

## TOURISM DEVELOPMENT BASED ON EUROPEAN AND NATIONAL FUNDING PROGRAMS IN THE BIHOR COUNTY'S DISADVANTAGED MINING AREAS

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**Abstract:** The tourism industry benefits from various systems of assistance offered by national and European funding programs, in connection with the existing of funding mechanism for tourism. The prospect of an integrated and sustainable development involves close connections between tourism and local development, as a series of measures are not directed at tourism, but they indirectly contribute to its development. For example, the increase of accessibility, the environmental protection as an instrument to protect the cultural and natural heritage, the pollution reduction, the improvement of the quality and availability of natural resources are ways to improve the performance of the tourism sector. Other measures are focused on local development and they also contribute to tourism development. Further, integrating the tourism sector must be made through public and private partnerships and, in the deficient areas such as the analyzed disadvantaged mining regions, tourism must work to bring together the actions of integrating the natural and cultural patrimony, the environmental protection, accessibility and the development with the most appropriate methods.

**Key words:** tourism development, EU funding programs, disadvantaged mining areas, Bihor County, Romania

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### INTRODUCTION

The main financial resources that support the sustainable tourism are represented by the Structural Funds, especially the European Fund for Regional Development (EFRD)<sup>1</sup>. In terms of quality, the European and National Funds positively directly affect tourism, particularly in what concerns the development of the institutional capacities at local and regional level, and due to the interdisciplinary nature of the tourism sector. From a quantitative perspective, the impact these funds have in tourism is represented by investments in the infrastructure for accommodation, transport or in programs that promote tourism destinations, in addition to indirect effects connected to other local and regional development. Finally, communities supporting different projects focuses on the anticipated results and on various types of long-lasting developments (Balogh et al., 2010), these including but not being limited to raising the accomodation standards and increasing the offseason attractions (Bull, 1999).

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<sup>1</sup> [http://ec.europa.eu/enterprise/sectors/tourism/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/tourism/index_en.htm) Tourism European Policies for Tourism

## **DATA AND METHODS**

This study was carried out in the disadvantaged mining areas of Bihor County established at the end of the 1990s by the Romanian Government through Government Decrees 194, 195, 196 / 1999, due to the major problems of the economic sector and their socio-economic implications at the level of the regions. These disadvantaged mining areas are composed of the territorial administrative units of Popești-Derna-Aleșd, Șuncuiuș-Vadu Crișului- Dobrești-Borod, Ștei-Nucet (Figure 1). The collection and analysis of data relevant for this study, regarding the EU and National funded projects, implemented since 2007, was gathered from the local authorities of the above mentioned mining areas, from the Romanian Agency for Sustainable Development of Industrial Areas, Voivozi Branch, and from the Bihor County Office of Payments for Rural Development and Fisheries (OJPDRP). The main goal is to determine to which extent the accessed European and national financial programs contribute directly to tourism development, through infrastructure projects or tourist destination promotion, or indirectly by increasing the accessibility, aiming at improving the road transport infrastructure, the environmental infrastructure through the rehabilitation or development of water supply networks and sewage systems, but also aiming at protecting the biodiversity and reducing pollution, finally considering the role of Structural Funds for the business tourism environment and also the positive influence of these funds (Sucală, Nistor, 2008). Finally, using GIS techniques the spatial distribution of the funds in the nine territorial administrative units was realised.

## **DISCUSSIONS AND RESULTS**

### **Public Investments**

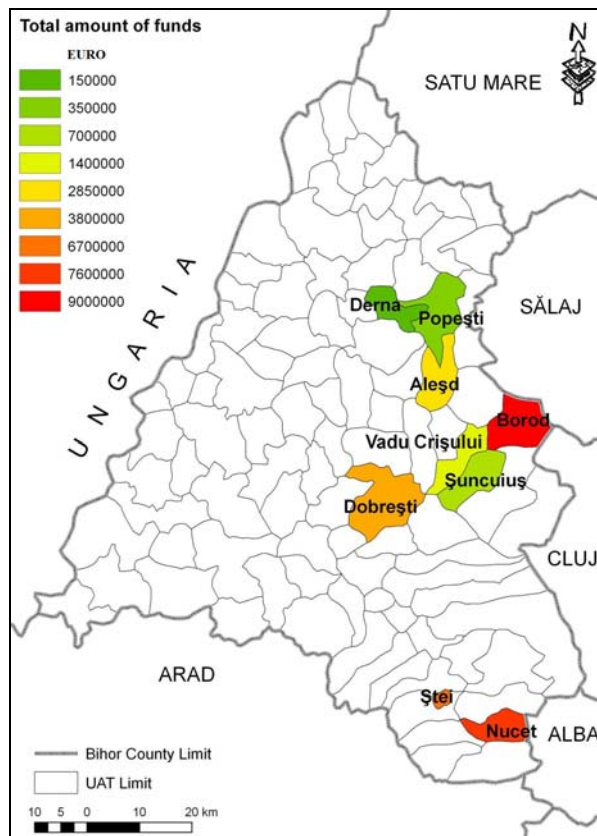
In order to analyze the European and national funding projects in the nine Territorial Administrative Units composing the Disadvantaged Mining Areas of Bihor County, we have centralized the projects that were implemented starting with 2007. For instance Nucet's City Hall<sup>2</sup> develops projects that contribute directly to tourism development, an example being the project "Development of Winter Tourism in the Nucet- Vârtoș ski resort" (figures 5, 6), an investment made through the Romanian Ministry of Tourism and Regional Development - Ski in Romania Program, amounting to 23,000,000 lei (implementation period was between 2009-2011). This project is meant to relaunch the local economy and to transform Vârtoș into a centre of regional economic competitiveness, as tourism is one of development options according to the Nucet socio-economic development strategy. The projects that contribute indirectly to tourism development are those aimed at improving the environmental infrastructure, projects such as "the priority works for the expansion and rehabilitation of water and sewerage networks in Nucet city, Bihor County" that represented an investment of 8.8 million lei made through the Environmental Programme in the period 2007-2011. Other local development projects are the "Rehabilitation, modernization and equipping of the House of culture from Nucet city", another investment that took place within the Program for Modernizing the Cultural Infrastructure with a value of 1,800,000 lei (the implementation period is between 2009-2012). Another project is the "Sports hall with 150 seats in the city Nucet", with a value of 2,400,000 lei (the implementation period is 2010-

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<sup>2</sup> [www.primarianucet.ro](http://www.primarianucet.ro) - The Public Investment List from Nucet

2011) and it is financed by the National Company for Investments, which operates under the Ministry of Regional Development and Tourism (MDRT)<sup>3</sup>.

According to the investment list provided by the local authority of Stei, the city hall is involved in projects aimed at indirectly development of tourism, the investments targeting priority works of rehabilitation of water and sewerage networks in the city (worth 10.5 million lei, financed from public funds, with an implementation period 2007-2013), or the creation of an integrated rehabilitation system of the water supply systems, of sewage systems, of water treatment plants and of waste water treatment plants from the towns with a population up to 50,000 inhabitants (worth 16.6 millions lei, all financed from public funds)<sup>4</sup>. The modernization and the expansion of public lighting in Stei, amounting to 2 million lei, was also financed from public funds of the project targeting "the green rebuilding of the Stei city" was financed by the Environmental Fund Agency (1.3 million lei)<sup>4</sup>. Furthermore, there are two projects in the cultural field such as "the project for cultural cohesion between Stei and Hajdudorog" was funded by the Programme for the Romanian-Hungarian cross-border cooperation 2007-2013, worth 270,000 lei, and the project "the rehabilitation and the equipping of the House of Culture *Miron Pompiliu*" (Figure 3), worth 2.9 million lei, financed by the Ministry of Culture<sup>4</sup>.

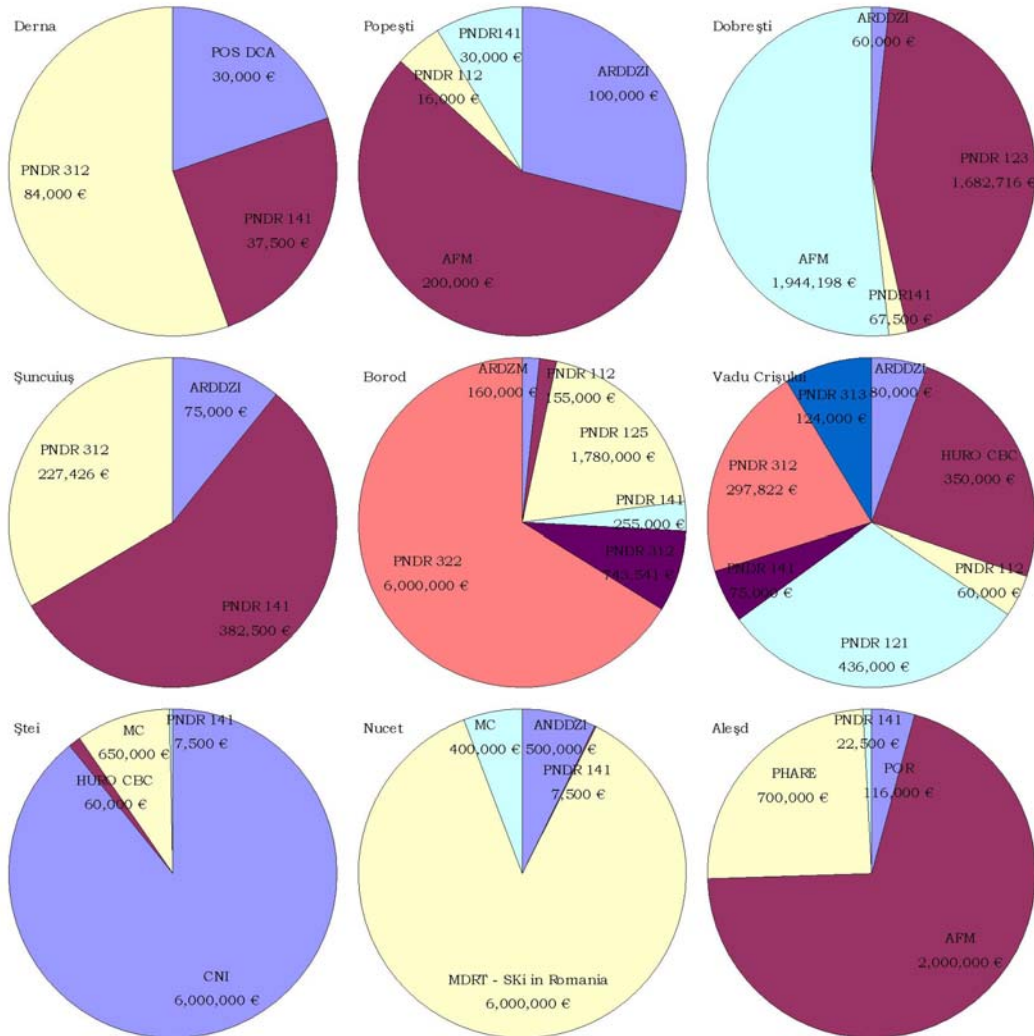


**Figure 1.** The total amount of funds distribution in the study area

<sup>3</sup> <http://www.cni.com.ro/despre-noi> - The National Investment Company

<sup>4</sup> List of investment projects of administrative-territorial unit Stei (2012)

The projects details provided by the local authority of Popești, explains that the city hall aim at supporting the road and sewage infrastructure, as local development is based on infrastructure development, according to the development strategy of Popești. The project “Building of sewage system in Budoii locality with a sewage treatment plant in Popesti” has a value of 900,000 lei and is financed by the Environmental Fund Agency, the implementation starting in 2012<sup>5</sup>.



**Figure 2.** The funds distribution considering the financing program in the study area (Source: local authorities from the study area, the Romanian Agency for Sustainable Development of Industrial Areas, Voivozi Branch and the Bihor County Office of Payments for Rural Development and Fisheries (OJPDRP), Explanation MDRT - Ministry of Regional Development and Tourism, ARDDZI -Romanian Agency for Sustainable Development of Industrial Areas, MC – Ministry of Culture, PNDR – National Program for Rural Development, CNI – National Investment Company)

The investment in implementation in Derna are focused on accessibility and environment; targeting the rehabilitation of water supply networks, the

<sup>5</sup> List of investment projects of administrative-territorial unit Popești (2012)

modernization of local road infrastructure and of the health and educational units, the building of a House of Culture, and finally the sewage systems and sewage treatment plant<sup>6</sup>. The Derna city hall is part of the project “Sustainable Development in the Rural Areas - Strategies for Local Development in four communes from Bihor County”, co-financed through the European Social Fund, the Operational Programme for the Development of Administrative Capacity, together with the local authorities from Chişlaz, Ciuhoi, Derna and Tăuteu. The total project budget is 594,190 lei without VAT. In the frame of this project the Derna Development Strategy was developed, also the project provided training opportunities for the local administration staff on specific issues allowing in the same time to authorities involved to benefit from the elaboration of public policy documents based on strategic planning<sup>7</sup>.

Out of the projects developed by the Aleşd city hall, we also mention projects that contribute indirectly to the development of tourism, such as: the “Regional system for the collection and management of waste materials in the Crişul Repede Pass” (PHARE programme, the Investment Scheme for Small Projects for Waste Management), with a value of 340,000 EUR - carried out from 2008 to 2010, “the Aleşd station for sorting and transferring waste materials”, with a budget of 1.2 million EUR, financed by the Environmental Fund Administration (2008-2009), “the leisure Park in Aleşd-Tinăud”, worth 250,000 EUR and financed by the Environmental Fund Administration (2008-2009), the “Priority works for the expansion and rehabilitation of water and sewage networks in the Aleşd city”, with a total value of 2 million EUR<sup>8</sup>. There are also projects aimed at developing tourism directly: “Promotion the tourism products from Aleşd - Pietra Şoimului Fortress” (total budget 116,000 Euro) financed through the Regional Operational Programme 2007-2013, in implementation in the period 2011-2013, or “The Integrated Centre for Business Development through Tourism and Regional Culture Promotion” „Octavian Goga” Library Aleşd, with a value of 355,000 EUR, financed through the PHARE CBC 2006, completed between 2009 and 2010<sup>8</sup>.

According with the investment project details provided by the Vadu Crişului local authority<sup>9</sup>, the commune runs a series of investments in the local infrastructure development of a new City Hall Office (780,000 lei) and an information centre built through a project entitled the “Knowledge based economy”, another project for local road infrastructure DC 175, which connects the centre of the Vadu Crişului commune with the Ortiteag locality on a 1.5 km distance. The investment amounts to 330,000 lei, the works started during last year and they will be completed this year. In 2006, several roads leading to the village Tomnatic, between Birtin and Vadu Crişului, were paved on a 2.5 km length, and in the centre of the commune asphalt was applied on a 3 km section while concrete was applied on a 1 km section.

The construction of the Birtin cultural endowment began in 2010, and the building has a surface of 140 sqm. The works are estimated at about 360,000 lei, money allocated from the local budget and from the County Council budget.

<sup>6</sup> The local development strategy of the Derna Commune, Bihor County (2012)

<sup>7</sup> <http://www.strategiibihor.ro> The project “Sustainable Development in the Rural Areas - Strategies for Local Development in four communes from Bihor County”, co-financed by the European Social Fund, through the Operational Programme for the Development of Administrative Capacity

<sup>8</sup> List of investment projects of administrative-territorial unit Aleşd (2012)

<sup>9</sup> List of investment projects in the administrative-territorial Vadu-Crişului (2012)



After working in collaboration for a cultural project with the twin town of Körösszegapáti from Hungary during 2010, the city hall of Vadu Crişului developed a new project submitted and approved in the frame of the Romanian-Hungarian Cross-Border Cooperation Programme 2007-2013, together with the City Hall and the Hotels Association of Hajdúszoboszló, Hungary. A project was conceived within this programme, regarding the building of a tourism business incubator in Vadu Crişului and of a tourist information centre at the main entrance of Hajdúszoboszló swimming pool from the Hungarian city. The old Town Hall of Vadu Crişului will be demolished and a new building will be constructed, with a superior floor where presentation and meeting rooms will be created, plus rooms for various firms. The building will also have a tourist information centre for visitors arriving from Hungary. The total value of the project amounts to 550,000 EUR and Vadu Crişului, as a project leader, received approximately 360,000 EUR. The project will be completed in 22 months<sup>10</sup>. Other works for tourism development began in the region in 2004, the Vadu Crişului Cave being electrically equipped for visitors, safety features have been installed, other three projects are currently on the waiting list: the construction of an information centre, of a mountain rescue centre and the rehabilitation of the chalet which is currently in ruins; finally a new bridge increasing access to the cave from the other side of the Crişul Repede, financing will be supported from local budget and by the County Council<sup>9</sup>.

Borod city hall has a series of projects that aim at developing the local infrastructure. The “Water supply and sewage systems in the localities Borozel, Cetea, Valea Mare de Criş” project is worth 2.5 million EUR and the implementation period is between 2008 and 2012, EFARD being the financier through the Measure 3.2.2. The Association of the Borod-Plopiş-Auseu communes obtained a funding through the Measure 3.2.2. that lead to the modernization of the communal roads DC 162, Măgurii street etc to the introduction of a water supply system in Corniţel locality, of a sewage system in the Corniţel, and Borod localities, of a sewage treatment plant in Borod locality<sup>11</sup>.

Two Houses of culture have been modernized and equipped in the Corniţel and Borod localities. The total value of the investment is of 6 million EUR and the implementation period is between 2009 and 2013. EFARD also finances, through the Measure 125 (an investment worth 1.5 million EUR and an implementation period between 2010-2013), the modernization of the forest roads Borod-Frasinet and of the forest road Valea Răchiţii, Borod commune (the list of the investment project in Borod)<sup>11</sup>.

### **Private Investments**

In the nine analyzed TAU's (Territorial administrative units), the majority of private investments are for agricultural exploitation and they are funded through the National Program for Rural Development (EFARD), Measures 112, 141, 123, 312, targeting the subsistence farms, the development of agricultural exploitation and the acquisition of agricultural machinery and equipment. The private tourist activities financed through the National Program for Rural

<sup>10</sup> <http://vaducrisului-hajduszoboszlo.ro/> The project “Business incubator for the cross-border cooperation in the development of tourism”

<sup>11</sup> List of investment projects of administrative-territorial unit Borod (2012)

Development (FEADR), Measure 313 are under implementation in Șuncuius, where the reception infrastructure developed (pool and terrains for sports worth 227,426 EUR) and in Vadu Crișului, where the project for tourist infrastructure is worth 124,000 EUR (the FEADR projects situation implemented or under implementation in the Bihor County)<sup>12</sup>.

### **Specific funding programs for the disadvantaged mining areas**

Besides the financial instruments mentioned above, there is another category of measures specific for the under-developed area, measures that aim at the local development. The programs developed by the Romanian Agency for Sustainable Development of Industrial Areas (ARDDZI), a public institution with legal status under the Ministry of Economy, aim at the sustainable development of areas affected by industrial restructuring and at the promotion of new projects meant to fully exploit the resources and the socio-economic potential<sup>13</sup>. The agency “finances the following sub-components: financial incentives for employment and training, business centres and support for entrepreneurs, small grants scheme, social development scheme for mining communities, municipal infrastructure, increase of the community capacity and public information”<sup>13</sup>.

According to the official documents provided by the authorities regarding the the ARDDZI projects in Bihor County, the Business centre Varzari (Popești commune) was created through the ANDZM programmes, and it can be considered a factor in attracting investors. The roads modernization in Popești, Bihor County, is a project financed by the World Bank through the Romanian Agency for Sustainable Development of Industrial Areas, worth 1,589,000 lei and with a 5 months implementation period in 2012. The rehabilitation of the rest rooms from the sports centres and the rehabilitation of communal roads, Popești locality, are projects worth 20,000 Ron each. The introduction of a water supply system in Varzari is a project worth 100,000 USD<sup>14</sup>.

The investment projects developed by the Dobrești city hall aimed strictly at the local development through the rehabilitation of local infrastructure through public funds and the rehabilitation of the water supply system, in accordance to the Dobrești Development Strategy. The rehabilitation of the Cultural Centre from the village Cornișel (20,000 Ron), the rehabilitation of the sports centre (completed in December 2011; 56,000 lei) and rehabilitation of the water supply system from the Hidisel locality (completed in 2010; 91,000 USD), the extension of the centralized water supply network (completed in December 2011; 1,388,378 lei) and the rehabilitation of the water supply network from Dobresti (100,000 USD) are also projects worth mentioning<sup>14</sup>.

The investment projects developed or in development from Șuncuius are targeting: the rehabilitation of water supply and sewage networks, the modernization of the local road infrastructure, the pavement of local road from the hamlet Pojorata (completed in 2010; 100,000 USD), the rehabilitation of the sports centre (completed in December 2011; 50,000 lei).

In Borod, the projects developed aim at the rehabilitation of local roads infrastructure. Thus, the secondary roads from the Borod-Borozel valley are rehabilitated with funds worth 100 000 USD (completed in 2010)<sup>14</sup>.

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<sup>12</sup> The situation of EAFRD projects completed or under implementation in Bihor County (2012)

<sup>13</sup> <http://arddzi.minind.ro/index.html> - Romanian Agency for Sustainable Development of Industrial Areas

<sup>14</sup> The stage of ARDDZI projects developed in areas of operation in Bihor County 2000-2012



**Figure 3.** The House of Culture “Miron Pompiliu”, in Stei, investment made through the Romanian Ministry of Culture



**Figure 4.** Rehabilitation of the communal road DC 286 between the localities Băița and Băița Plai an investment made through the Romanian Agency for Sustainable Development of Industrial Areas (ARDDZI)



**Figure 5.** The Vărtop Piatra Grăitoare ski slope telepheric system an investment made through the Romanian Ministry of Tourism and Regional Development - Ski in Romania Program



**Figure 6.** The Vărtop Piatra Grăitoare ski slope terminal, an investment made through the Romanian Ministry of Tourism and Regional Development - Ski in Romania Program

The “Modernization of the House of Culture from Băița” is an investment jointly made by ARDDZI Bucharest, the local communities of Băița and Băița Plai, Nucet city hall and the World Bank. It’s a project worth 75 000 lei and it was completed in 2011. Another project developed by Nucet city hall is the "Planning of the Youth Park (Parcul Tineretului)". This micro-project was funded through the Small Grants Scheme and it proposes the planning of a playground for children and of green spaces by planting flowers and ornamental shrubs. The total value amounts to 20 000 lei and the project improves the urban appearance of the area and the environmental conditions by protecting and maintaining the green areas clean. The project "Modernization of local roads from Nucet" has a value of 600 000 USD, is financed through the programme "Municipal Infrastructure" and it refers to the rehabilitation of the road DC 286 (figure 4) and of the streets from the locality Băița. The communal road DC 286 connects the localities Băița (DN76) and Băița Plai. The communal road DC 286



has an old and deteriorated asphalt, being a road of technical class V with two roadways<sup>14</sup>.

The project "Tourism on 4 wheels in Apuseni" directly helps the tourism development and it was financed by RSDF within the Social Development of Mining Communities Scheme (SDSMC) - Income Generating Activities and it has a value of 45 600 USD. The project "Tourism on 4 wheels in Apuseni " proposed the acquisition of ATVs and their renting in the Vârtoap- Arieşeni area. This activity has been identified as a priority by the members of the productive Group "Nucet Miner" because tourism is the activity with the greatest potential in the area<sup>14</sup>.

### **CONCLUSION**

The development of tourism requires funding for both public and private sectors, the accessing of financing programs being very varied in the study area. The tourism industry benefits from the various assistance systems offered by the national and European funding programs. The investments in tourism aim at the accommodation infrastructure or at the programs that promote certain sites. The interdisciplinary nature of tourism needs to be mentioned, taking into consideration the strategic and integrated approach focused on issues regarding the funding programs acting as a catalyst for the regional sustainable development (Clement 2004). Other investments contribute indirectly to tourism development, increasing the accessibility, aiming at improving the road transport infrastructure but also the environmental infrastructure through the rehabilitation or development of water supply networks and sewage systems, but also aiming at protecting the biodiversity and at reducing pollution. These tools are also means to improve the performance of tourism sector by increasing tourist flows. Other measures are focused on local development but they also contribute to tourism development. Integrating the tourism sector must be made through public and private partnerships and, in the deficient areas, tourism must work as a catalyst to the actions of integrating the cultural and natural heritage, the environmental protection, the accessibility and the private sector aiming at an integrated approach, based on issues regarding the regional sustainable development. Tourism could be an important source of funding in most of the studied areas, because the local and regional economies have been affected by the massive closure of industry and tourism development can reverse the general economic downward trend.

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