

THE LEADER PROGRAMME EVOLUTION IN THE EUROPEAN UNION AND ROMANIA

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Abstract

The LEADER programme provides new opportunities for rural development, identifies the local gaps/needs and implements the new solutions using a bottom-up approach. The publication follows the evolution of the programme both at European and national level, namely in Romania. The information was generated by the Ministry of Agriculture website and Rural Development and by the European Commission. They were processed by the Court of Accounts. In the European Union it was first introduced 32 years ago while in Romania only 16 years ago. The central mechanism and at the same time the beneficiary of this programme is the LAG (Local Action Group), meant to facilitate implementing the LEADER principles. The programme became compulsory to every member state between 2014–2020 and each state had to provide 5% of the rural development fund for the LEADER policy, excepting Croatia since it had just adhered to the EU, in 2013. In Romania, between 2011–2012, 163 LAGs were established while currently the number goes up to 259. However, parts of the Romanian territory are still not covered by any LAG, although they are eligible for the LEADER implementation. On the other hand, between 2014–2020 some LAGs’ functioning authorizations were canceled. In Europe, a number of 143,487 LEADER projects were registered. Although the EU planned to provide funding of up to Euro 9.2 billion, the real amount was of 7 billion.

Keywords: LEADER, LAG, funding, development, rural

INTRODUCTION

In 1991, the European Union has developed the LEADER programme, having as a purpose the economic development of rural areas; it followed a bottom-up policy to address the existing problems [1, 2, 3].

With an extensive experience of over 30 years, LEADER is implemented by 2,800 LAGs (Local Action Groups), 61% of the European rural population. LEADER represents an approach that offers new rural development opportunities, in line with the needs of a certain area [12]. By identifying the local problems it helps building a development strategy, preserving the socio-cultural profile of the territory. The local people are encouraged to actively participate in creating a development pathway as they are the ones who best know the lacks of their area [4, 13]. The functioning mechanism of LEADER or the “beneficiary” of the policy is

referred to as the Local Action Group (LAG). The formation of Local Action Groups (LAGs) is indeed a distinctive and integral aspect of the LEADER approach. LAGs play a crucial role in the implementation of the LEADER program, fostering a bottom-up approach to rural development. The two approaches mentioned - founding LAGs based on demand or building on existing partnerships - provide flexibility in tailoring the program to the unique characteristics of each region [4,11].

It is the core tool in implementing the programme and it involves partnerships between representatives of diverse socio-economic sectors in the area, aiming to build a development strategy that fits the local context. LEADER is part of the EU’s Rural Development Policy implemented in every member state and it is financed by the European Agricultural Fund for Regional Development (EAFRD) [12].

PNDR is the tool our country uses to attract financial resources from the EU to improve the agricultural sector and to develop the rural areas. This tool is structured into different priority axes, each of them targeting a specific intervention area. LEADER represents Axis 4 in PNDR standing out through its specific approach [12].

The purpose of analyzing the evolution of the LEADER program in Europe and Romania using data from various sources, including the Ministry of Agriculture and Rural Development, the European Commission, the Court of Accounts, and LEADER surveys, is to gain comprehensive insights into the program's development, impact, challenges, and effectiveness. This multi-faceted approach allows for a nuanced understanding of how the LEADER initiative has evolved over time and its specific implications for rural development.

MATERIALS AND METHODS

As a method, this article followed a comparative analysis approach, the direct observation method, data received from the European Court of Auditors, and LEADER surveys regarding the number of LAGs [13, 14]. The bibliographic research covered a period of six months, starting in April 2023 and ending in October 2023. It was based on the analysis of data generated by the databases of the Ministry of Agriculture, the European Court of Auditors, the European Network for Rural Development as well as the National Network for Rural Development, accessed during the above mentioned period.

RESULTS AND DISCUSSIONS

The European Union registered the highest number of LAGs between 2007–2013 while the lowest amount was between 1991–1993 (LEADER I) as shown in Figure 1 [6].

Based on Romania's geographical location, we analysed the whole South-East European region, which includes countries that have implemented the LEADER programme: Bulgaria, Greece, Croatia and Cyprus. We studied the evolution of the number of LAGs

in both programming periods, 2007-2013 and 2014-2020.



Map 1. Interactive map of the European Network for Rural Development ENRD [5].

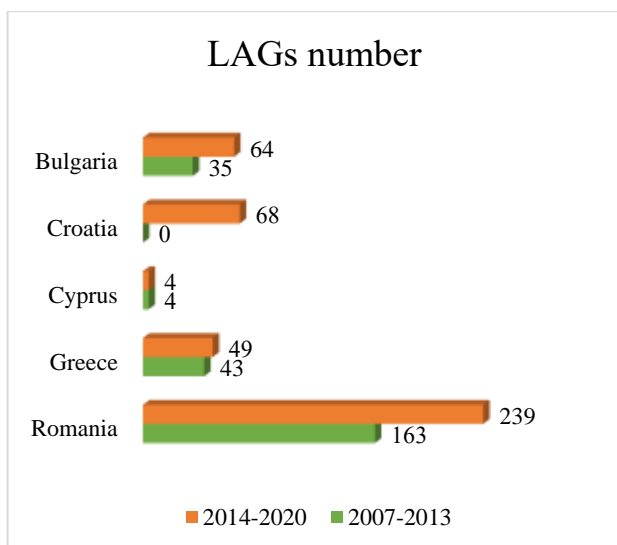


Fig. 2. Number of LAGs in South-East European, in the two programming periods.
 Source: Own processing ENRD database [5].

In 2007-2013 Croatia did not register any LAGs, as it became a member of the European Union in 2013, and in the second programming period it registered a number of 68 LAGs. Romania is the country with the highest number of LAGs in the region, followed by Croatia. Cyprus is the country with the smallest number of LAGs because the surface area and population of the country

are very small compared to the other countries in the region.

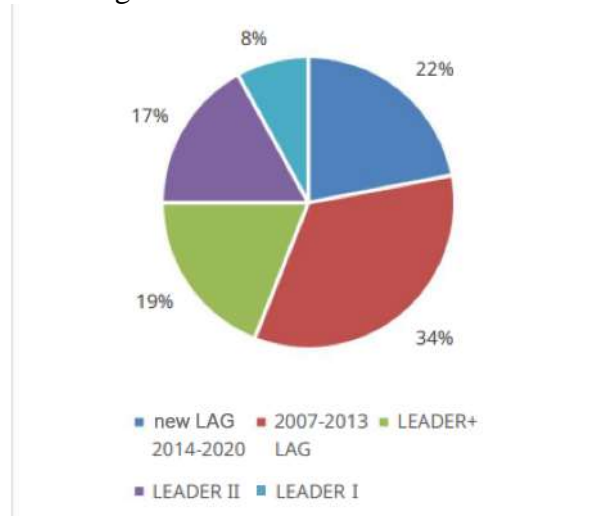
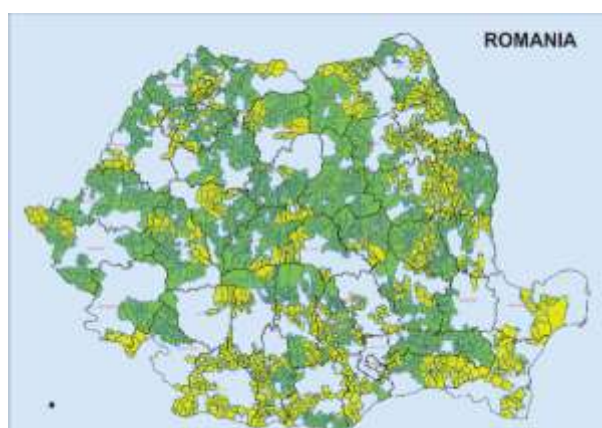


Fig. 2. Operational period LAGs in the EU
 Source: LEADER LAG Survey 2017- Findings at the European Level [6].

In Romania the number of LAGs was established before 2007–2013 (Figure 3). In Romania, the LEADER programme has significantly evolved between 2007–2013: the LAGs and LIGs numbers highly increased and the LEADER policy evolved and became well-known in the entire Europe. However, a series of rural development actions were identified, such as LIGs (Local Initiative Groups) and other LEADER-like partnerships created and implemented by the local PNDR [9].



Map. 2. Territorial coverage with Local Action Groups in Romania 2012
 Source: MARD, <https://www.madr.ro/> [8].

Between 2011–2012 a number of 163 LAGs was established over the Romanian territory, covering approximately 142,000 km².

The dispersion of LAGs on Romania's surface is shown in Map 2.

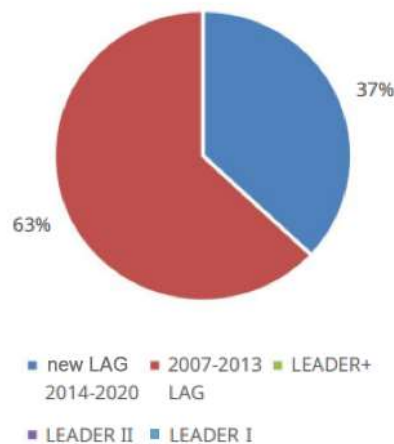


Fig. 3. Operational period LAGs in the Romania
 Source: LEADER LAG Survey 2017- Findings at the European Level [6].

This number represented around 63% of the eligible territory and 58% of the eligible population for LEADER implementation [7]. On 30.09.2019, a number of 239 LAGs was registered [8]. Today, Romania has a number of 258 LAGs, being one of the countries with the highest number of LAGs.



Map 3. Territorial coverage with Local Action Groups in Romania 2020
 Source: RNDR, <https://www.rndr.ro/leader.html> [9].

As it can be seen from Map 3, there are still white areas that are not represented by any LAG or it had a LAG whose functioning authorization was revoked between 2014–2020 [8].

The observation of an exponential growth in the number of Local Action Groups (LAGs) between 1991 and 1993, as indicated by data from the European Commission, underscores

the rapid adoption and expansion of the LEADER approach during that period. Establishing local development strategies was a crucial step of the LEADER approach. It had a positive outcome upon the local community, strengthening cooperation among partners such as the tourism sector and the agricultural landscape, preserving and promoting the local customs and traditions.

Table 1. The LEADER Programme - Dynamics of the number of LAGs and financial support

	Destination	No. of LAGs	Financial support Euro Million
LEADER I 1991-1993	Rural areas	217	0.44
LEADER II 1994-1999	Rural areas	906	1,76
LEADER + 2000-2006	Rural areas	1,153	2.11
LEADER IV 2007-2013	Rural areas Fisheries areas	2,714	6.32
LEADER CLLD 2014-2020	Rural areas Fisheries areas Urban areas	3,337	9.18
Absolute difference 2014-2020 Minus 1991-1993	-	+3,120	+8.74
2014-2020/ 1991-1993 %	-	1,537.78	2,086.36

Source: Own calculations based on the data from ECA and the European Commission [10].

Between 2014–2020, LEADER was included in all the Rural Development Programmes (Table 1).

All the members states, (except Croatia) had to implement the LEADER policy. Every state had to assign a minimum of 5% of the Rural Development Fund towards the LEADER programme.

Having just adhered to the European Union, in 2013, Croatia's percent was established at only 2.5%.

Over the 2014–2020 programme period, a number of 143,487 of LEADER projects was registered. The European Union provided

financial resources up to Euro 9.2 billion to address the economic development of the rural areas. However, this objective was the community's responsibility (Table 2) [10].

Table 2. EU funding for the LEADER Programme 2014- 2020 (Euro million).

EU fund	Planned	Paid	Paid - Planned	Paid/ Planned %
European agricultural fund for rural development	7,010	3,026	-3,984	43.16
European maritime and fisheries fund	548	178	-370	32.48
European regional development fund	1,095	349	-746	31.87
European social fund	530	82	-448	15.47
TOTAL	9,183	3,635	-5,548	39.58

Source: Own calculations based on the data from ECA and the European Commission [10].

The rural development programmes were extended in order to cover 2021 and 2022 as well (the transition period). The National Programme of Rural Development budget, assigned for the transition period 2021–2022 was of up to 3.26 billion.

The EAFRD Fund 2021–2027 CFM (Multiannual Financial Framework): 2,569.10 billion; EURI Fund (Recovery and Resilience Facility): 692.09 billion.

In 2014, the member states agreed to spend 17% of the LEADER fund for administrative costs and for the functioning of the LAGs. However, at the end of 2020 the amount went to 24%. The same happened with the preparation costs: 1% of the fund was going to be spent, while in reality the double of this amount was needed.

For the cooperation activities and their additional costs, the paid amounts have been lower than initially agreed. At the end of 2020, the cost of the local projects was of approximately Euro 3 billion, almost 72% of the total LEADER fund [2]. For the cooperation actions, the LAGs have spent only half of the provided fund.

Table 3. The LEADER Programme 2014-2020

Cost type	Planned funding		Paid funds		Difference Paid - Planned funding	
	Value Euro Million	Share (%)	Value Euro Million	Share (%)	Value Euro Million	pp.
Preparatory costs	81.6	1	67.4	2	-14.2	+1
Administrative and running costs	1,673.6	17	1,038	24	-635.6	+7
Cooperation activities	380.9	4	98.6	2	-202.3	-2
Project costs	7,794.2	78	3,054.4	72	-4,739.8	-6
Total EU-27 + UK	9,930.2	100	4,258.4	100	-5,671	-

Source: Own calculations based on the data from ECA and the European Commission [10].

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CONCLUSIONS

Ever since 1991, the European Union identified the necessity of a local development method—LEADER.

While disseminating the LEADER principles, the newly formed LAGs and their financing also increased.

Although Romania registers a high number of LAGs, eligible areas that are not covered by any LAG are still observed.

Although the LEADER programme is present in Romania for only 16 years, the country is among the states with the highest number of LAGs.

The EU funding for the LEADER period of 2014–2020 was of up to Euro 9 billion; 5% of the Rural Development Fund had to be allocated to the implementation of the LEADER principles, excepting Croatia, a recent member, which received only 2.5%.

The LEADER expenditure consisted of preparation, clerical and functioning costs, to cooperation and projects-related expenses.

A valuable period was the transition period between 2021 and 2022, when the National Programme for Rural Development (NPRD) budget was of up to Euro 3.26 billion. The financing originated from EURI funds (Recovery and Resilience Facility) and from EAFRD (Multiannual Financial Framework 78%).

The LEADER policy enhances any rural context.

Using a bottom-up approach, it supports the local communities, encourages cooperation and innovation and facilitates development goals [8].

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