

Characteristics of LEADER program for rural development in Romania

Klára - Dalma POLGÁR (DESZKE)¹, Liliana DUGULEANĂ²

Abstract: *The LEADER program is the fourth axis of European Agricultural Fund for Rural Development (EAFRD). The paper presents its time scheduling, the importance for development of the rural areas in European Union and in Romania, the measures of financing and its double role as a component fund of EAFRD, and also as a delivery mechanism for measures of the other three axes of EAFRD. The paper shows the way of implementing LEADER program in Romania, during 2007-2013. The state of implementing of the Romanian contribution from EAFRD is presented for the entire period and until the end of 2014.*

Key-words: *LEADER program, financing measures, rural development, local initiatives.*

1. Introduction

The Europeans are united in their quest to achieve common objectives and to promote unity, peace and prosperity, so that the whole continent to become richer in diversity of cultures, traditions and languages of the peoples of European Union.

Creating European Union contributes substantially to improving the quality of life of local communities. The efficiency of this process is based on initiatives in the local community and any kind of success of local initiative included in the process of integration into the local development strategy of the community.

In perspective, the results can complement the public policies, making the provisions of European Union Institutions becoming effective.

2. Objectives

The main objectives of this study are to shortly present the LEADER Program as part of European Agricultural Fund for Rural Development (EAFRD), the

¹ Doctoral student, TRANSILVANIA University of Braşov, polgarklaradalma@yahoo.com

² Transilvania University of Braşov, ldugul@unitbv.ro

scheduling, its importance, its content and the double role of a financing fund but also as a delivery mechanism for the measures of the other three axes of EAFRD.

The paper emphasizes the implementation of LEADER program in Romania, its management and importance for the future economic development.

3. Methodology

The analysis of LEADER program from the beginning and the historical timing of LEADER phases, is presented in a comparative way at EU level and at country level for Romania.

The Romanian contribution from EAFRD was implemented with its own three axes using the organizational structure financed by LEADER, the fourth axis. The measures of the three axes were implemented in Romania by the projects in rural areas within LEADER program.

The deepening of analysis for LEADER program shows the importance for rural development in Romania. The structure of Rural Development Program at national level offers the reasons for LEADER in following phase 2014-2020.

4. Results and Discussions

4.1. LEADER Program for Rural Development Funding in European Union

The LEADER program (Liaison Entre Actions pour le Développement de l'Economie Rurale) begun in 1991. European Commission has designed it as a tool of implementing the reforms of the Common Agricultural Policy, in the direction of the sustainable rural communities' development. It was a 'Community initiative' financed from the EU Structural Funds. Until now there were recorded five generations of Leader program.

Timing of LEADER program comprises the following periods: LEADER I during 1991-1993, LEADER II for 1994-1999, LEADER+ during 2000-2006, followed by the periods 2007-2013 and 2014-2020.

LEADER I, in 1991, has experienced first time the 'bottom-up' approach of the pilot initiative in the implementation of business plans and decisions on funding at a local level for projects of rural development.

LEADER II started in 1994, as part of the strategy for rural areas in the National Development Plans. The main objectives were acquisition of skills and development the animation for business plans in the rural areas.

The funding round 2000-2006 through the LEADER+ was seen as a sub-measure of the regional operational programs. During this time, the Member States had had Leader programs as separate funds of EU level financing.

Starting with 2007, the LEADER approach was mainstreamed within in national and regional rural development programs. LEADER program became part of overall EU rural development policy. It was supported by the EU, alongside with other rural development axes. From 2007, the European Agricultural Fund for Rural Development (EAFRD) supports each Member State with financing for the LEADER axis within the national financial envelopes (http://ec.europa.eu/agriculture/rur/leaderplus/pdf/factsheet_en.pdf).

LEADER program is the fourth priority direction for financing European Agricultural Fund for Rural Development - EAFRD and it consists in implementing local development strategies for improving governance level administrative areas.

The LEADER approach is applicable in rural areas of the European Union. More than half of the EU's population lives in rural areas, representing over 90% of the European Union territory (http://ec.europa.eu/agriculture/rurdev/index_ro.htm).

Regulation no. 1698/2005 of the European Council approved for the next period 2007-2013 as each national rural development program to have a LEADER component for implementing the local development strategies. The national LEADER funds were used to develop Local Action Groups (LAGs). The LAGs have elaborated the local development strategies, based on initiatives of local communities and on the local development plan.

The local development strategies, are integrated in the local plans of rural development, which contain “one or more of the three thematic axes, the cooperation projects between them and the capacity building necessary for the preparation of local development strategies and the animation of the territory” (http://ec.europa.eu/agriculture/statistics/rural-development/2011/ch4_en.pdf).

The local plans of rural development are integrated in the National Strategy Plans and then in their Rural Development Programs (RDP) which contain the 4 axes. The Member States have selected LAGs, based on their local development strategies and in accordance with the priorities of their national strategies and Rural Development Programs (RDP) for the mentioned period.

Projects which may be funded by the LEADER program are addressing the following strategic directions:

- Increasing the competitiveness of the agricultural and forestry sector and related processing industry in the territory (1st Axis),
- Improving the environment and countryside through support for land management, increasing of rural SMEs competitiveness (2nd Axis),
- Enhancing the quality of life in rural areas and promoting diversification of economic activities, ensuring preservation, promotion and enhancement of natural and cultural capital of the territory (3rd Axis).

The Regulation of the European Council established a required minimum of funding for each axis: 10% for Axis 1, 25% for Axis 2, 10% for Axis 3 and 5% for Axis 4 of LEADER program. It also established for the new Member States a

phasing-in at least 2.5% is reserved for Axis 4 LEADER over the period, in order to build the structure of LAGs for the program to become operational.

In this way the LEADER axis is a delivery mechanism of the measures of the three axes. It overlaps with the minimum funding of these axes; the minimum spending of 5% for the LEADER axis may correspond to the minimum of 10% of expenditure of Axis 1.

The Axis 4 - LEADER program envisages the strategic objectives: promoting the endogenous potential of territories and improving the local governance, through the following measures corresponding to specific objectives:

- 41 *Implementing local development strategies, including cooperation between territories*, (75% of 4th Axis budget) through the measures:

- Measure 411 - *Competitiveness*,
- Measure 412 - *Environment/land management*,
- Measure 413 - *Quality of life/diversification*,

corresponding to the three axes and the other specific measures:

- Measure 421 - *Implementing cooperation projects* and
 - Measure 431 - *Running the local action group, skills acquisition, animation*:

- 431-1. *Building public-private partnerships*, (5%)
- 431-2. *Functioning of LAGs, skills acquisition, territory animation* (20%).

To the 43 measures of EAFRD proposed for the Member States, there were added two additional measures specifically available for Bulgaria and Romania: measure "143 -Provision of farm advisory and extension services in Bulgaria and Romania" and measure "611 - Complements to Direct Payments for Bulgaria and Romania".

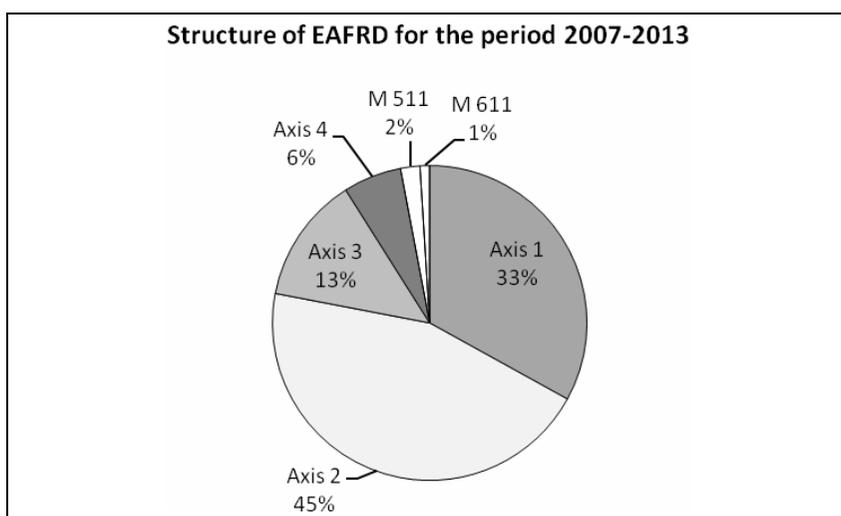


Fig. 1. Structure of EAFRD, during 2007-2013

The importance accorded by the European Council in the structure of EAFRD is presented in Figure 1, during the analyzed period.

RDP 2014-2020 emphasizes on cross-cutting nature of the LEADER program and its innovative character. LEADER Program will support innovative projects in line with the types of activities eligible for support from the RDP 2014-2020 and local community development goals.

4.2. LEADER Program in Romania

Leader+ program was not available for Romania, during 2000-2006, being before accession. There were established some partnerships based on Leader approach, prior to the accession.

In Romania, the implementation of Leader program started with the Rural Development Program (RDP) for the period 2007-2013. The Ministry of Agriculture had implemented structures and administrative capacity for the Leader approach. The selection of the Local Action Groups has been unfolded in two sessions in 2011 and 2012, based on the selection of their Local Development Strategies (LDS) (<http://ec.europa.eu/agriculture/rur/leaderplus/memberstates/romania.htm>).

In Romania, during 2011-2012, 163 LAGs were accepted, covering approximately 142.000 km², which represents 63% from the eligible territory and 58% from the eligible LEADER population (http://ec.europa.eu/agriculture/rural-development-2014-2020/index_ro.htm).

In Romania rural area consists of all communes with its own local administration and urban villages belonging to local government. Our country's population density index is 94.8 inhabitants / km², and specifically in rural areas is half of that amount (Vincze, 2000, p. 9). In reality, however, this difference is not so precise, for the planning and development which require a measurable difference.

Projects funded for rural development meet the requirements of local communities, identified by the operational structures of type LAG, through appropriate measures specific to each county.

LAG's task is to develop rural development plan at the local level, which should take into account the priorities set by the EU Common Agricultural Policy: implementation of new procedures and technologies to increase competitiveness of rural products and services, improving the quality of life in rural areas, adding value to local products, identification of natural and cultural resources.

The funding of Local Development Plan has been secured by organizing local beneficiaries' sessions of project applications, such decisions on rural development were all taken locally.

In Figure 2 it can be seen the authorized LAGs in 2011, with green colour and in 2012, coloured yellow.

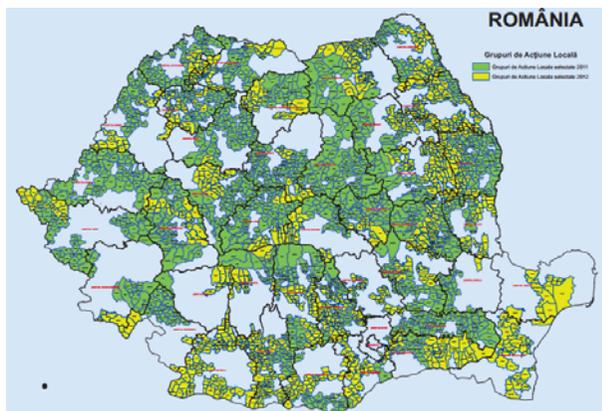


Fig. 2. LAGs map in Romania

(http://www.madr.ro/docs/dezvoltare-rurala/Axa_LEADER/harta-gal-romania-update-2013.pdf)

Juxtaposition of the word "rural" with agricultural sector, currently, has acquired other meanings; focus shifted to other sectors of the economy.

LEADER has taken important steps towards diversification of rural households under a plan developed and approved in advance by public and civilian actors from the rural area.

4.3. Romanian Experience with Leader Program during 2007-2013

In Romania, the RDP contribution from EAFRD was 8.022 billions euro. At the beginning of period, the Ministry of Agriculture and Rural Development has established the structure for the four axes and the measures 511 and 611, as it follows:

- 3.17 billions euro (40%) for improving the competitiveness of the agricultural and forestry sector (1st Axis),
- 1.8 billions euro, (22.7%) for land management and environment (2nd Axis),
- 1.97 billions euro (25%) for diversification of economic activities (3rd Axis),
- 0.3 billions euro for measure 511 and 0.5 billions euro for measure 611 (both approximate 10%),
- 0.188 billions euro (approximate 2.5%) of the RDP was allocated for LEADER program to support the rural development projects of local communities in public-private partnerships (4th Axis).

The measures "511 – Technical assistance" and "611 - Complements to Direct Payments" are separately emphasized on the chart from Figure 3, which shows the effective structure of RDP on Axes, at the end of 2014.

At the end of period, the effective structure was that presented in Figure 3.

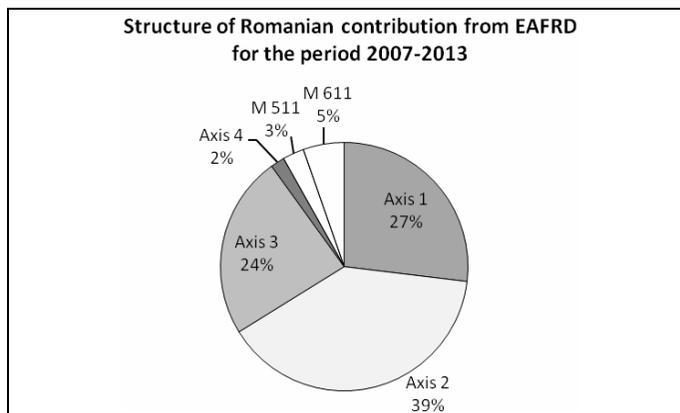


Fig. 3. Structure of RDP in Romania, during 2007-2013

The differences between the effective structure and the programmed one prove the importance of continuing the implementing processes of Leader approach.

Meantime, the structure of Romanian contribution of EAFRD can be compared with the structure of EAFRD during 2007-2013, from Figure 1. The differences emphasized the corresponding fields of the axes which characterize the rural profile of Romania.

5. Conclusions

Romanian rural areas have some specificity in the rural economy, demographic features, of health, education, culture etc. (Bădescu, Cucu Oancea, Țițeștean, 2009) which is a major cause of the disparities between town and countryside.

The optimal solution to reduce these disparities is to elaborate of a joint development strategy, whose starting point is to identify local needs by involving local people. This could generate a dynamic development that on long term plays an important role. Exactly, the LEADER program supports counties in Romania, enabling the rural population to fulfil their ideas, for the place where they live to become more viable (http://ec.europa.eu/agriculture/statistics/rural-development/2013/index_en.htm). In addition to the jobs creation and providing local food, LEADER program aims protection the environment, preserving cultural values and images of rural territory and traditions of particular rural areas.

The LEADER scope target is micro-region as a new administrative unit, whose establishment may be an impulse for the development of even the most backward areas of the country.

RDP for 2014-2020 established new coordinates of rural development based on innovation, on integrated approach of projects, networking and cooperation

between areas, and local financing and management. Transferability and sustainability are two keywords for the new LEADER development phase (http://ec.europa.eu/agriculture/rural-development-2014-2020/index_ro.htm).

The LEADER program can achieve the most important objectives of territorial development in Romania and the European Union.

6. References

- Bădescu, Ilie, Cucu Oancea, Ozana and Șișeștean, Gh. (2009). *Tratat de sociologie rurală*. București: Ed. Mica Valahie.
- Vincze, Maria. 2000. *Dezvoltarea regională și rurală. Idei și practici*. Cluj-Napoca: Presa Universitară Clujeană.
- Agriculture and rural development. Available at: http://ec.europa.eu/agriculture/rurdev/index_ro.htm. Accessed on: 30.03.2015.
- European Commission (2006). “*The LEADER approach. A basic guide*”. Available at: http://ec.europa.eu/agriculture/rur/leaderplus/pdf/factsheet_en.pdf. Accessed on: 30.03.2015.
- European Database of Leader+ Good Practices Available at: http://ec.europa.eu/agriculture/rur/leaderplus/gpdb_en.htm. Accessed on: 30.03.2015.
- Regulation nr. 1305/2013 of European Parliament and Council, Official Journal of European Union, 20.12.2013, L 347/494, art. 31, p. 7
- Romanian Yearbook 2013, table 2.31 (2011), Population and Housing Census, Available at: www.insse.ro, Accessed on 28.03.2015.
- Rural Development in the European Union - Statistical and economic information 2013. Available at: http://ec.europa.eu/agriculture/statistics/rural-development/2013/index_en.htm. Accessed on: 30.03.2015.
- “Socio-economic Analysis of Romanian Space”. Available at: http://www.madr.ro/docs/dezvoltare-rurala/Descrierea_generala_a_situatiei_economice_actuale_4_11_2013.pdf. Accessed on: 30.03.2015.
- <http://ec.europa.eu/agriculture/rur/leaderplus/memberstates/romania.htm>. Accessed on: 30.03.2015.
- http://ec.europa.eu/agriculture/statistics/rural-development/2011/ch4_en.pdf. Accessed on: 30.03.2015.
- http://ec.europa.eu/agriculture/rural-development-2014-2020/index_ro.htm. Accessed on: 30.03.2015.
- http://enrd.ec.europa.eu/enrd-static/leader/en/leader_en.html. Accessed on: 30.03.2015.
- http://ec.europa.eu/agriculture/statistics/rural-development/2013/ch36_en.pdf. Accessed on: 28.03.2015.
- http://www.madr.ro/docs/dezvoltare-rurala/Axa_LEADER/harta-gal-romania-update-2013.pdf. Accessed on: 30.03.2015.