

## COMMUNITY-LED LOCAL RURAL DEVELOPMENT WITHIN THE FRAME OF THE RURAL DEVELOPMENT PROGRAMME 2007-2013 IN ROMANIA

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**Abstract:** *The first consistent support framework allowing the use of specific Community-Led Local Development approaches and tools was represented by the first Rural Development Programme of Romania as member state of the EU. The Axis 4 LEADER of the programme created the premises for the aggregation of the public-private partnerships and the participatory development of their future Local Development Strategies. The delayed start and the unprepared rural actors proved a high learning and adjusting capacity reflected by the success of the implementation of contracted projects. The levels as expressed by totals of number and values of the projects are analysed in-depth searching indications of determined development directions. The findings underline the readiness and willingness of the rural actors supported by high levels of private contribution in co-financing specific investment projects.*

**Key words:** *Community-Led Local Development, Local Action Groups*

### INTRODUCTION

The current paper targets the community led local rural development results and outcomes within the public support framework for the Romania's first budgeting period as EU member state. The analysis of the general and specific support framework leads to a number of two observations: the first indicate that the only consistent support for the mentioned period is public and the second points towards the Romania's National Rural Development Programme 2007-2013 (RDP), more specifically to the Axis 4 LEADER [1] and [4]. As general observation forms of Community-Led Local Development (CLLD) and particularly in rural development can punctually be recorded in different moments of the analysed period yet they are excluded for the focus of the present research question due to the reduced scale, limited resources and therefore lack of relevance by missing to offer national or regional availability. Although LEADER initiative is relatively old as Community Initiative for the Western Europe it reached Romania only after the first programming period as EU member state. With no prior experience at national or regional scale except isolated attempts implemented rather as pre-pilot initiatives, the setup was relatively slow becoming available only in 2010, that is two years after the RDP opening for other agricultural and rural development measures. The formal implementation was also adjusting on the run with administration learning-by-doing and with future beneficiaries completely foreign to this type of approach. This general situation can further explain why for the above-mentioned time frame the specific Axis 4 only allowed measures already contained in the RDP and refused to consider the possibility of promoting integrated projects [4]. Within this relatively rigid framework the rural micro-regions had to design and later implement specific interventions in the logic of the proposed Local Development Strategies (LDS). The quality and the capacity to respond to the specific needs and problems of the micro-regions of these LDSs represented the corner stone of the selection process for the later implemented 163 Local Action Groups (LAG) in

Romania during the remaining six years of the RDP including the extra two years of the N+2 rule (2010-2015).

### **MATERIALS AND METHODS**

The primary and secondary research relates on official statistic data provided by the specific monitoring and progress reporting instruments of the RDP [5], the concluded implementation of the Axis 4 LEADER reports [8] and the implementation reporting of two selected LAGs [6] and [7]. No qualitative assessments are used to support the observations and the findings related to the research question. Deduction is supplementary used to concatenate the findings and highlight supported observations in drawing the conclusions of the analysis.

### **RESEARCH RESULTS**

Considering that the LDSs were developed participatory and they reflect the needs and problems linked to the potential of the specific LAG territory the implementation success accounts as outputs of the local formulated initiative within the specific limitations presented in the introductory part. The total number of LEADER territories in Romania following the two selection calls reaches 163 LAGs covering 142.267 km<sup>2</sup>, almost 80% (78,34%) of the programme's target area and accounting as total covered population over 6,7 million people [5]. In terms of institutional setup, the public-private partnerships as compulsory from the implementation methodology at the level of each newly created association (LAG) represents the soundest success of such a partnership type for the last three decades. The private part and the NGO members of these LAGs positively exceeded the targeted indicators by more than 50% (158,82%) [1], [4], [5]. Considering that at national level the financial implementation rate in December 2015 as final reporting moment achieved 95% (94,60%) the implementation as reflected by number of physically concluded contracts (7.038 projects) from the targeted value (9.502 projects) cannot be regarded as a failure but rather as a reasonable success [5]. In other words, it is difficult to imagine where the financial execution rate could have arrived with another 2464 projects/contracts concluded. Considering that the learning process was slow on both sides, administration and beneficiaries, with a delayed start and no previous experience we can classify the results as placing far above successful.

A relative high rate of success can be observed analysing the number of selected projects from the total submitted and further-on the number of contracted projects out of the selected ones. From a total of 9.472 projects advanced for evaluation a number of 7.211 projects were selected and 7.038 projects were contracted indicated extremely high levels when compared to the RDP measures within the other Axis opened in national selection [5]. It is important to underline that the high success levels, particularly for the large majority of contracted projects from the total selected are due to the procedural levels as on one side the projects were submitted for one specific LAG territory and its LDS and not competing with other similar ones national-wide and on the other side, most LAGs could have performed a project-pipelining during the formulation of the LDS.

At national level for all LAGs implementing projects as part of their specific LDSs, the rule of promoting only specific measures under the RDPs' Axis 1 addressing agricultural measures and Axis 3 supporting non-agricultural measures was followed. A detailed layout of the results both in terms of total number of projects and total projects' value by Axis and measures is introduced in Table 1.

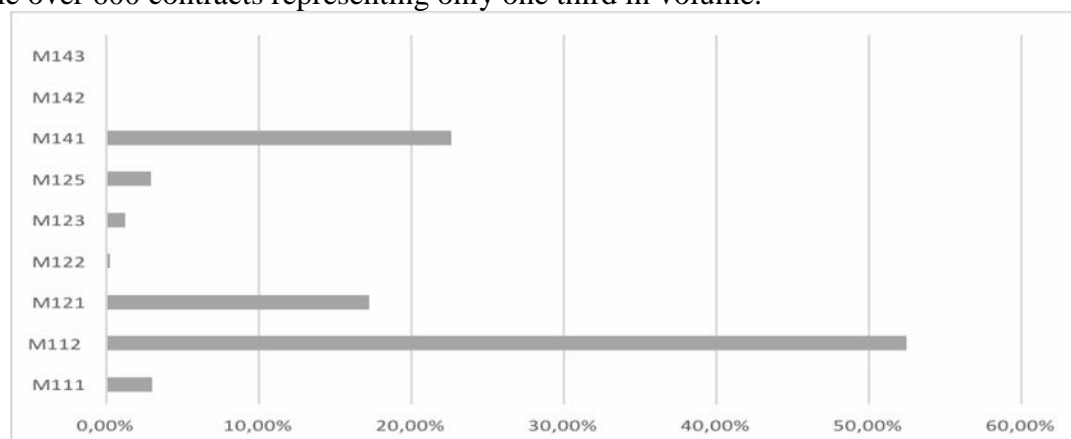
**Table 1.****Implementation of RDP measures by Local Development Strategies in Romania**

Measure	Share	No. projects	Value (thou. EUR)
M111	3,01%	106	2.130,62
M112	52,51%	1848	62.039,22
M121	17,22%	606	32.943,84
M122	0,26%	9	233,11
M123	1,28%	45	3.866,46
M125	2,93%	103	8.357,74
M141	22,65%	797	5.977,50
M142	0,06%	2	55,9
M143	0,09%	3	118,54
Total Axis 1	100,01%	3.519	115.722,93
M312	21,03%	740	44.686,49
M313	8,21%	289	22.313,09
M322	70,76%	2490	172.566,94
Total Axis 3	100,00%	3.519	239.566,52

Source: Annual Progress Report NRDP 2007-2013, 2015 [5]

The perfect symmetry in terms of number of projects under each Axis is the result of pure hazard as the figures presented as cumulated and updated in December 2015 have excluded the unfinished contracts and subtracted the number of contracts and the recovered amounts. Also, there was no methodological indication of maintain a balanced distribution between the two axes otherwise impossible to achieve at the level and distribution of 163 different territories.

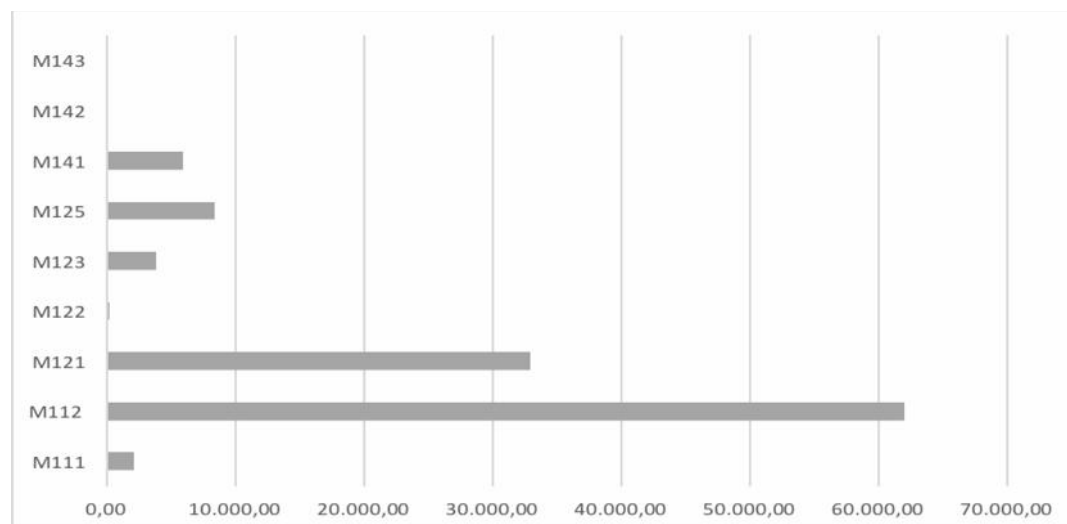
Although the figures are self-explanatory in terms of interest, demand and success for each measure it is important to realise the scale of the interventions rather than a suite of summing totals. For this purpose, for the Axis 1 two graphical expressions are introduced: the share of contracted projects (Figure 1) and the total values of the contracted projects (Figure 2). If simply analysing the sets of data the measure 112 supporting the settlement of young farmers appears to be the most popular with over 50% (52,51%) of the projects contracted within the frame of the Axis 1 for a total public value exceeding 60 million EUR the second most popular measure (121 - support for investments in agriculture modernisation) represents less than 20% of total and counts for almost 33 million EUR. The first measure accounts over 1800 contracts while the second one reaches little over 600 contracts representing only one third in volume.



**Figure 1. Share of contracted projects under RDP Axis 1 implemented by LAGs (%)**

Source: Calculations based on Annual Progress Report NRDP 2007-2013, 2015 [5]

The separate graphical presentation of shares/number of projects and their total value make the difference and supports the observation of the real scale of the interventions. Although temperate by the limitations of each LDS total budgets the investments in modernisation come with higher requested amounts.

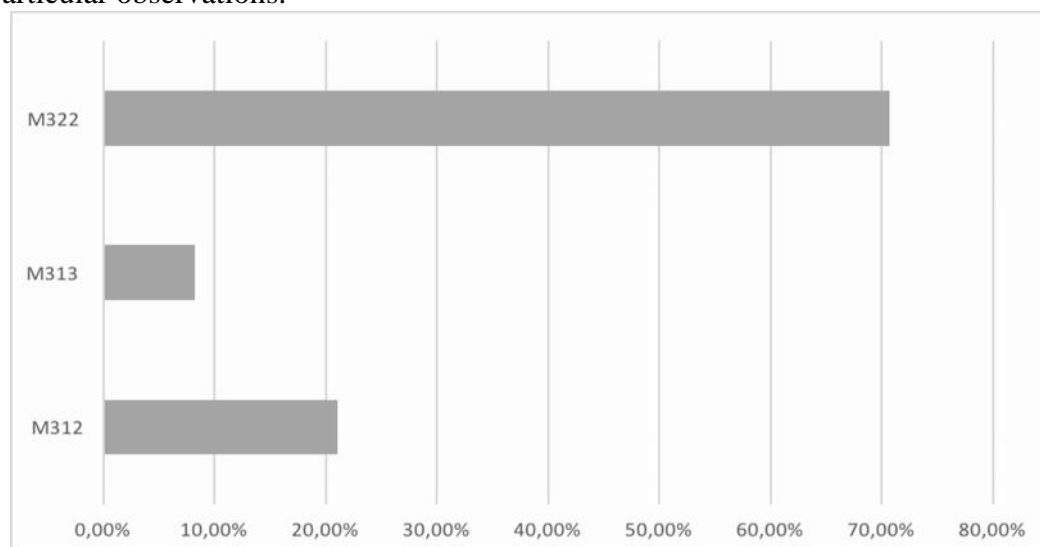


**Figure 2. Value of contracted projects under RDP Axis 1 implemented by LAGs (thou. EUR)**

*Source: Calculations based on Annual Progress Report NRDP 2007-2013, 2015 [5]*

If in terms of number of contracts the support granted as incentive for semi-subsistence agricultural households moving towards commercial agriculture (measure 141) appears important, in terms of value granted for contracts the same measure is overpassed even by the investments in agricultural infrastructure (measure 125) and surpassed over three times by the investments in modernisation.

Using the same differentiate approach in the case of the contracted projects under the Axis 3 of the RDP (Figure 3) and their total public contracted values (Figure 4) leads to no particular observations.

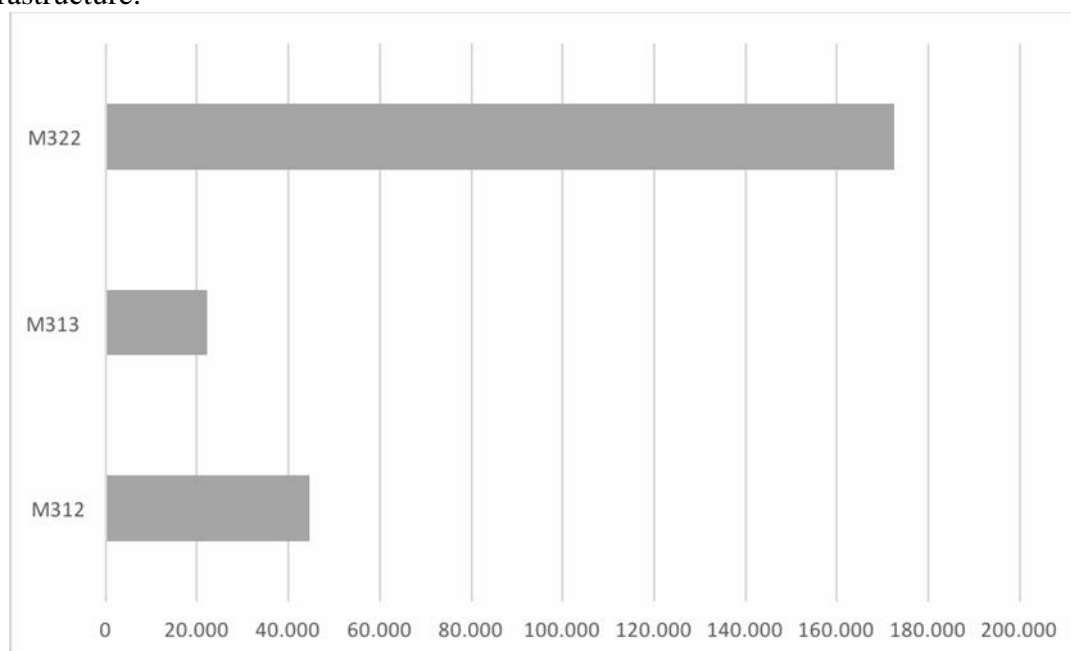


**Figure 3. Share of contracted projects under RDP Axis 3 implemented by LAGs (%)**

*Source: Calculations based on Annual Progress Report NRDP 2007-2013, 2015 [5]*

In the case of volumes and physical expression of the number/share and the value of the contracted projects a level of proportionality is maintained. However, an observation

coming from the general setup of the implementation regarding the measure 322 (modernisation of rural physical infrastructure) changes the apparent preference for public infrastructure.



**Figure 4. Value of contracted projects under RDP Axis 3 implemented by LAGs (thou. EUR)**

*Source: Calculations based on Annual Progress Report NRDP 2007-2013, 2015 [5]*

In the case of the above-mentioned measure (322), the projects had to be submitted by the public local authorities, for relatively large requested budgets. As a reminder, the public partners (as local authorities) represent in average 45% of the partnership in the LAGs and this type of interventions were among the few supported by the programme. With over 2.850 rural communes in Romania and 2.490 contracts for measure 322 only under the Axis 4 LEADER we can observe a statistical fairness for the public partners in the LAGs.

Another observation valid for both analysed axes is represented by the nature of the reported amounts the figures advanced in the monitoring reports capturing exclusively the public contribution to the implemented projects/contracts. As in-depth observations show further in this paper the beneficiaries' contributions according to the analysed measure can go even above 50%. Returning with this observation to the analysed figures by axes and their graphic representation it is highly probable that the measure 121 from Axis 1 exceeds in value the measure 112 (with no private contribution) and in the case of the Axis 3 the gap between the first and the two following measures is narrowing for the same reasons.

The LAGs in the Region V West of Romania including all the four counties of the region are presented in Table 2 with the share of implementation and the respective values of targeted public budget and contracted values.

**Table 2.**

**Region V West LAGs and implementation results**

County	Local Action Group name	Share of total implementation	Value of signed contracts	Total Strategy
AR	Association Local Action Group "Micro-regiunea V ȳlor Cri urilor Alb i Negru" (MVC)	95,24%	2.176.737	2.285.500
AR	Association Local Action Group Lunca Mure ului de Jos (LMJ)	99,26%	2.426.910	2.445.000
AR	Association Local Action Group "Valea superioar ȳ Cri ului Alb"	91,64%	2.208.978	2.410.500
AR	Association Local Action Group "Podgoria Mini -M derat"	98,04%	2.263.729	2.309.000
CS	Association Local Action Group Poarta Alm jului	99,82%	2.220.961	2.225.000
CS	Association Local Action Group "Clisura Dun rii"	89,43%	2.280.589	2.550.000
HD	Association Local Action Group SargeŃia	101,35%	2.584.499	2.550.000
HD	Association Local Action Group Microregiunea ȳra Ha egului- inutul P durenilor	95,46%	2.181.797	2.285.500
HD	Association Local Action Group "ȳra Zarandului"	81,20%	1.749.018	2.154.074
TM	Association Local Action Group "Asocia ia Microregional ȳra F getului"	96,79%	2.323.000	2.400.000
TM	Association Local Action Group "Timi Torontal Bȳrzava"	96,21%	2.198.680	2.285.200
TM	Association Local Action Group "Banat Vest"	100,13%	2.288.494	2.285.433
TM	Association Local Action Group "Triplex Confinium"	70,20%	1.789.844	2.549.800

Source: Report on Financial implementation of Local Development Strategy of the Local Action Groups in Romania, December 2015 [8]

The range of financial implementation is relatively wide moving from 70% to over 100% in territories with large differences in terms of natural potential and vocation for agriculture. As introduced earlier an in-depth view appears necessary to understand at the level of one LAG as one unit the diversity of the development options and the capacity of these territories to undertake serious development options and interventions. Selecting the first two LAGs from Table 2, respectively the first two in the county of Arad allow observations on unbiased potential development strictly related to their respective LDSs [2] and [3]. Starting from positive grounds with good development premises, positive previous experiences in project-based developments and good natural and logistic favourability ensures that no unforeseen bottlenecks prevent the accomplishment of the strategic development as planned. In the case of the Local Action Group Lunca Mure ului de Jos (LMJ) [2] the private contributions of the beneficiaries implementing the projects under Axis 1 exceed 1 million EUR (1.070.804 EUR) and the difference to the total of 1.137.904 EUR is represented by the projects implemented under the Axis 3 [7].

**Table 3.**

**Financial implementation of Local Development Strategy LAG LMJ**

Measure	% of total	Total Cost	Public contributions			Private contributions	
			Total	EFARD	National	Amount	%
				80%	20%		
41.1.121	22%	1.704.207 ȳ	732.809 ȳ	586.247 ȳ	146.562 ȳ	971.398 ȳ	57%
41.1.123	12%	198.812 ȳ	99.406 ȳ	79.525 ȳ	19.881 ȳ	99.406 ȳ	50%
41.1.125	13%	315.785 ȳ	315.785 ȳ	252.628 ȳ	63.157 ȳ	n.a.	0%
41.3.312	9%	290.768 ȳ	223.668 ȳ	178.934 ȳ	44.734 ȳ	67.100 ȳ	30%
41.3.322	42%	1.059.332 ȳ	1.059.332 ȳ	847.466 ȳ	211.866 ȳ	n.a.	0%
421	2%	14.000 ȳ	14.000 ȳ	11.200 ȳ	2.800 ȳ	n.a.	0%
TOTAL		3.582.904 ȳ	2.445.000 ȳ	1.956.000 ȳ	489.000 ȳ	1.137.904 ȳ	

Source: Reporting on Implementation of LDS LAG LMJ [7]

The other Local Action Group Micro-regiunea V ilor Cri urilor Alb i Negru” (MVC) [3] introduced in detail in Table 4 has almost 800.000 EUR (795.028 EUR) as private contribution for projects contracted under Axis 1 and 235.165 EUR for projects contracted under Axis 3 [6].

**Table 4.****Financial implementation of Local Development Strategy LAG MVC**

Measure	% of total	Total Cost	Public contributions			Private contributions	
			Total	EFARD	National	Amount	%
			Amount	80%	20%		
41.1.111	0%	6.000 €	6.000 €	4.800 €	1.200 €	n.a.	0%
41.1.121	42%	1.590.056 €	795.028 €	636.022 €	159.006 €	795.028 €	50%
41.1.141	2%	90.000 €	90.000 €	72.000 €	18.000 €	n.a.	0%
41.3.312	21%	783.883 €	548.718 €	438.974 €	109.744 €	235.165 €	30%
41.3.322	22%	834.519 €	834.519 €	667.615 €	166.904 €	n.a.	0%
421	1%	11.235 €	11.235 €	8.988 €	2.247 €	n.a.	0%
AT	12%	454.256 €	454.256 €	363.405 €	90.851 €	n.a.	0%
TOTAL		3.769.949 €	2.739.756 €	2.191.804 €	547.952 €	1.030.193 €	

*Source: Reporting on Implementation of LDS LAG MVC [6]*

The levels of investments in modernisation of agriculture sustained by private requested contribution in both analysed LAGs exceed the investments in physical infrastructure. Also, the total private contribution alone overpasses the investments in public physical infrastructure implemented by the partner public authorities. These observations cannot represent a criticism to the involvement of the public partners but a sustained and strong statement of determination and commitment from the side of the rural actors actively involved in the implementation of the Local Development Strategy of their territory in respect to their expectations, needs and local realities.

## CONCLUSIONS

The Community-Led Local Rural Development within the frame of the Romanian RDP 2007-2013 although not named as such and not following closely the principles of the CLLD was initiated with the help of the public support for one of the old and sound Community Initiative - LEADER. The approach evolved considerably from the initial setup becoming an integrated part of the national RDPs, more specifically the Axis 4 of each programme. The administrative adjustments and the first programming experience of Romania as new EU member state led to a relatively rigid framework for the first dedicated tool with consistent public support rural development. With the obligation to follow closely the other measures and axes of the RDP farmers and rural entrepreneurs together with representatives of local public authorities, NGOs and private companies were facing the opportunity to jointly design and implement Local Development Strategies fit to their needs and problems and answering their future expectations in terms of development.

The implemented initiatives of the rural communities are measured as a real success in terms of number of concluded contracts, value, types of interventions when assessed at the scale of the RDP implementation. The very high rate of contracted projects from the total selected projects underlines the readiness and willingness to contribute to the implementation of the local strategies and a highly probable healthy participatory formulation and development of these strategies in the preparatory phase.

A regional approach in the case of the Region V West underlines the same findings with even higher rates of successful implementation at the level of the LDSs regardless the natural potential or the logistic readiness of the different territories, from flat plains to relatively high plateau micro-regions or even mountain parts in certain LAGs.

The in-depth analysis of the selected LDSs shows consistently high levels of private contributions for investments primarily in agricultural investments for modernisation followed by non-agricultural investments in rural entrepreneurship. These levels underline and strengthen the findings related to the readiness and willingness of the rural actors to design and build their rural future. The answer to the research question shows that CLLD functioned well even under a relatively rigid framework that has not particularly promoted this type of approach. These grounds can enhance the current and future programming framework for agriculture and rural development in the benefit of the local actors and in a broader sense for their territories and population.

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