

## THE ROLE OF LOCAL ACTION GROUPS IN RURAL ROMANIA IN THE PERIOD 2011-2021

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### *Abstract*

*The paper aims to present the role of Local Action Groups in rural Romania in the period between 2011 and 2021. It is based on data available at the MADR level and the following indicators were used: no. of LAGs, area and population covered by LAGs, types of investments, number and value of investments. During the examined period there was an increase in the number of LAGs, investments made locally from non-reimbursable European funds which led to improved living conditions in rural areas through quality infrastructure and basic services and job creation LAGs participate in developing and strengthening the role of local governance through the involvement of public authorities, the private sector and civil society in community-based decision-making.*

*Key words:* Local Action Group, rural development, local governance

### INTRODUCTION

LAGs are non-governmental organizations working at the level of local communities. These partnerships are legally established as associations based on Government Ordinance 26/2000 on associations and foundations and have as their main purpose the socio-economic development of a delimited territory consisting of communes and small towns with up to 20,000 inhabitants. LAGs can be financed from various sources at local level, there is also the possibility to use European non-reimbursable funds from the EAFRD [10, 12, 16].

To be eligible for financial support, these organizations must consist of at least 51% representatives of the private environment and civil society, urban organizations must represent a maximum of 25% at the decision-making level, to develop and implement a Local Development. This strategy must target a homogeneous territory, with a population between 10,000 and 100,000 inhabitants. Considering the low population density in the Danube Delta area, a minimum threshold of 5,000 inhabitants is accepted for this area [7, 8].

Since Romania's entry into the EU, in 2007, the LEADER instrument has been applied at

the local level. The role of LAGs in implementing the bottom-up approach has been the subject of several studies, being a new concept for Romania [1, 2, 3, 4, 9, 11, 13, 16].

In this context, the paper aimed to present the role of Local Action Groups in rural Romania in the period between 2011 and 2021.

### MATERIALS AND METHODS

In order to present the role of LAGs at the level of local communities in rural areas, the following indicators were used:

- number of LAGs,
- area and population covered by LAGs,
- types of investments,
- number and value of investments.

The reference period was 2007-2021.

The data available at the level of the Ministry of Agriculture and Rural Development were taken over and processed to demonstrate the role of LAGs in rural areas.

### RESULTS AND DISCUSSIONS

In Romania, the LAGs were created starting with 2011, when through PNDR 2007-2013 - Axis IV LEADER, 163 partnerships were selected. They elaborated and implemented

local development strategies that targeted an area of approx. 142,000 km<sup>2</sup>, representing approximately 63% of the eligible territory and approx. 58% of the LEADER eligible population. Between 2011 and 2015, through the LAGs, approximately EUR 454 million was spent from the EAFRD for the benefit of local communities [5, 14, 15].

Each LAG had at its disposal approximately 2,850,000 euros. Some of these resources (20%) were used for the LAG's running costs, strengthening the administrative capacity of the LAG team and for territorial animation. The rest was directed to investments in the territory, being implemented 7,038 projects with a public value of 355,289,430 Euro.

The main investments were:

- increasing the competitiveness of the agricultural and forestry sectors: projects contracted with a value of 115,722,910 Euro, of which 52.51% (62,039,220 Euro) were for the installation of young farmers.
- quality of life in rural areas and diversification of the rural economy: projects contracted with a value of 239,566,520 Euro, of which 70.76% (172,566.94 Euro) were for renovation, development of villages, improvement of basic services for the economy and population rural development and the enhancement of rural heritage. [5, 8, 14, 15] (Figure 1).

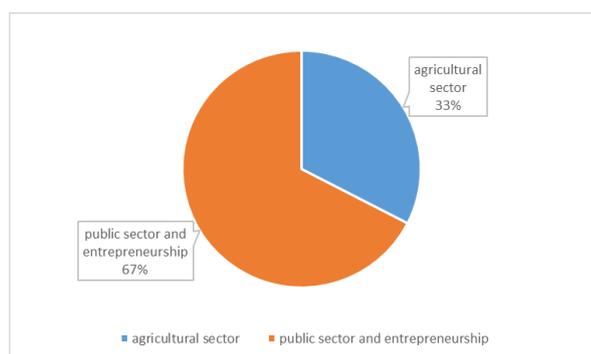


Fig. 1. Distribution of funds used by LAGs 2007-2013  
Source: Own data processing www.madr.ro [5].

In the 2014-2020 programming period, through measure 19 - LEADER local development - NRDP, 239 LAGs were selected that implement local development strategies on a territory covering 92.25% of the LEADER eligible area and 86.18% of the population targeted by LEADER. The LAGs

have 637,631,674 euros at their disposal to cover operating costs, cooperation projects and local investments [6, 7, 8, 14, 15] (Table 1).

Table 1. Distribution of the allocation of measure 19 NRDP 2014-2020

Type of expenses	Financial allocation NRDP 2014-2020 EURO
Preparation of strategies	1,990,183
Local investments	495,641,759
Cooperation projects	16,986,768
Operating expenses	123,013,163

Source: Own data processing based on the data from MARD, www.madr.ro [7].

The investments were mainly pointed at developing non-agricultural activities, improving the economic performance of all agricultural holdings, and facilitating farm restructuring and modernization, in particular with a view to increasing market share and market orientation, as well as diversifying agricultural activities and promoting social inclusion, poverty reduction and economic development in rural areas.

Considering the results obtained at the local level in the 2007-2013 programming period, for the current period the allocation for the LEADER Measure has been supplemented. Thus, LAGs have a generous source of funding to cover the needs identified in the territory (Table 2).

Table 2. Comparative allocation situation for LEADER programming period

Type of expenses	Financial allocation NRDP 2007-2013 (Euro)	Financial allocation NRDP 2014-2020 (Euro)
Preparation of strategies	6,639,557	1,990,183
Local investments	451,874,742	495,641,759
Cooperation projects	3,749,704	16,986,768
Operating expenses	61,830,636	123,013,163
TOTAL	524,094,639	637,631,873

Source: Own data processing based on the data from MARD, www.madr.ro [6].

LAGs are responsible for developing and implementing a local development strategy

that includes a coherent set of operations in order to meet local objectives and needs and that leads to smart, sustainable and inclusive growth.

To address local needs LAGs must meet the following tasks as mentioned by the EU regulations, EU Parliament legislation and National Rural Development Program 2014-2020 [3, 4, 6]:

- "building the capacity of local actors to develop and implement operations including fostering their project management capabilities.

- drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50 % of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure;

- ensuring coherence with the community-led local development strategy when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets;

- preparing and publishing calls for proposals or an ongoing project submission procedure, including defining selection criteria;

- receiving and assessing applications for support;

- selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval;

- monitoring the implementation of the community-led local development strategy and the operations supported and carrying out specific evaluation activities linked to that strategy.

- drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50 % of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure;

- ensuring coherence with the community-led local development strategy when selecting operations, by prioritising those operations

according to their contribution to meeting that strategy's objectives and targets;

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- receiving and assessing applications for support;

- selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval;

- monitoring the implementation of the community-led local development strategy and the operations supported and carrying out specific evaluation activities linked to that strategy" [3, 4, 6].

## CONCLUSIONS

The LAG is a coagulation factor between local actors: public authorities, entrepreneurs, farmers and civil society, strengthening local governance. Applying the bottom-up approach, it manages to identify the common problems of a territory and to find solutions for them, by involving the population. Access to non-reimbursable funding is an advantage that the LAG leverages for the benefit of the community.

The LAG has an important role in highlighting the local, traditional potential, facilitates for rural residents' access to new information and ideas, exchange of experience and learning from the experience of other regions or countries, to stimulate and support innovation, to acquire skills and improving them.

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