

## THE SOCIO-ECONOMIC IMPACT OF THE SAPARD PROGRAMME IMPLEMENTATION IN HUNEDOARA COUNTY

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**Abstract.** The socio-economic behaviour of the population within a territory varies from a national to a regional level thus leading to the appearance of specific models of county development. The paper studies the course of the rural development in Hunedoara County, which is especially particularized by the activity of the economic agents, be them involved in the tourism services or alimentary sectors or in other locally active sub-sectors of economy, and by their influence on the economic market. The direct and correlated dependency on the human resource's availability, as an active element of the rural development processes, in absorbing the financial resources both in territorial and time units, distinctively outlines the evolution of Hunedoara County within the West Region of Development. The study will highlight the possible future trends of sustainable rural development having in mind the quantitative and qualitative ratio of each SAPARD measure and the results they determined in what infrastructure, production and service units, and other structures that sustain the activities in agriculture are concerned, during the period of its functioning. The overall financial support allocated to rural development, as well as the operational objectives of each measure, aim to achieve the general objectives of supporting the long-term economic growth, enhancing the quality of the environment by encouraging innovation, maintaining the modernization process, and adopting new approaches and better agricultural practices.

**Rezumat.** Impactul socio-economic al implementării programului SAPARD în județul Hunedoara. Comportamentul economico-social al populației în teritoriu variază în cadrul unui spațiu național sau regional ducând la apariția unor modele de dezvoltare județene. Județul Hunedoara urmează o traiectorie proprie în direcția dezvoltării rurale, particularizată în special de activitatea agenților economici fie ei din sectorul agroalimentar, al serviciilor turistice sau din alte subsectoare economice active la nivel local și influența acestora pe piața economică. Dependența directă și corelată de disponibilitatea resursei umane, ca și componentă activă a procesului de dezvoltare rurală, în absorbția resurselor financiare atât în teritoriu cât și în unitatea de timp conturează evoluția distinctă a județului Hunedoara în cadrul Regiunii de Dezvoltare Vest. Studiul va sublinia direcțiile de dezvoltare economică ale așezărilor rurale prin prisma ponderabilității măsurilor programului Sapard, și prin prisma rezultatelor determinate în ceea ce privește infrastructura, unitățile de producție și servicii și alte structuri care susțin activitățile din agricultură, în decursul perioadei de implementare a acestuia. Suportul financiar dedicat în ansamblu dezvoltării rurale și obiectivele operaționale ale fiecărei măsuri rezultă aspira la îndeplinirea obiectivelor generale de susținere a dezvoltării economice pe timp lung, de creștere a calității mediului înconjurător pe fondul încurajării inovației și menținerea procesului de modernizare și adoptarea de noi abordări și practici agricole de calitate ridicată.

**Key words:** rural development, financial assistance, modernization vs. innovation

**Cuvinte cheie:** dezvoltare rurală, asistență financiară, modernizare vs. inovație

## 1. RURAL DEVELOPMENT POLICY AND THE SAPARD PROGRAMME

The Rural development policy, as applied to the pre-accession countries, indirectly created the SAPARD Programme, as a form of consistent and coordinated action to the sustainable and integrated rural local development. The structure of the programme was meant to guide all possible types of investments, according to the strategies of regional development and to a wide range of standards or new economic activities that could be working on a long and medium term plan. The period between 2000 and 2006 we discuss upon, may be taken as a reference experimental period for the future similar time sequence of another 7 years with policies and programmes for rural and agricultural development, as well. The experimental quality of the programme and of the process is given for the first time by the opportunity of choice; people as individuals or as a community have been able to access a certain amount of money to meet their economic and social needs and priorities. The programme assisted rural population from a local to a national level, making no differentiations in this respect, all depending on the applicant's initiative and on the quality of the project one submitted for analysis, approval and funding.

Even if the focus of the plan of development, whose priorities were transferred to the programme, equally related to all aspects of economic and social rural life, the quantitative results, after analysing the budget invested under all eligible measures, proved the interest of the local actors towards specific activities, some of them showing a higher rate of financial absorption.

Both the West Region of Development and Hunedoara County as a part of this region have the highest proportion of urban areas, and it is especially in the case of Hunedoara County that its urban territories represent more than a half of the administrative territory of the county (76,9% urban population). This may stand for an explanation for the quite reduced number of projects of rural development in comparison with the distribution of funds within the region or at a national level.

The programme's priorities representing the priorities of rural development policy, as well, are to:

- help reinforce agricultural industry,
  - renew and build water and road infrastructure,
  - develop environmentally friendly agricultural practices,
  - develop an optimum management of agricultural exploitations,
  - encourage new economic activities to bring alternative income for the young active rural inhabitants,
  - develop a constant and sustainable network of rural tourism facilities at local level;
- and all these based on the sense of innovation and entrepreneurship of local communities.

## 2. PRIORITIES AND OVERALL ACCOMPLISHMENTS

Assessing the effects of a rural development programme results in a comparative analysis, in which the two elements of priorities, subject to eligible investments, proposed under different measures, and overall, the accomplishments realized by the beneficiaries during the 2002-2006 period of SAPARD Programme functioning, equally complete and clarify each other. The differentiated approach, for each of the SAPARD measures, allows

the researcher to intercept the diversity of actions achieved by all types of applicants, according to the economic field they were interested in, under the specific measures, with their specific conditions of eligibility.

### **2.1. Measure 1.1 „Improving the processing and marketing of agricultural and fishery products”**

Firstly, so as the SAPARD Programme for rural development financial assistance to function under the best circumstances and so as the selection of eligible projects for co-financing to be in accordance with the real necessities in the territory, axes of rural development and priorities were set, described and detailed in the National Plan for Agriculture and Rural Development 2000-2006. Hence, priority areas for each possible economic activity of production or services, and, consequently, for each type of agricultural exploitation were established. These were centralized and synthesised on three types of potential (i.e. high, medium and low) within the country. Each county has a correspondent type of potential, this being verified in the case of Hunedoara County, as well. The priority areas were annexed to the Applicant's Guide for each of the SAPARD measures. Thus, each of the applicants was able to assess the value and viability of its own project of investment.

In the case of Hunedoara County, the priorities were not the most favourable, the beneficiaries having still the possibility to invest in certain production or primary processing activities, when the general economic situation of the year 2000, generates a low or medium potential of development.

In the case of the investments in the agricultural industry, which are meant for modernising or building new facilities for primary processing, storing and commercialising agricultural products, most of the local actors preferred to modernize the former, still productive, establishments, out of which 5 units for meat processing and 4 of which located in the industrial area of Deva, Hunedoara and Brad municipalities. The only attempt to build a new establishment was located in the rural area of Sălașu de Sus commune.

Other two investments for modernising two establishments for cereal storing and primary processing were located in Deva Municipality and Vețel Commune; only one project was approved for financing the modernisation of the industrial establishment for poultry processing in Șoimuș commune. If we look back at the priorities set for investments under measure 1.1 we will notice that, this time, they were not the reason and the decisive factor in the decision of the beneficiaries, and their nomination was not influential for locating and establishing new SMEs specialised in the production of specific alimentary products. More than that, the decision to invest was individually made by the economic actors involved in the process of modernisation of processing units considered to become non-functional without those improvements, thus having the opportunity to purchase new technology, technical machines, environmentally friendly, and therefore respecting the conditions of functioning after the integration.

The opportunities offered after establishing the potential of development of Hunedoara County, have not really constituted the priorities set by the human element in an individual manner. Hunedoara County registers a medium development potential for storing and processing milk and milk products, meat and meat products, poultry, fruits, linseed and hemp, and a low potential for developing activities of processing cereals, milk, pork and sheep meat, vegetables, wine, sugar and fish and fish products. Potatoes were the

agricultural products considered to have the highest potential of processing in this area, and yet, no applicants submitted for this kind of a project of investment.

The predominance of projects for modernisation of the production units is a fact. Consequently there can be observed a tendency not to locate the agro-alimentary industry in the rural areas, or not to change the classical processing centres from the periphery of the urban centres that provide better facilities of functioning and reduced costs of production. And this is due to the easier access to any type of services, technical, water and road infrastructure. We also have to consider the fact that the alimentary industry has both the advantage and the disadvantage of being located in the rural and urban areas. Under this measure of building new industrial establishments, SMEs, in the rural areas, in the purpose of creating new jobs and the premises for developing the sectors generators of agricultural raw material (i.e. animal breeding, vegetable and fruit cultures) was meant to establish a better correlation between the SAPARD measures in the territory. Despite this, there were only two initiatives for locating the industry in the rural areas, fact that proves again the maintenance of the concept of an urban localisation of industry, as close as possible to the market, technical facilities and numerous qualified workforce.

Nevertheless, there are two aspects to be discussed regarding the localisation of alimentary industry, both in the urban and in the rural space. The urban areas have the advantage of production and market, since the access of the processing units to the water sewerage network, clean water sources, electric energy and especially to national and county roads is vital for a linear functioning and a permanent around the year production. On the other hand, most of the markets develop around the large urban centres, especially in the city or town where the unit is located and in the centres nearby. Therefore, once the distance between the markets grows, the production capacity increases, the means of transportation and the access to the market depending on the competitiveness of other local actives. Production and transportation costs constitute some of the key factors that limit the territorial distribution of perishable alimentary products by using specialised means of transportation and on limited distances. Hence, it is more than necessary to create storage spaces from where to subsequently distribute the merchandise to other alimentary markets. Yet again, we have to underline the fact that the financial assistance programme insists upon making the development of the rural areas a priority, so that it would become an attractive productive space, and not only an open market for the developed urban centres that gradually increase their influence upon territorial larger or smaller dependant areas.

The disadvantage of locating the industry of primary processing or storing agricultural raw products in urban centres, from the point of view of time and cost, to the production areas, turns into an advantage if we relocate it in rural areas, close to the production facilities. What becomes the advantage of the cumulated, previous implicit advantage, is the accomplishment of the rural integrated, sustainable and multilateral development policy aim, that of transforming rural areas in spaces characterised by active and complex economic activities, high rate of employment of the local active workforce in economic activities, which represents an alternative to the classical agricultural practices, modernized and new establishments made by investments resulting in a consistent financial input to the local communities.

The double approach the rural development policy and the programme have to deal with is that of modernising and innovating. Firstly, regarding the existent facilities for

processing all types of agricultural products, especially meat and meat products, poultry meat, fishery and milk and milk products, altogether mainly concentrated within the large urban centres, in their industrial peripheral areas and in the localities, in their periurban areas. Secondly, regarding the attainment of the goal to establish new processing facilities in the rural areas, in order to ensure the fulfilment of the complex production - processing agricultural process, at a local communal level, all aiming at job creation, especially for the young active workforce, mostly women.

### **2.2. Measure 1.2. “Improving the structures for quality, veterinary and plant- health controls, for the quality of foodstuffs and for consumer protection”**

The minimum of two laboratories for veterinary and plant health control, requested to be functional and in accordance with the EU standards in each region of development, support the necessities for improving the structures for maintaining and improving food quality and consumer’s protection. In the case of the West Region of Development, including Hunedoara County, the planning resulted in modernizing the Sanitary Veterinary and Food Safety Laboratory located in Hunedoara municipality, as a result of a project valued at 1.668.794 euro; for the plant health control, the economic actives in Hunedoara County will still benefit from the services of the Mureş County Laboratory, able to provide the control for numerous other counties, as well. Anyway, we have to mention the fact that Romania was the only pre-accession country that asked for support under this measure. Thus, 3% out of the total SAPARD budget was allocated to support the establishment or modernization of small public or private laboratories in the sanitary-veterinary sector and in the plant health and food quality control sectors. Still, all the modifications were mainly performed at a county level. The maximum financial non-refundable budget through SAPARD Programme was of 2 million euro, the other larger projects of investments in this sector being supported by the Phare Fund, especially formulated to provide financial help at a larger scale.

### **2.3. Measure 2.1 Development and improvement of rural infrastructure**

Hunedoara County registers the highest number of communal roads in the country. Of the 296 classified local roads with a total length of 1.401,108 kilometres, almost 27,86 % are represented by the category of non paved country roads. We will further analyze this category in accordance with the most significant changes brought by the SAPARD Programme and due to the local councils’ initiative of development, which was decided to be in the best interest of the local communities. In addition, we will highlight the progress in modernizing and building water facilities, specified under measure 2.1, by displaying the results according to the main categories of usage: drinking water systems and wastewater systems (sewerage and sewage treatment plants). It should be noted that, of the 16 projects financed through SAPARD under measure 2.1, 7 projects were submitted and declared eligible for rural roads modernisation, 8 projects for the construction of new drinking water networks of local distribution and only 1 project for the construction of a sewerage system, facilities created for three villages in Băcia Commune (Băcia, Petreni and Tâmpa). The investments of 991.671,372 euro from the SAPARD budget meant for this kind of project were totally refundable according to the Council Regulation No 1258/1999, the project being included in the category of investments that would bring no other financial inputs after having brought it to terms, thus the Community contribution to financing being possible to grow up to 100% of the total eligible cost.

Due to the shortages maintained over the years, in terms of road infrastructure, the deprived areas should have primarily benefited from this financial support. Even so, everything depended on the local plans of development for each commune and on the eligibility criteria they had to fulfil, among which we can mention the size (length and width) of the local road, the importance it brought to the local community, the construction and rehabilitation costs, the investment projects involved.

Even if what was a priority for the local administrations and it proved to be not so relevant or too late for the regional and central decision-making bodies to be approved for financing, still, the number of projects for the modernisation of rural infrastructure tried to solve some of the local issues and create new facilities for the people inhabiting those localities and, indirectly, to create at least a technical support for the future local sustainable economic development (i.e. improving the flow of local traffic for both people and means of transportation, creating new routes towards tourism visiting areas, anthropic and natural sites, creating new connections and improving the access to isolated localities found at great distances from the communal administrative centre). The less-favoured areas overlap the former mining areas: Brad (Gov. Decision no. 991/1998) - localities of Brad, Baia de Criş, Blăjeni, Buceş, Bucuresci, Bulzeşti, Băiţa, Criscior, Luncoiu de Jos, Ribiţa, Tomeşti, Vălişoara, Vaţa de Jos, Vorţa şi Certej, Valea Jiului (Gov. Decision no. 992/1998) – localities of Petroşani, Lupeni, Vulcan, Uricani, Petriţa, Aninoasa, Bălan (Gov. Decision no. 993) – of Bălan locality. The future analysis will repeatedly draw attention on the investments made in the localities that are part of this category, in order to highlight the more or less numerous attempts to transform their stagnant underdeveloped economic state.

The high number of localities that were basically created and inhabited for practicing mining exploitation activities, holding no activities at all at the present moment, identify themselves or were included in the lists of deprived areas and some of them in the lists of assisted areas. Hunedoara County is one of the counties registering the most numerous deprived areas, which leads us to the conclusion of an economically less developed overall framework.

Thus, 7 local administrations made significant improvements to their local infrastructure, roads and bridges, benefiting of a total budget of 5.623.863,31 euro: Vaţa de Jos commune (DC 1, DC 1A, DC 172, DC 173, DC 174, DC 174A), Buceş commune (DC 13A, DC 13B, DC 14A), Răchitova commune, Toteşti commune (DC 83A, DC 86B), Romoş commune, Bucuresci commune (DC 15, DC 18, DC 18A) and other two communes, that formed an association of their local councils with the purpose of rehabilitation of DC 166 and DC 165 roads of local interest. After finalizing those projects, approximately 65,885 km of road were modernized. We have to highlight the case of Vaţa de Jos commune, administrative unit included in the Brad deprived area, that insisted and succeeded to rehabilitate most of its local classified roads, as a premises for recreating a local environment advantageous for investing.

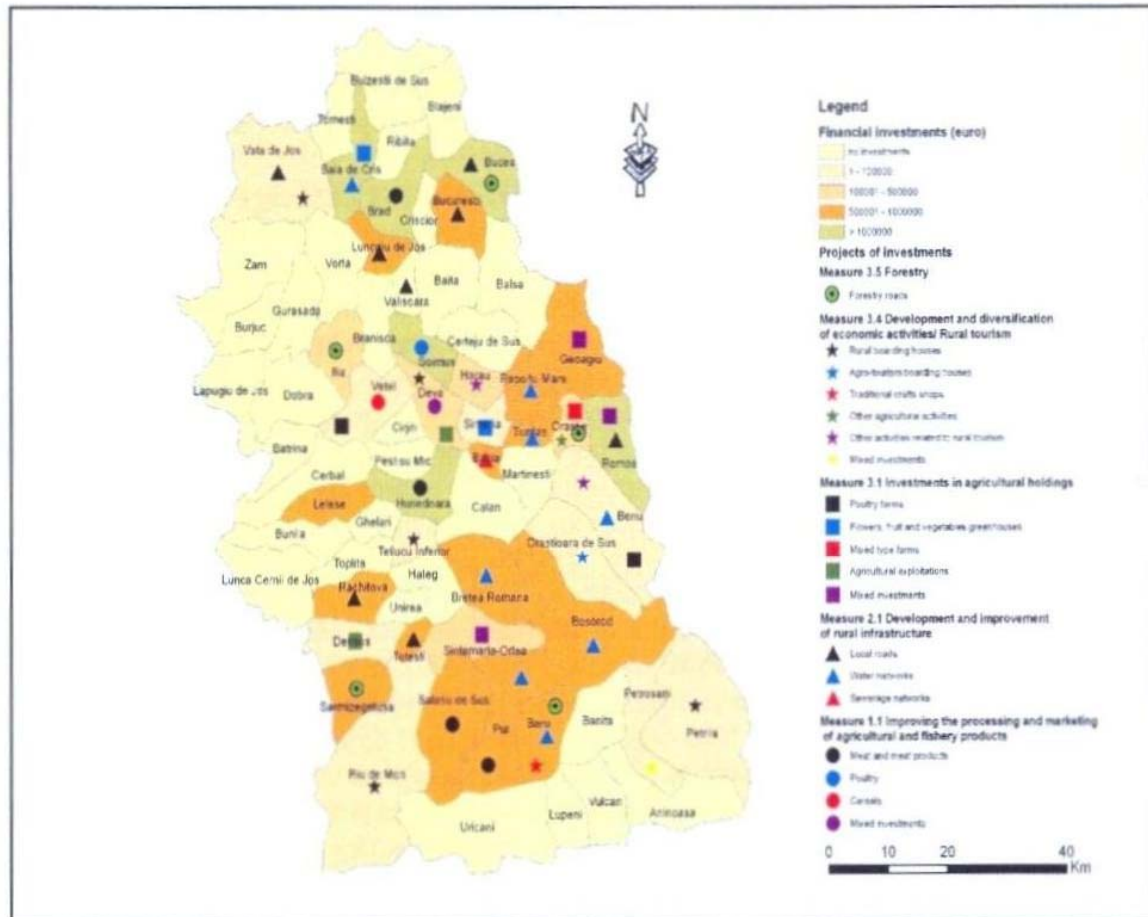
Clean water networks projects were considered of great importance for the local administrations, especially due to the lack of these facilities in our national rural areas. The applicants under this sub-measure were the most numerous, all projects aiming at constructing new water supply systems, with an allocated budget of 6.356.413,118 euro. The direct beneficiaries of these projects are the inhabitants of Beriu commune (villages of Beriu, Sibişel, Sereca and Castau), Rapoltu Mare commune (villages of Rapoltu Mare,

Bobâlna, Folt and Boiu), Boşorod commune (villages Boşorod and Chidiţ), Baia de Criş commune (villages of Baia de Criş, Râşca, Baldovin and Râşculiţa), Bâru commune (villages of Baru, Livadia and Petros), Pui commune, Bretea Romană commune (villages of Batalar, Bretea Romană, Covragiu, Gantaga, Măceu, Ocolişu Mare, Plopi, Vâlcele and Vâlcele Bune) and Turdaş commune.

#### **2.4. Measure 3.1 “Investments in agricultural holdings”**

Common Agricultural Policy, the European programmes of rural development, as its financial instruments, and the SAPARD pre-accession programme for the period before integration, mainly support the traditional agricultural practices for enhancing the primary economic sector of activity, which still defines our rural areas, in which people and land are concerned. The priorities established by this measure come to fulfil the objectives of mechanization, modernization and/or construction of new vegetable farms (i.g. vegetables crops or cultures, potatoes, fruits, linseed and hemp, greenhouses) in all areas where the infrastructure permits to develop such practices. For improving the quality of farming practices, the financial aid for active farmers that have medium or large farming households was provided for purchasing especially new agricultural machines for land exploitation and environmentally friendly production equipment, which would improve production both from the quantitative and qualitative point of view, insisting on land ecological preservation. On the other hand, regarding animal breeding, the main aim was to renew the livestock, modernize and/or construct new animal breeding farms and stables, in order to provide animal welfare and food safety, and organize medium and large farms so as to meet the terms of the EU veterinary standards. Hunedoara County was supposed to dispose of a medium potential for maintaining farm activities for cattle and sheep breeding, according to the regional evaluation presented in the National Plan for Agriculture and Rural Development. With a total surface of 706.267 hectares, out of which the agricultural surface is of 346.720 hectares and the total cultivated surface is of 84.703 hectares, Hunedoara County's agricultural surface comprises several categories of land, such as: arable land (88.049 ha), pastures (155.123 ha), meadows (99.875 ha), vineyards (63 ha), and orchards (3.610 ha). The importance of displaying the categories of land use is meant to better understand the quantitative results registered on each agriculture specialization, by presenting the impact registered through investments made by private land owners under measure 3.1

As compared to the other counties that form the West region of development, with 16 projects approved for financial funding, Hunedoara County stands at the opposite end, in what numerical and financial values are concerned, registered during the entire period of the SAPARD Programme functioning. Most of the eligible farmers, beneficiaries of financial assistance under measure 3.1 tended to focus on the modernisation of practices of land exploitation by purchasing agricultural machines and facilities. All 5 of them were located in Densus and Santamaria Orlea communes, 2 of them in Geoagiu town (2) and 1 in Deva Municipality. The next priority indirectly established by the number of projects of investment was the modernisation and construction of new flower and vegetable greenhouses, 2 of them located in Baia de Criş commune, and Geoagiu and Simeria urban settlements. Animal breeding farms sector is represented by the investments made by beneficiaries in Romos commune and Geoagiu Town for building new cow farms, one pig farm in Santamaria Orlea commune, two mixed farms in Romoş commune and Orăştie municipality, and last but not least, chicken farms, located in Veţel and Beriu communes.



**Figure 1. Territorial distribution of SAPARD investment projects**  
*Distribuția teritorială a proiectelor de investiții*

### 2.5. Measure 3.4 “Development and diversification of economic activities, providing for multiple activities and alternative income”

Most of the beneficiaries that invested in modernization or construction of new boarding houses, for developing rural tourism at a local level, are located in localities from the mountainous area, which was established according to the Annex to the Order no. 328/321/2004, regarding the delimitation of municipalities, towns and communes within the mountainous area, published in the Romanian Official Journal, Part 1, no. 758, in 19.08.2004. When we assess the impact of such a rural development programme in the territory, especially concerning rural tourism, we have to consider two important aspects due to specific socio-economic difficulties/deficiencies both of them embody. These are: the rural mountainous area and the deprived areas.

These two categories of territories, as well as their inhabitants, have benefited of special assistance from the financial point of view, all in the purpose of development. One of the most viable economic practices with potential of development in these areas, based on sufficient human resources and no other productive activities, according to all regional



policies, implicitly becomes one of the purposes promoted and encouraged by the rural development policy.

Hunedoara County registered a number of 8 projects of investment for financially supporting the works of building and modernizing rural boarding houses in Vața de Jos, Teliucu Inferior, Beriu, Râu de Mori, and Orăștioara de Sus communes, localities that are completely integrated in the mountainous area<sup>1</sup>, Hărâu commune, towns of Petrila<sup>2</sup> and Deva. As for their quality of being included into the mountainous area, the applicants inhabiting Vața de Jos and Petrila had a double advantage, in matters of the increased financial support and better scored when evaluated for approval due to their location both in the mountainous and deprived areas.

Other economic activities may be considered experimental and as initiatives a few examples for further attempts in these sectors of activity being: 2 projects for improving the practices of traditional wood and ceramics manufacturing in Baru and Hărâu communes with a budget of 196.481,311 euro; the construction of 2 new snail farms with a budget of 107.871,396 euro in Hărâu and Beriu communes; other field of interest, represented by medicinal plants and forest fruits/ wood berries mentioning 2 successful projects realised in Beriu commune and Orăștie Municipality both having a value of 135.627,941 euro.

Out of the great variety of opportunities to invest, in terms of economic specialised activities, people did not show any interest in beekeeping and aquaculture practices, much more, the overall results of the applications under measure 3.4 did not exceed the average number any other measure registered.

### **2.6. Measure 3.5. “Forestry”**

Including forestry as a field of interest and forestry related economic activities in the priority axes of rural development proves that, even if there is no direct relation between forestry and agriculture, still, many individuals, farmers, now own their private forest land propriety due to the process of property privatisation. The manner in which they manage their properties against deforestations is a very important aspect to be considered, due to the importance of protecting the ecosystems and soils, due to the impact of forestry economic activities as a whole, on the local, regional and national economy. In the last almost two decades, there were registered severe deforestations, making it necessary to create a proper system of controlled cutting of trees. On the other hand, the access from the inhabited areas, to and through forests, must be improved bearing in mind that these forest roads are not classified and that they are not under the local council’s control and administration. The category of private roads with a certain local interest was taken into consideration as a possibility of new investments in road construction.

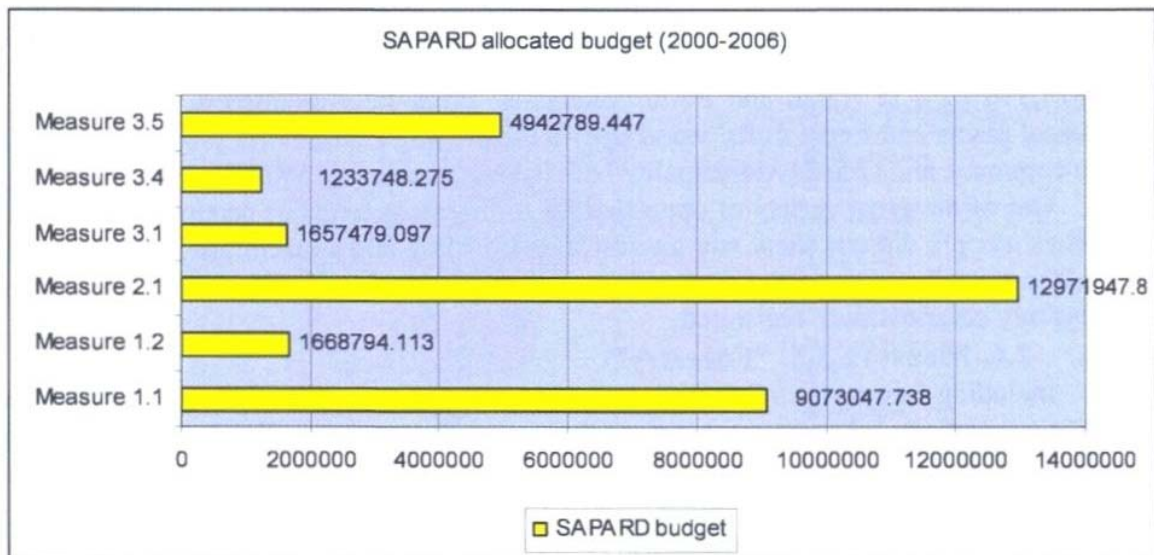
Under this measure, in Hunedoara County, 7 applicants benefited from the SAPARD financial aid for the modernisation and construction of forest roads in Buceș, Baru, Sarmizegetusa, Lelese communes and Orăștie Municipality, the purchasing of specialised means of transportation and machines for primary wood processing in Ilia Commune and Simeria Town.

<sup>1</sup> Chapter 15 – Hunedoara County, Section 4 – Communes completely integrated in mountainous area, Order no. 1019, November, 2005, regarding the modifications of the Annex of the Order no. 328/321/2004

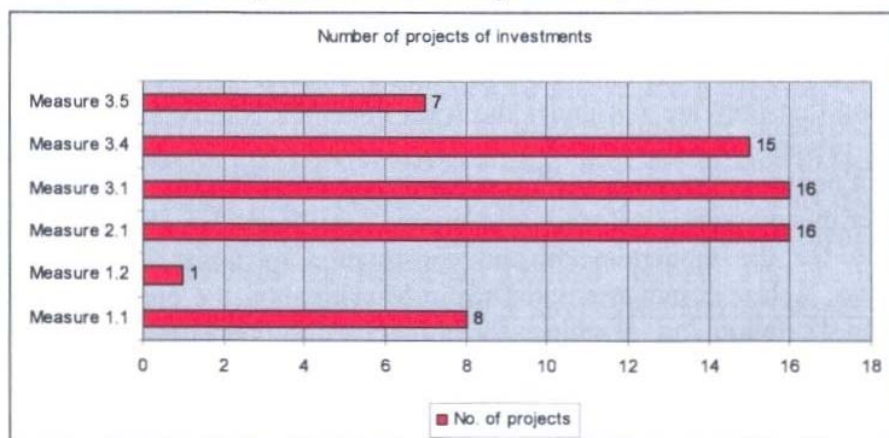
<sup>2</sup> Idem 1, Section 2 – towns completely integrated in the mountainous area

### 3. FINANCIAL INVESTMENTS VS. NUMERICAL VALUES

The Multi-Annual Financial Agreement signed between Romania and the European Union set the ceilings for the budget allocated under each measure and sub-measure of the programme. This fact determines differentiated financial allocations according to the specificity of each type of investment; the ceilings, legally decided for non-refundable support, represented by the public allocations, varying from 50% (in the case of measures 1.1, 3.1, 3.4 and 3.5) to 100% (in the case of measures 1.2, 2.1 and 3.5); hence, the total budget ranges from a minimum of 5.000 euro in the case of measures 3.1 and 3.4 to a maximum of 4.000.000 euro in the case of measure 1.1, therefore the financial investments being allocated in accordance with the amplitude of the economic activity proposed.



**Figure 2.** *The financial values of the SAPARD Programme*  
*Valorile financiare ale Programului SAPARD*



**Figure 3.** *The number of financed projects of investment under measures*  
*Numărul proiectelor finanțate pe măsuri*

This is the reason for the apparent inverted proportion between the financial values and the numbers of projects of investments submitted under various measures. This is how, independently from their financial value, there is practically an equivalent proportion between the number of investment projects under measures 2.1, 3.1 and 3.4.

#### 4. CONCLUSIONS

The structure of this programme followed the key priorities for the structural adjustments of each economically functional rural sector, each measure being analyzed and allocated a certain budget to cover the expenditures implied by any particular type of application. The total budget was allocated at a national level, mentioning that the level of absorption at a regional and at a county level entirely depended on the initiative of the local active inhabitants that fully respected the eligibility conditions for application. The transparency factor, in which public information is concerned, is one of the less functional aspects that needs to be properly taken care of and improved in matters of absorption. This is due to the importance of the possibility given to the beneficiaries to have full access to information and professional technical assistance, giving them, hence, the chance to better understand the process of accessing the programme funding process. Another important factor to be taken into consideration is the wide range of opportunities offered to numerous types of beneficiaries, from individuals to association forms (i.e. family associations, councils associations, producer groups, SMEs), by declaring them eligible for benefiting from the funds. This entire complex and complicated process is filtered by strict eligibility criteria, condition which was imposed to the benefit of progress towards the improvement of the quality of human resource. The valences of the development and the functioning of the local functional system, of the regional system, and of the national functional system reveal the progressive chain relationship among them, the dependency relationship obviously maintaining itself as a characteristic of the complex socio-economic frame, despite the individual evolution of each scalar entity. The 7 year (2000-2006) rural development programme set the grounds for an efficient development strategy, and it is now continued by its correspondent programme for another 7 year period (2007-2013), time in which the European funds will be of great importance for the upgrading of the rural social and economic state. The modular programming of 7 years (from 2000 to 2006 and from 2007 to 2013) and the yearly country reports, both from the financial and the specialization point of view, gives the EU official bodies the opportunity to better control the progressive evolution at a regional and national level, and also at a local level by carefully monitoring the entire process of development from the applicant's first request for financing to the finalisation of the projects.

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