneurs (processing), production becomes to be more specialized	Rapid development of SMEs in industrial production and services Better reevaluation of resources Successful enterprises are promoted Strong competition but local entrepreneurs risk to be suffocated by profit-oriented external/foreign investors Local commercial business are developing Intensive exploitation of forest; increase value adding in forestry and non-wood products, An accentuated specialization trend of local entrepreneurs (processing) Zones get socio-economic identity

#### 4. Concluding remarks

The alternative scenarios indicate that the vision of development, which offers the widest opportunities for diversification the rural economy, and possible more benefits for increasing the quality of life in rural areas, is comprised by Scenario 2. Correspondingly, a model of the Sector Strategy Fiche was designed and presented in Annex 1.

To support the design and implementation of a rural development strategy there are to be reviewed several issues, such as:

- The legal framework is foremost to set going the policy mechanisms and institutions e.g. the executive of the regional policy, does not have a regional vocation, it is an instrument for administration of PHARE funds and does not make regional policy.
- A better coordination between ministries is necessary to establish the responsibilities regarding rural development, included in the National Plan for Development, in view of integration the two components of the regional policy: urban and rural. The present National Plan for Agriculture and Rural Development is a structural instrument limited to the administration of SAPARD fund and it is necessary a plan to include all the future structural funds (FDR, FEOGA, FS).
- The rural space needs a redefinition and a legislative framework: there are agro-industrial towns created to support the previous industrial policy, which is obsolete now, and don't meet current criteria of territorial organization.
- It is necessary to be given a special attention to prevent the overlaps of projects that arise at the border of the counties and regions, fact that requires more responsibility and coordination in monitoring the projects related to rural development.

Although the target year (2013) could be questionable and requiring wider debates, for the future strategy it is recommended to be demarcated which are the priorities and measures for two phases: pre-accession and post-accession and to be indicated the funds and suppliers/donors.

The final proposal refers to the strengthening of the institutional capacity by increasing the participatory approach in identifying the rural development needs, taking into account that the basic principle of the rural development is the development on the basis of local initiatives and necessities. It is recommendable the setting up of an institutional structure as an interface between governmental level and regional level, in view of supporting the decision making process by providing research, planning, evaluation and monitoring.

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## Annex 1.

### Sector Strategy Fiche:

#### *Revitalization of rural economy*

#### 1. Strategic goals

Adaptation, modernization and development of rural economy in an integrated coherent vision, by promoting the development of non-farm rural enterprises and a strong participation of all stakeholders. It also seeks to reduce or correct the negative effects of the adaptation processes on rural areas, by preserving or restoring a minimum of rural society.

#### 2. Priorities/ subprogrammes

##### 2.1. Building community capacity to develop and to have access to resources

<i>Measure</i>	<i>Results</i>	<i>Impact</i>
<ul style="list-style-type: none"> <li>• Establish a coordinating structures for rural development</li> <li>• Design a Rural Enterprise Scheme (RES) to provide aid for projects which promote the adaptation, modernization and development of rural areas</li> <li>• Establish local working groups for designing socio-economic strategies and planning</li> <li>• Training programs for staff of local administrations</li> <li>• Establish center for information in the main fields of interest in each rural settlement close to the mayoralties, schools or cultural houses</li> <li>• Establish consultancy centers in finding jobs</li> <li>• Increase the finance for socio-economic programs</li> <li>• Running training programs to create employment jobs</li> <li>• Initiate a cooperation strategy</li> </ul>	<ul style="list-style-type: none"> <li>• A coordinating structure for rural development was created</li> <li>• The RES scheme is operable</li> <li>• Working group (consortium) involving the local representatives of communities for designing socio-economic strategies and planning local development</li> <li>• Information and consultancy units are operating at county and local level</li> <li>• Information and consultancy units are created</li> <li>• Percentage of socio-economic projects in total projects</li> <li>• The entrepreneurs become more provided with capital due to the new facilities and their cooperation making them easier to meet the requirements of tenders and credits</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger cooperation between local participants</li> <li>• Local problems are identified and actions are planned for a longer perspective</li> <li>• Priorities for rural development are better set, overlaps in planning are avoided, a better repartition and utilization of funds</li> <li>• Staff of administrations are more efficient</li> <li>• Rural inhabitants and operators are better informed and more oriented</li> <li>• Human resources became more adjusted to the market economy</li> <li>• Higher capitalisation degree due to emergence and attraction of investors</li> <li>• Multiple benefits obtained from a better integration of rural zones in economy, attenuating disparities</li> </ul>

##### 2.2. Development of local small enterprises and business

<i>Measure</i>	<i>Results</i>	<i>Impact</i>
<ul style="list-style-type: none"> <li>• Investments in development, modernization, improving of the road infrastructure; expand and modernize communication infrastructure</li> <li>• Facilities (legal, financial) for establishment of local enterprises for producing specific/ traditional products (processing, forest and non wood products)</li> <li>• Expand consultancy for SMEs and services providers</li> <li>• Place a representative of SMEs at the local council level</li> <li>• Train local participants, and optimise conditions for partnerships in order to develop craftsmanship</li> </ul>	<ul style="list-style-type: none"> <li>• Quantitative evaluation</li> <li>• No and distribution of SMEs</li> <li>• Profile of economic diversification</li> <li>• Inhabitants per services units</li> <li>• Indicators evaluating the achievements of families or enterprise obtained from projects, No of new jobs created</li> <li>• Human development indicators</li> <li>• Income level indicators</li> </ul>	<ul style="list-style-type: none"> <li>• The development of infrastructure create the prospect for increasing the labour employment, expanding business opportunities</li> <li>• Increased number of SMEs in all regions</li> <li>• Non-farm activities becomes a significant factor in rural economy, higher degree of diversification of activities; improve the employment and income conditions of rural holdings, and revive craftsmanship traditions</li> <li>• Enterprises more specialised, local resources are better revaluated</li> <li>• Stronger cooperation between local participants, improve the employment and income conditions of smallholdings and revive craftsmanship traditions, decreased importance of the crafts informal market in rural economy; zones gain a better image making them more attractive and favorable for tourism development</li> <li>• Increased income level</li> </ul>

*2.3. Improving the external image and create new identities of regions favorable for development of tourism enterprises and services*

<i>Measure</i>	<i>Results</i>	<i>Impact</i>
<ul style="list-style-type: none"> <li>• Establish at the local level a cultural center promoting traditional products</li> <li>• Support the cultural activities and traditional programs and coordinate them regionally</li> <li>• Preserve local cultures and traditions</li> <li>• Facilities for developing rural tourism (ecologic, forest tourism)</li> <li>• Finance a tourism marketing study</li> <li>• Improvement of the quality of a tourism services</li> <li>• Improve the participation of local communities in tourism development</li>   <li>• Development the connections of the zone to integrate it in a wider circuit</li> </ul>	<ul style="list-style-type: none"> <li>• Structures are created</li> <li>• No of information centers created</li> <li>• No of catalogues, Web pages</li> <li>• Profile of reception structures, evolution of tourists activities</li> <li>• No of units accredited</li> <li>• No of skilled labor in tourism</li> <li>• Support for development of tourism amenities corresponding to norms</li> <li>• Created complex tourism packages</li> <li>• Information tourism offices are set up at local level</li> <li>• Structure of new rural tourism business</li> <li>• Investments and activities for landscape improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Better concentration of rural tourism opportunities</li> <li>• Several cultural actions targeted at making the zones more known augmented the image of regions and the tourism attractiveness due to multiple forms of information and promotion and involvement of community in developing cultural activities and investment in landscape improvement</li> <li>• Improvement in existent reception structures, tourism activities are developed, new enterprises emerged</li> <li>• NGOs, local or external investors, are involved in the development of services or networks of services, creating the prospect for increasing the labor employment</li> <li>• Better connections, and expanded business opportunities</li> <li>• Communities are revitalized, movements in the mentalities are appearing, the level of civilization rises</li> </ul>

***Description of the Rural Enterprise Scheme***

Objective: providing targeted assistance to support the development of more sustainable, diversified, enterprising rural economies and communities, with appropriate measure to compensate adjustments of reducing agricultural over-employment.

The Rural Enterprise Scheme should be designed to provide aid for projects which promote the adaptation, modernizing and development of rural areas

The aid for projects would be directed at:

- land improvement
- marketing of quality products and promoting traditional products,
- basic services for the rural economy and population,
- renovation and development of villages and protection and conservation of the rural heritage,
- development and improvement of infrastructure connected with the development of agriculture,
- setting-up social relief and rural insurance system,
- protection of the environment in connection with agriculture,
- forestry and landscape conservation,
- encouragement for tourist and craft activities,
- diversification of agricultural agriculture related, and non-farm activities, to provide multiple activities or alternative incomes,
- agricultural water resources management,
- creating viable rural financial system, in a macroeconomic framework of a favorable business environment for rural enterprises.