

# STUDIES ON THE STAGE OF IMPLEMENTATION OF THE LOCAL DEVELOPMENT STRATEGY AT THE , LOCAL ACTION GROUP "ȚINUTUL CLOȘANI", THROUGH THE NATIONAL RURAL DEVELOPMENT PROGRAM 2014-2020

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## ABSTRACT

Local Action Groups (LAG`s) that operate in a rural territory, with a population between 10,000 - 100,000 inhabitants and the density of maximum 150 inhabitants per km<sup>2</sup> are the beneficiaries of the LEADER Program.

The financing plan of the Local Development Strategy (LDS) of the LAG "ȚINUTUL CLOȘANI", is: 2,613,306.31 euros, of which: 1,933.756 euros - the amount related to Component A; 679,550.31 euros - the sum related to Component B, representing the bonus allocated by the Managing Authority of the National Rural Development Program.

Within the activity of the LAG "ȚINUTUL CLOȘANI", in the reference period studied, respectively 11.11.2016 - 01.10.2018, a single selection call was launched for the measure M1 / 6B, during the period 31.10.2017 - 30.11.2017, call from selection which was subsequently extended until 14.12.2017. During this selection call, a budget of 1,175,762 euros was allocated, out of which funds with a public value of 917,043 euros were contracted at the LAG level and 907,052 euros in the last evaluation phase (ARIF). According to the selection calls submitted until 01.10.2018, it follows that in the future selection calls will be allocated the remaining unused amounts, respectively: 258,719 euros - M1 / 6B; € 405,412 - M2 / 1A; 456,731 euros - M3 / 2A; 54,075 euros –M4 / 1B.

## INTRODUCTION

The structural fund reform that took place in 1988 has given the European Union the opportunity to provide EU Member States with funding through community initiatives to reduce regional inequalities and contribute to the integrated development of the rural sector that has been on a downward course for the past decades. The LEADER I Community Initiative (CI) at the beginning, followed by LEADER II and LEADER +, strengthened the local identity of the regions in which they were implemented, improved their natural and cultural resources together for the first time the local productive sectors such as agriculture and tourism and they have

revived local skills (Arabatzis et al., 2010).

Romania has the highest share of EU rural areas that generates and maintains a long range of regional disparities. Due to these disparities, the economy faces a number of problems that undermine the quality of human and social capital and reduce the growth potential: poor social and economic infrastructure, reduced access to markets and thus to goods, low level of economic cohesion and level life and difficult access to them. From this perspective, local action groups can contribute to the rebirth and development of urban areas, by promoting economic activities in adjacent rural areas (Mosora and Mosora, 2012).

The launch of the Leader program in Romania has offered, since 2012, a

number of funding opportunities for local initiatives that have not found their place in other rural programs. Establishing local action groups, organizing teams and absorbing funds were considered successful, so there were many projects in rural areas that were financed through this type of structure (Izvoranu et al., 2019).

The Axis IV LEADER is essentially based on the idea that the development of local communities cannot be achieved without citizens actively involved in decision making. Otherwise, it is necessary to create, at the local level, structures that bring together the representatives of the private public sectors and civil society in a given territory, to identify the weaknesses and the strengths and to give priority to the territory, to implement appropriate actions and then to share experiences and good practices with other similar partner structures (Vladu, 2017). T

he Romanian rural area has many deficiencies, these also representing the reason for the disparities between urban and rural areas with all their components: rural economy, demographic potential, health, school, culture, etc. To reduce these disparities, a solution is the development and implementation of integrated development strategies by local communities, taking as a starting point the needs and potential of endogenous rural areas identified (Brezuleanu et al. 2016).

Romania has the highest share of rural areas of the European Union (44.9% in 2009), which generates and maintains a long series of regional disparities. Due to these disparities, the economy faces a number of elements that undermine the growth potential: social and economic, poor infrastructure, reduced access to markets and, thus, to goods, a low level both at the economic level and the standard of living and difficult access to education and training (which leads to underutilization of labor force in rural areas). In these circumstances, the

LEADER initiative of the European Union is an important opportunity for the development and tightening of the rural-urban continuum in Romania. A fundamental element of this initiative is the local action groups (Ailenei and Mosora, 2011). It is noticeable that Romanian farms are starting to grow slowly and are trying to align with European standards found in developed countries of the European Union. However, the process should be continued, which is why PNDR 2014-2020 continues the development direction of the Romanian village, with more emphasis on the LEADER measure, which implies an increased attention of the local actors in supporting and developing the Romanian village (Alecuc et al., 2015).

A total of 67 LAGs in Romania were interviewed through a questionnaire and the results of the study show that more innovative projects developed by LAGs during the 2014-2020 program period are needed, which differs from those financed by the National Program of rural development from 2007-2013. The problems of communities need to be addressed by implementing innovative measures and by using local resources (Pocol and Kassai, 2016).

Meeting the needs and reducing problem areas will be possible, at least in part, through the exchange of good practice and the transfer of knowledge to other actors in the country which already have considerable experience in building social capital. It is also recognized that further research is needed to assess the effectiveness of LAGs and local leaders, which may have a significant impact on local community involvement in moderating local development (Michalcewicz et al., 2017).

Local action groups (LAGs) are a powerful driver of progress in rural areas, and the involvement of all factors that are part of the LAG is essential for good development (Paul, 2015).

## MATERIAL AND METHOD

In this paper we analyzed the stage of implementation of the Local Development Strategy of the Local Action Group "Ținutul Cloșani" regarding the investments made through the following intervention measures:

- M1 - Village development;
- M2 - Development of non-agricultural enterprises in LEADER territory;
- M3 - Investments in agricultural and fruit farms;
- M4 - Cooperation in order to create associative forms, networks and clusters,

## RESULTS AND DISCUSSIONS

The Local Action Group "Ținutul Cloșani" is a homogeneous territory between the North-West limits of Mehedinți county, Motrului Valley and the national road E70 that connects the cities of Motru and Drobeta Turnu Severin occupying the northern territory of "Ținutul Cloșani"

operational groups for the diversification of rural activities.

The data were taken from the LAG site "Ținutul Cloșani" [www.tinutulclosani.wordpress.com](http://www.tinutulclosani.wordpress.com) analyzing the selection reports, the evaluation reports, the calendars for launching the project submission sessions and other relevant information. This study, within the activity of the "Ținutul Cloșani" LAG, in the reference period studied, respectively 11.11.2016 - 01.10.2018, aims to analyze the amounts invested through the related intervention measures.

Mehedinți county and southwest of Gorj county. The Local Action Group "Ținutul Cloșani" is a territory consisting of 13 communes from the north of Mehedinți county but also 3 communes from Gorj county.

Tabel 1

**Budget of the Local Development Strategy LAG "Ținutul Cloșani" [euro]**

P1 <sup>1</sup>		P2 <sup>2</sup>		P6 <sup>3</sup>				Running and animation expenses	
M4/1B <sup>4</sup>		M3/2A <sup>5</sup>		M1/6B <sup>6</sup>		M2/1A <sup>7</sup>			
Co. A <sup>8</sup>	Co. B <sup>9</sup>	Co. A <sup>8</sup>	Co. B <sup>9</sup>	Co. A <sup>8</sup>	Co. B <sup>9</sup>	Co. A <sup>8</sup>	Co. B <sup>9</sup>	Co. A <sup>8</sup>	Co. B <sup>9</sup>
40,000	14,075	338,000	118,731	870,000	305,762	300,000	105,412.31	385,756	135,570
54,075		456,731		1,175,762		405,412.31		521,326	
<b>Total</b>		<b>Co. A<sup>8</sup></b>		<b>1,933,756</b>					
		<b>Co. B<sup>9</sup></b>		<b>679,550.31</b>					
<b>Total budget strategy</b>				<b>2,613,306.31</b>					

Source: <https://tinutulclosani.wordpress.com/strategie-dezvoltare-locala/>

<sup>1</sup> Priority 1 - Encourage knowledge transfer and learning in agriculture, forestry and rural areas;

<sup>2</sup> Priority 2 - Increasing the viability of farms and the competitiveness of all types of agriculture in all regions and promoting innovative agricultural technologies and sustainable forest management;

<sup>3</sup> Priority 6 - Promote social inclusion, reduce poverty and economic development in rural areas;

<sup>4</sup> M4/1B – Intervention measure - Cooperation in order to create associative forms, networks and clusters, operational groups for the diversification of rural activities;

<sup>5</sup> M3/2A – Intervention measure - Investments in agricultural and fruit farms;

<sup>6</sup> M1/6B - Intervention measure - Village development;

<sup>7</sup> M2/1A - Intervention measure - Development of Non-agricultural Enterprises in the LEADER Territory;

<sup>8</sup> Component A - The total public amount allocated to the Local Development Strategy;

<sup>9</sup> Component B - Bonus allocated by the Managing Authority for the National Rural Development Program.

The budget of the LAG strategy "Ținutul Cloșani" is a total of 2,613,306.31 euros, being divided on priorities and operating and animation expenses. Priority 1 - Encouraging knowledge transfer and learning in agriculture, forestry and rural areas has a budget of 54,075 euros and

has an intervention measure M4 / 1B. Priority 2 - Increasing the viability of the farms and the competitiveness of all types of agriculture in all regions and promoting innovative agricultural technologies and sustainable forest management has a budget of 456,731

euros and has a measure of intervention M3 / 2A. Priority 6 - Promoting social inclusion, reducing poverty and economic development in rural areas has two intervention measures, namely M1 / 6B with a budget of 1,175.762 euros and M2 / 1A with a budget of 405.412.31 euros. The operating and animation expenses represent 19.25% of the amount allocated to the development strategy of the LAG "Tinutul Closani" and is worth 521,326 euros (Table 1).

Table 2

**The amounts allocated to each measure and the contracted projects**

Intervention measure	Amount allocated [euro]	Contracted projects	Eligible value [euro]
M1/6B	1,175,762	11	907,052
M2/1A	405,412.31	0	0
M3/2A	456,731	0	0
M4/1B	54,075	0	0
<b>Total</b>	<b>2,091,980.31</b>	<b>11</b>	<b>907,052</b>

Source: Own calculation.

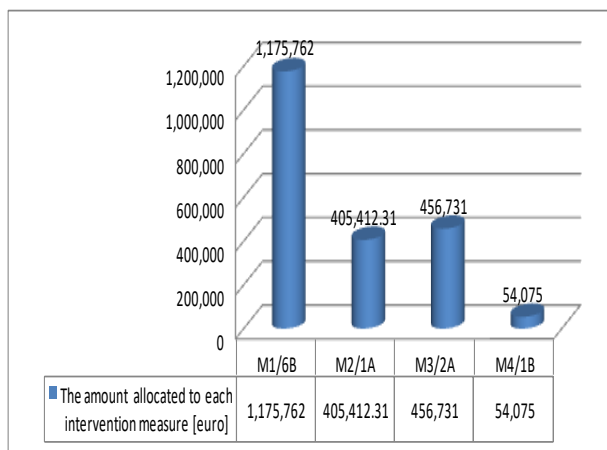


Figure 1 – The amount allocated to each intervention measure Local Action Group "Tinutul Closani"

Source: Own design.

Within the activity of the LAG "Tinutul Closani", in the reference period studied, respectively 11.11.2016 - 01.10.2018, a single selection call was issued for the M1 / 6B measure. The eligible value of the projects contracted by measure M1 / 6B - Village Development is 907,052 euros, and the number of projects contracted so far is 11 projects. However, we note that, despite the fact that only one selection call was launched by 01.10.2018, funds were contracted in

43.35% of the total strategy budget (Table 2).

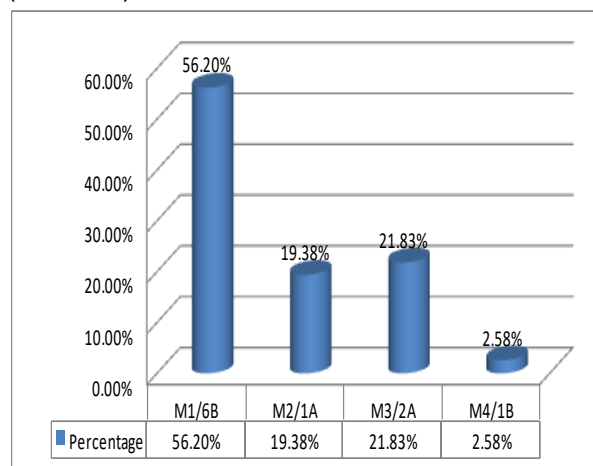


Figure 2 - Percentage of amounts allocated to measures from the total budget of the Local Action Group "Tinutul Closani"

Source: Own design.

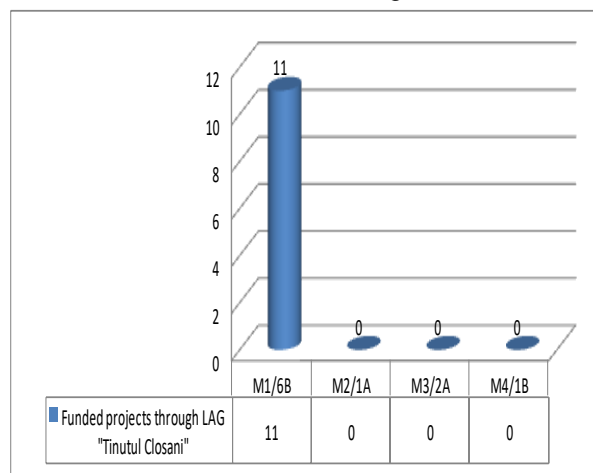


Figure 3 - Projects funded by the Local Action Group "Tinutul Closani"

Source: Own design.

Of the total of 2,091,980.31 euros allocated for the intervention measures, the intervention measure M1/6B was allocated 1,175,760 euros representing 56.20%, the intervention measure M2/1A was allocated 405,412.31 euros representing 19.38%, the intervention measure M3/2A were allocated 456.731 euros representing 21.83%, and for the intervention measure M4 /1B were allocated 54.075 euros, representing 2.58% of the total budget allocated for the intervention measures, to the local development strategy of the local action group "Tinutul Closani "(Figure 1 and Figure 2).

Through the intervention measure M1/6B - Village Development, the Local Development Strategy of the Local Action Group "Ținutul Cloșani", a total of 11 projects were contracted, the beneficiaries of which were the localities Bala, Floresti, Sisesti, Vagiulesti, Corcova, Ilovat, Malovat, Husnicioara, Cazanesti, Brosteni, Samarinesti with a eligible value of 907,052 euros (Table 3).

Through the intervention measure M1 / 6B - Village Development, of the Local Action Group "Ținutul Cloșani", 11 projects worth 907,052 euros were financed, in the communes of Bala (Project name - Road modernization DC 44 Carsu) with a public value of 73,158 euros, Floresti (Project name - Modernization of Ghigulani street line, Floresti commune, Mehedinti county) with an eligible value of 94,919, Sisesti (Project name - Public lighting for Sisesti commune, Mehedinti county) with an eligible value of 89,933 euros, Vagiulesti (Project name - Replacement of public lighting for efficiency in Vagiulesti commune) with an eligible value of 95,000 euros, Corcova (Project name - Modernization of the network of local interest roads, Corcova village, DJ671E - Cosustea) with an eligible value of 93,149 euros, Ilovat (Project name - Backhoe acquisition in Ilovat commune, Mehedinti county) with an eligible value of 60,978 euros, Malovat (Project name - Rehabilitation and modernization of the lighting system of the commune Malovat, Mehedinti county) with an eligible value of 94,598 euros, Husnicioara (Project name - Purchase Backhoe needed to strengthen the earthworks and building networks) with an eligible value of 68,564 euros, Cazanesti (Project name - Rehabilitation and modernization of lighting system Cazanesti commune, Mehedinti county) with an eligible value 59,075 euros, Brosteni (Project name - Modernization of the agro-food market Brosteni) with an eligible value of 94,995 euros and Samarinesti commune (Project name - Rehabilitation, modernization and

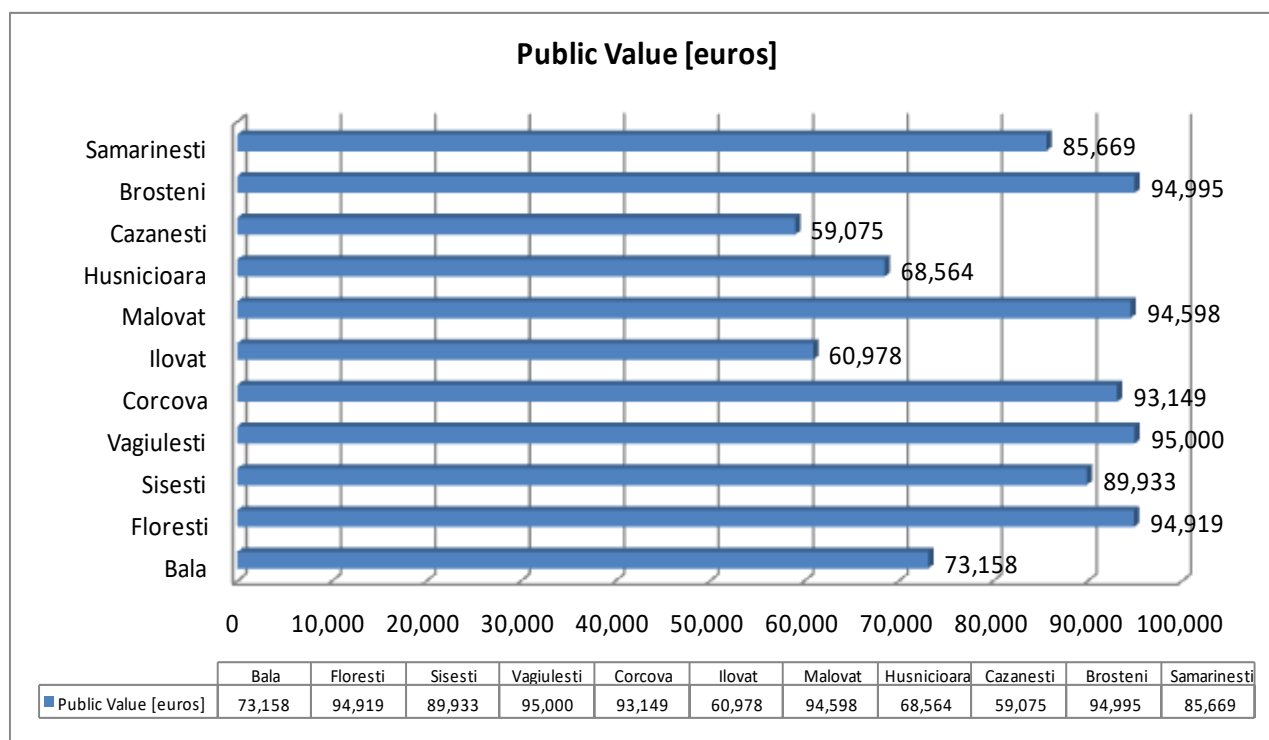
endowment of a cultural home in Samarinesti village, Samarinesti commune, Gorj county) with an eligible value of 85,669 euros (Figure 4 and Table 3).

Tabel 3

**Projects financed by measure M1/6B**

<b>The situation of the projects financed by the intervention measure M1/6B</b>		
<b>Project name</b>	<b>Applicant</b>	<b>Public value [euro]</b>
Modernization of road DC 44 Carsu.	Bala Commune	73,158
Modernization of Ghigulani street line, Floresti commune.	Floresti Commune	94,919
Public lighting for Sisesti commune.	Sisesti Commune	89,933
Replacement of public lighting for efficiency in Vagiulesti commune.	Vagiulesti Commune	95,000
Modernization of the network of roads of local interest ulita village Corcova, DJ671E – Cosustea.	Corcova Commune	93,149
Purchase backhoe loader in Ilovat commune.	Ilovat Commune	60,978
Rehabilitation and modernization of lighting system.	Malovat Commune	94,598
Purchase Backhoe needed to strengthen earthworks and building networks.	Husnicioara Commune	68,564
Rehabilitation and modernization of the lighting system in the village of Cazanesti.	Cazanesti Commune	59,075
Modernization of the agro-food market Brosteni.	Brosteni Commune	94,995
Rehabilitation, modernization and equipping cultural house in Samarinesti village, Samarinesti comm.	Samarinesti Commune	85,669
<b>Total</b>	<b>11 beneficiaries</b>	<b>907,052</b>

Source: Own calculation.



**Figure 4 - The public value of the projects financed by the intervention measure M1/6B [euro]**  
Source: Own design.

## CONCLUSIONS

Within the activity of the LAG "Tinutul Cloșani", during the reference period studied, respectively 11.11.2016 - 01.10.2018, a single selection call for the M1/6B measure was launched. Through the intervention measure M1/6B - Village Development, the Local Development Strategy of the Local Action Group "Cloșani Land", a total of 11 projects were contracted, the beneficiaries of which were the localities Bala, Floresti, Sisesti, Vagiulesti, Corcova, Ilovat, Malovat, Husnicioara, Cazanesti, Brosteni, Samarinesti with a total eligible value of 907,052 euros.

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