

## Statistical coordinates of the LEADER Program implementation process in Romania

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**Abstract:** *The LEADER program, the fourth priority direction for financing through European Agricultural Fund for Rural Development – EAFRD, consists in implementing local development strategies for improving administrative governance in rural areas. This paper presents the management of rural development by the National Network for Rural Development and the status of implementation of the LEADER program in Romania, until December 2014. The funded projects of rural development meet the requirements of local communities identified by the operational structures of type LAG - Local Action Group, through appropriate measures, specific to each county.*

**Key-words:** *rural development, LEADER program, country profile, administrative regions*

### 1. Introduction

The LEADER Program (Liason Entre Actions pour le Development de l'Economie Rurale), the fourth key priority for funding by European Agricultural Fund for Rural Development - EAFRD, consists in implementing the local development strategies for improving governance level of rural administrative areas.

Development of rural areas through Axis 4 - LEADER will be scheduled and coordinated by local actors who will be the decision makers, but they will also bear responsibility for developments in territorial zones delineated to proceed. Projects financed by the LEADER approach involve integrated actions, consistent, leading to diversification and rural economic development for the benefit of communities.

Implementation of European Union funded projects includes coherent development strategies, but the planning and organization would improve the results that Romania might get in the future in this area. The rural areas, representing 87.1% of the whole territory of Romania (2012), are inhabited by 45% of the population [1].

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The general and specific objectives of the Common Agricultural Policy are found in National Plan of Rural Development (NPRD). Sustainable development of rural areas can be considered as a continuing need.

## **2. Methodology**

LEADER is a funding approach which involves the initiatives of local communities for a specific manner of development adapted to their needs and priorities.

The experience of implementing NPRD 2007-2013 proved the innovative character of LEADER program in financing the projects which have valued efficiently the local resources and significantly have promoted the local specificity.

The paper presents the importance of LEADER program in Romania by emphasizing the results already achieved until 2014. The management of the LEADER program through the local action groups (LAGs) establish the Local Development Plans by Local Strategies which enter in competitions for attracting funds for their territories.

Analyses of the number of projects, the contracted values, the degree of implemented projects at level of counties, administrative regions and for the historical regions of Romania, can offer an image of the implementing stage of LEADER program in Romania, until the end of 2014.

## **3. Research Results and Discussions**

In Romania, the implementation of LEADER and LAGs began in 2007-2013 by NPRD. The LEADER eligible area is 228,754 km<sup>2</sup>, with a population of 11,359,703 inhabitants. The target coverage of territory and eligible population for LEADER is of 100%.

### **3.1. Importance of LEADER Program for Rural Development in Romania**

In the period 2011-2012, the territory was covered by 163 LAGs on an area of approx. 142,000 km<sup>2</sup>, representing approximately 63% of the eligible area and about 58% of the LEADER eligible population. LEADER eligible areas are the territorial administrative units such as villages and small towns with a population not exceeding 20,000 inhabitants. [9]

The Local Action Groups (LAGs) are public - private partnerships, consisting of representatives of the public, private and civil sectors. They are appointed an homogeneous rural territory that has to meet some requirements concerning its composition and where they implement an integrated strategy for territorial development.

In 2011, 81 LAGs were selected, and in 2012, the second selection has chosen other 82 LAGs. So far, in Romania operate 163 Local Action Groups [9].

LAGs imply the local actors from their territories and they develop a Local Development Strategy. Based on the Local Development Plans they are organizing local sessions of projects demands, so that the decisions are taken locally. In Romania, a total of 163 local development plans were accepted.

The NPRD 2007-2013 have established National Network for Rural Development (NRDN) which contributed to promoting and connecting local actors. LAGs are beneficiaries of NRDN. The main actions covered by Axis 4 are synthesized by the following three measures [10]:

- Measure 41 – Implementing the Local Development Strategies,
- Measure 421 – Implementing the cooperation projects,
- Measure 431 – LAGs’ functioning, acquiring skills and animating the territory.

These measures have specific objectives [5], as:

- Increasing the competitiveness of agriculture and forestry, improving the environment and the countryside, improved quality of life and diversification of economic activities in rural areas by implementing local development strategies by Measure 41 which can cover all the three Axes of the NPRD;
- Improving local strategies by encouraging local actors to expand the experiences, stimulating and supporting innovation, skills training and improve them both inter-territorial and transnational - Measure 421;
- Fostering partnerships, preparing and ensuring the implementation of local development strategies - Measure 431.

The complementary character of the LEADER program appears when it gives financing priority to projects that are non-eligible for other programs of national and European funding. The mentioned program still follows the above principles, which means that the LAGs, which in turn were separated from structured group members, have developed “bottom-up” strategies of local rural development even during 2007-2013.

LEADER applies to areas with a population between 10,000 to 100,000 inhabitants, including small towns with populations not exceeding 20,000 inhabitants. Due to the low population density in the Danube Delta, this area accepts a minimum of 5000 inhabitants. The links between urban and rural areas is a very important tool for the development of an area, to increase social inclusion and poverty reduction.

Selection of Local Development Strategies is based on a single public selection procedure, prepared by the Ministry of Agriculture and Rural Development for the LEADER program in 2014-2020. SDL will be selected by a committee and the financial allocations for SDL will be proportional with the population covered by each LAG (Euro/capita) and the territory covered (Euro/km<sup>2</sup>).

### 3.2. Statistical Coordinates of LEADER in the Romanian Counties, in 2014

In Romania, a certain number of LAGs is acting at each county level. In this context there are three counties having a single LAG: Brăila, Gorj and Mehedinți and on the other side, Dâmbovița county having 12 LAGs. The grouping of counties depending on the number of LAGs and the number of signed projects, represents the information in the charts in Figure 1, containing the distribution of the counties depending on the most encountered number of LAGs.

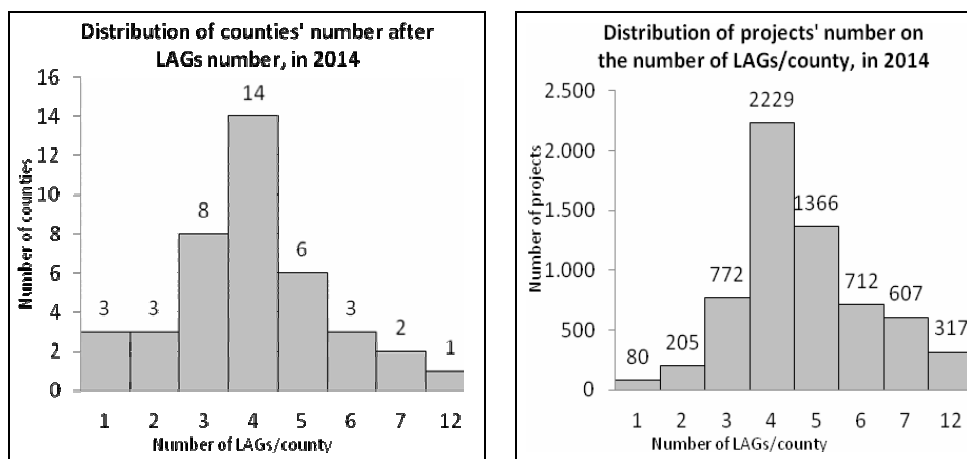


Fig. 1. Counties' and projects' distributions depending on LAGs/county

Being available the total value of all signed contracts, for all LAGs, there were calculated some average indicators. The average number of signed projects/LAG varies between 26 projects/LAG in Dâmbovița county and 46 projects/LAG for 6 counties, each of them having 5 LAGs. The average number of signed projects/LAG at country level is of 39 projects/LAG.

Analysing the concentration of LAGs number and the number of projects, the conclusion was that there was no concentration. The same conclusion was validated for the concentration of contracted values of LEADER projects, also for the values of LEADER strategies of the counties, and for the values of measure 431.2, either as strategy, also for paid value for this measure. The average value of all contracted projects for a LAG was of 1,950,820 euro. The average value of a contracted project at country level, for all the contracted projects from all LAGs, was of 50,570 euro.

### 3.3. Statistical Coordinates of LEADER for the Administrative Regions, in 2014

Analysing the number of LAGs for each administrative region, there can be seen in Figure 2, three levels of size for the administrative regions. South-West and West

have percentages lower than 10%, and three regions are quite similar with about 13%-15% and two regions North-East and South have proportions of 19% and 21%.

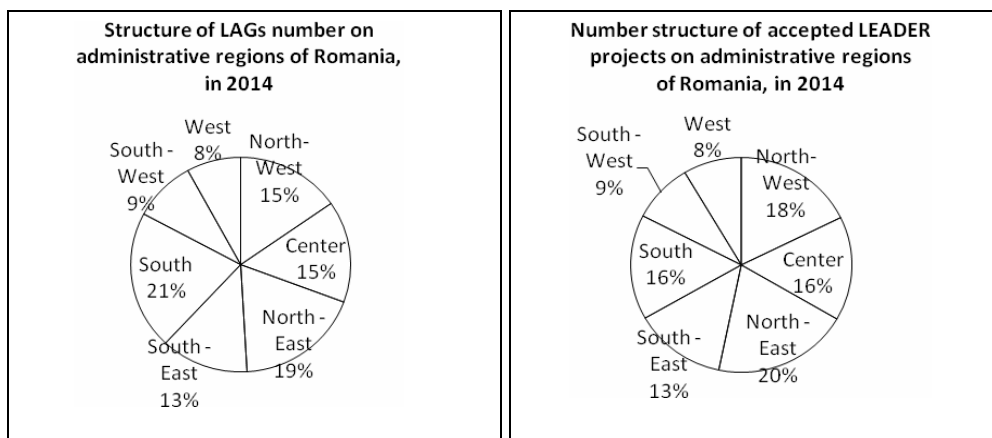


Fig. 2. Structures of LAGs number and LEADER projects on administrative regions

Comparing the percentages of LAGs number and signed LEADER projects for each administrative region, there can be seen very close values for mostly all regions, but the South has a lower proportion of the accepted projects in favour for West, Centre and North-East. This comparison shows the efficiency aspect of LAGs' activity in the South region.

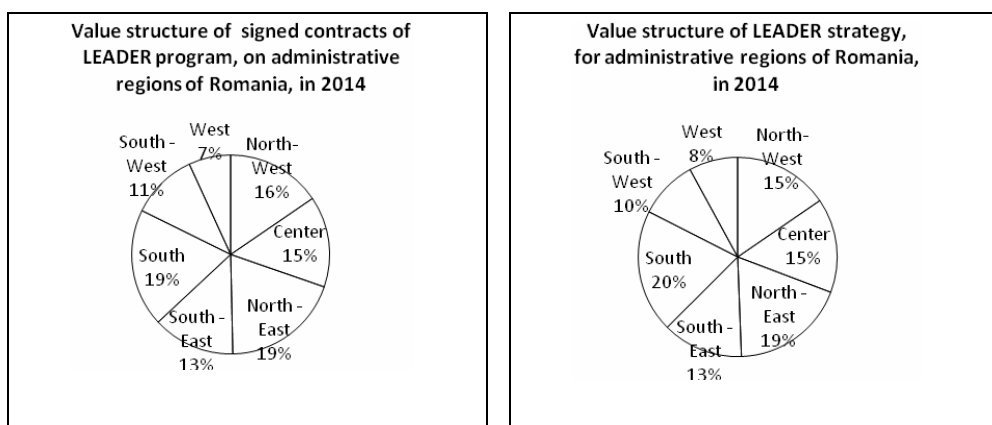


Fig. 3. Structures of LEADER projects and entire strategy on administrative regions

Comparing the structure of values for the signed projects on administrative regions and the structure of the entire LEADER strategy for the same administrative regions, shown in Figure 4, there can be noticed very low differences of structure.

Making a comparison with the previous two structures from Figure 3, there can be noticed even close structures of LAGs number and signed LEADER projects.

In Figure 4 the weights of contracted values of projects within the entire LEADER strategy for each administrative regions are compared with the weights of paid values in 2014.

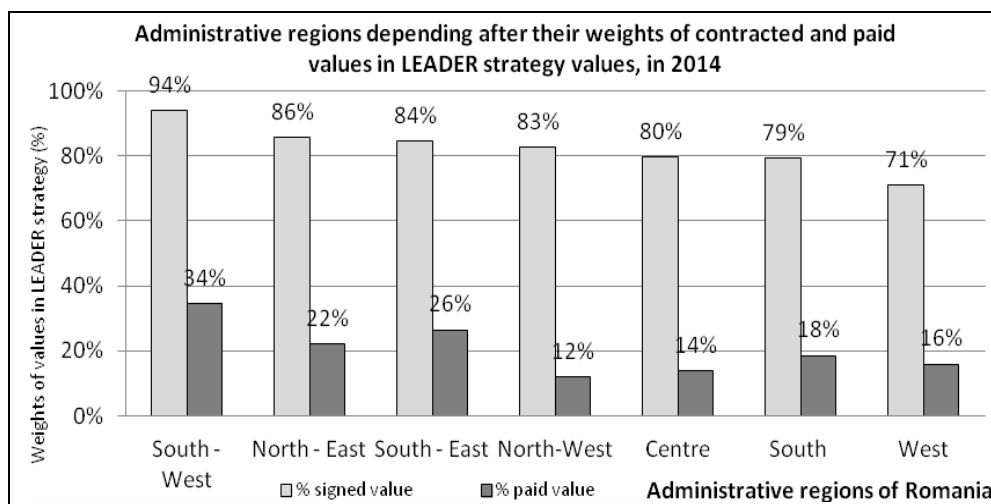


Fig. 4. *Weights of contracted and paid values in LEADER strategies of administrative regions, in 2014*

The descending order ranks first South-West as the most active region, followed by North-East and at close distances: South-East, North-West, Centre and South, and then West.

### 3.4. Statistical Coordinates of LEADER for Historical Regions, in 2014

The nine historical regions are determined by their geographical positions, the customs, traditions and cultural values of rural population are respected for centuries and their values being strong related to their common history. The regions of Dobrogea, Bucovina, Maramureş, Crişana and Banat, having 2 counties each of them, together with Moldova of 6 counties, Muntenia of 9 counties (the 10th is Ilfov county which is not considered eligible for rural development) and Oltenia of 5 counties, they surround Transilvania which consists of 10 counties.

In Figure 5, there can be seen that percentages of LAGs number for the regions with 2 counties varying between 3-5% and after their projects number between 2-6%. The big regions have percentages of LAGs numbers of: 9% in

Oltenia, 19% in Moldova and the same weight of 25% in Muntenia and Transilvania. So, half of all LAGs are lying in the two big regions.

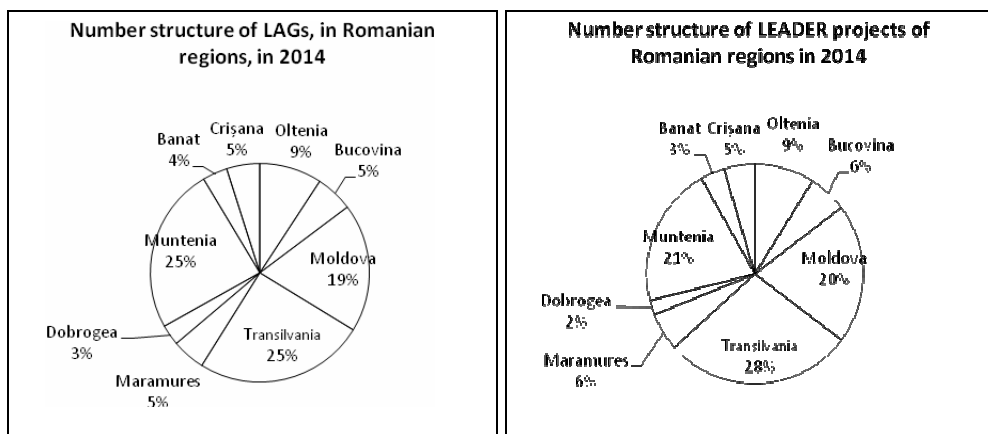


Fig. 5. Structures of LAGs and projects numbers for the Romanian regions, in 2014

The differences between the percentages of the same regions about LAGs and those about projects structure, can offer a relative aspect about the performance of promoting the LEADER program in rural areas of counties.

Value structure of LEADER strategy for Romanian regions, from Figure 6, is mostly the same with structure of LAGs number, from Figure 5. In Figure 6 there are presented in a comparative manner the structures of LEADER program values already contracted and still to be implemented in the rural areas of regions.

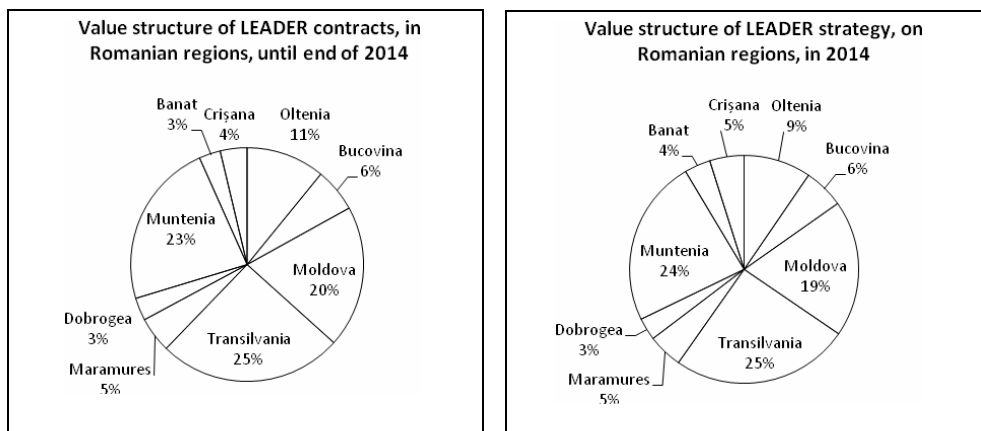


Fig. 6. Values structures of LEADER contracts and LEADER strategy for the Romanian regions, in 2014

Table 1 contains the data presented in Figure 7 and the number of LAGs and contracted projects for each historical region of Romania.

Historical regions in Romania	Number of LAGs	Number of contracted projects as of December 2014	Weights of contracted values in own strategy value as of December 2014	Weights of paid values in their own strategy value as of December 2014	% paid value in r own value for measure 431.2
Oltenia	15	561	94%	34%	68%
Bucovina	9	362	88%	20%	52%
Moldova	31	1294	84%	27%	60%
Transilvania	41	1766	83%	14%	37%
Maramures	8	352	83%	11%	49%
Dobrogea	5	136	82%	17%	31%
Muntenia	40	1299	80%	19%	39%
Banat	6	226	66%	14%	50%
Crişana	8	292	63%	13%	33%
TOTAL	163	6288	82%	20%	46%

Table 1. Statistical data about LAGs activity in the Romanian historical regions

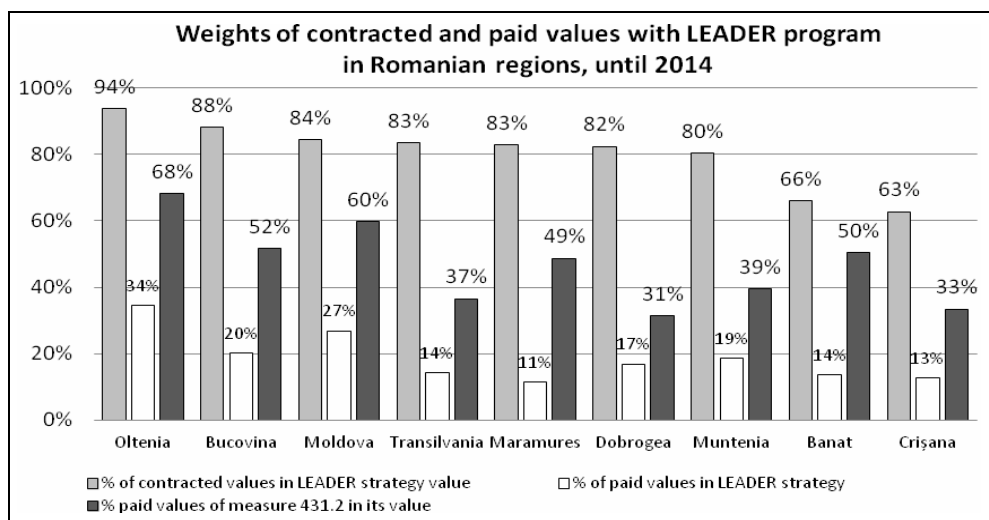


Fig.7. Weights of contracted and paid values in the LEADER strategies by regions



The high percentages of contracted values in LEADER program for regions, noticed in Figure 7, show that the strategy of NPRD is already completed for the previous period.

LAGs are prepared for the next single session of selection of Local Development Strategies in the NPRD 2014-2020 framework. Low weights of paid values in the LEADER strategies of regions at December 2014 show the importance of LAGs activity in helping the rural actors in implementing their projects and that the projects were recently approved and signed.

The percentages of paid values for the measure 431.2 of LAGs' acquiring skills and animating the territory show that this activity was more than twice higher than the effective implementation of rural projects, meaning that the LAGs were more interested in having new projects in order to cover their LEADER strategy obtained by competition in correlation with the Local Development Strategy, rather than implying in the activity of unfolding the projects which became the tasks of their owners.

But in Maramureş region, the percentage of paid values for the measure 431.2 is more than four times higher than the weight of paid value for contracted projects. Also in Banat region, this percentage is more than three times higher. In Banat the weight of 50% of paid value for measure 431.2 is close to the degree of 66% of contracted values from its own LEADER fund, which is followed with 63% by Crişana. It seems that Maramureş and Banat regions still have to improve the LAGs activity to increase their efficiency.

The weight of contracted values in LEADER strategy in Romania, as of December 2014, was of 82.43%. These weights of Romanian historical regions vary between 63% in Crişana and 94% in Oltenia. The weight of paid values in the LEADER strategy in Romania, as of December 2014 was of 19.82% showing that the approved projects are at the beginning of implementation process at country level.

#### **4. Conclusions**

The implemented projects of the LEADER program support the rural development in Romanian counties, offering the possibility to realize the objectives of Local Development Strategies. The financed projects create jobs in order to use the resources and local human potential, to ensure food, and environment protection, to keep the image of rural territory, and the customs, traditions and cultural values of a certain rural area.

For many years, the LEADER approach for local development has proved useful for promoting the development of rural areas, taking into account all multi-sectoral needs, related to endogenous rural development based on its principle bottom-up. Consequently, the LEADER axis must be maintained in the future and

its application should remain compulsory for all national rural development programs.

Recognizing its importance, NPRD 2014-2020 establishes that Axis 4 - LEADER will finance the institutional building of Local Action Groups (LAGs) to implement integrated strategies that will enable rural actors, representatives of different fields to work together and interact in favour of rural communities.

The projects funded by LEADER can lead to reducing the economic and social imbalances and disparities between urban and rural environments.

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