

FINANCING LOCAL ACTION GROUPS WITHIN THE CAP STRATEGIC PLAN 2023-2027. CASE STUDY NORTH WEST REGION , ROMANIA

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RESEARCH ARTICLE

Abstract

In 2019, the North West Region of Romania had 34 Local Action Groups (LAGs) that were crucial in developing and implementing local development strategies under the LEADER Axis of the PNDR 2014-2020. These LAGs have significantly improved rural quality of life by addressing community needs, promoting environmentally friendly agricultural practices, and fostering economic diversification. Their strategies, supported by non-reimbursable funding of up to 200,000 euros, have enabled them to extend urban funding programs to rural areas, particularly enhancing mobility.

Research findings indicate that LAGs have been pivotal in transforming rural areas by facilitating capacity building among local actors and ensuring transparent and effective project selection processes. For the CAP Strategic Plan 2023-2027, 246 Local Development Strategies were financed nationally, with 35 from the North West region. Notably, Bihor county's LAGs, including the largest, LAG Bihor, received substantial funding, demonstrating their strategic importance. Additionally, the introduction of multi-fund financing from the European Social Fund (ESF+) has further bolstered resources available to LAGs, contributing to broader development goals.

Overall, the LAGs have successfully integrated urban and rural development efforts, significantly improving mobility and living standards in local communities through strategic financial support and innovative local initiatives. Their continued support underscores the importance of tailored development strategies in achieving sustainable rural progress.

Keywords: LAG, Financing, multifond, monofond, Nort West Region

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INTRODUCTION

At the level of the North West region of Romania, Local Action Groups (LAGs) carried out important activity within the LEADER Axis in previous funding periods (2007-2013, 2014-2020) within the National Rural Development Programs (NRDPs) financed through Pillar II of the Common Agricultural Policy (CAP).

LEADER is a 'bottom up' approach, in which farmers, rural businesses, local organisations, public authorities and individuals from different sectors come together to form local action groups (LAGs) (Chereji et al, 2022). LEADER is an important instrument for Romania in increasing the economic and social development of rural areas, reducing urban-rural disparities and promoting social inclusion (Rusu, 2021).

Local Action Group (LAG) represents a local partnership, made up of representatives of the private, public and civil society sectors,

including individuals relevant to the LEADER eligible territory, established with the aim of implementing a local development strategy in the territory targeted by the partnership. (Local Action Groups Guide for the Implementation of Local Development Strategies 2023-2027, p.3).

The role of LAGs is decisive in stimulating local development through the LEADER approach, which has as its operating principles: Participatory approach, innovation and adaptability, cooperation and partnership. By involving LAGs in decision-making processes, rural regions can foster sustainable development that balances economic growth, social well-being, and environmental protection. (Albu and Chitu, 2014). The activity of the Local Action Group is subject to periodic evaluation in order to establish its level of performance and possibly to be bonused or penalized (Staic and Vladu, 2021). LEADER is an important instrument for Romania in increasing the economic and social development of rural areas,

reducing urban-rural disparities and promoting social inclusion (Rusu, 2021).

as well as the activity of LAGs in the current financial year, represent an important driver for

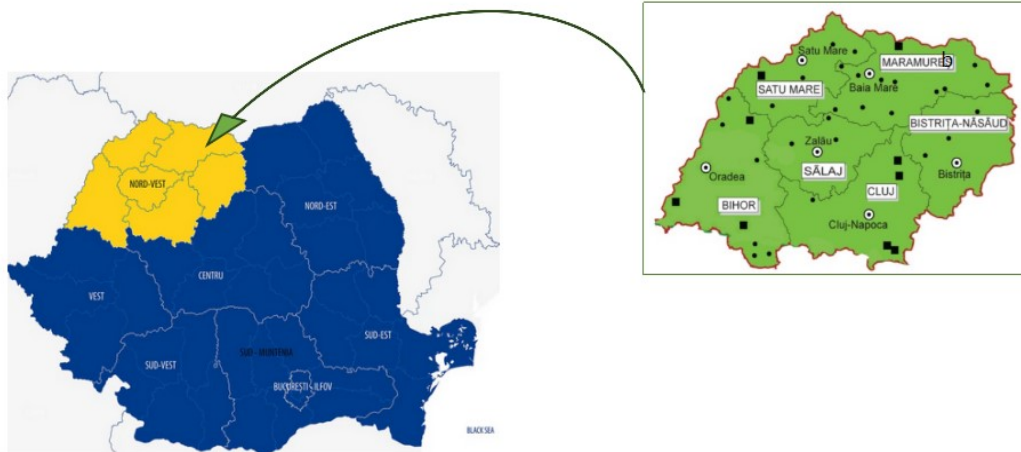


Figure 1 The position and composition of the Northwest Region in Romania

Source: CNIPT Dej, MIPE

The Local Action Group operates in a territory eligible for the LEADER programme in Romania, a territory that must meet conditions of size, homogeneity, local identity, density, and number of inhabitants. (Brezuleanu et al, 2024)

The North-West Development Region was created under Law 151/1998 through the voluntary association of local and county authorities from the counties of Bihor, Bistrița-Năsăud, Cluj, Maramureș, Satu Mare and Sălaj. The region's area is 34,160 km², representing 14.3% of Romania's territory, thus ranking 4th at national level. In the statistical nomenclature of European territorial units (NUTS), the region ranks 29th in terms of area among the 2838 NUTS2 regions of the EU28 (according to the "NUTS 2021 classification" units). (NORTHWEST REGIONAL DEVELOPMENT PLAN 2021-2027). The North-West Region is considered to be the second economic area of the country, after Bucharest-Ilfov, thanks to the labour market, salaries, foreign investments, industrial parks with modern technologies. (Chiurciu et al, 2018).

The main purpose of this study is to highlight the importance of financing Local Development Strategies (LDS) developed by LAGs within the framework of the CAP SP 2023-2027. The continuity and territorial expansion,

increasing the quality and attractiveness of life in rural areas, respectively in the territory they serve.

MATERIAL AND METHOD

This paper was based on an exhaustive analysis of the specialized literature to achieve its objective.

To answer the question regarding the provision and importance of financing of SDLs developed by LAGs, we conducted an analysis of the programming documents for the period 2023-2027, respectively of the specialized literature.

In order to substantiate our research, we conducted a detailed analysis of the documents published by the Ministry of Agriculture and Rural Development, with a focus on the selection reports of the LAGs and the related SDLs for the programming period 2023-2027. We extrapolated data specific to the LAGs in the North-West region, in order to obtain a clear picture of the financing modalities and the factors influencing access to funds in this region.

Taking into account that for the 2023-2027 funding period there are LAGs that occupy territories in two regions, for example North-West-West, North-West-Center, we chose the county only those LAGs that occupy territories at the level of the analysed region.

RESULTS AND DISCUSSIONS

The North West Region, in 2019, comprised a number of 34 Local Action Groups representing partnerships between local authorities, the private and civil sectors. Their role was to prepare and implement local development strategies within the LEADER Axis of the PNDR 2014-2020. (NORTHWEST REGIONAL DEVELOPMENT PLAN 2021-2027)

In recent years, LAGs in the North-West Region have become essential pillars in the development of rural areas. By developing tailor-made strategies and attracting funding, LAGs have managed to directly address the needs of local communities, significantly improving the quality of life in these areas. Furthermore, LAGs have demonstrated a remarkable capacity to extend funding programmes from urban areas to rural areas, thus creating a beneficial synergy between the two types of territory, especially in areas such as mobility.

Through local partnerships, LAGs act as real catalysts for change in the agricultural sector. They encourage the adoption of more environmentally friendly agricultural practices, facilitate the diversification of economic activities in rural areas and contribute to increasing the quality of life in local communities.

The LEADER approach is based on local initiatives that combine solutions that respond to the problems identified at the level of local communities, reflected in actions specific to these needs and project financing with a non-reimbursable value of maximum 200,000 euros. The intensity of support can be a maximum of 100% for:

- Implementation of selected operations within the strategy, including cooperation activities and their preparation, and
- Managing, monitoring and evaluating the strategy, as well as animating it, including facilitating exchanges between stakeholders. (AFIR,2024)

The implementation activity of Local Development Strategies (LDS) is mainly based on administrative functions of Local Action Groups such as: strengthening the capacity of local actors to develop and implement operations, including advising them; carrying out animation/promotion activities in the territory; developing a non-discriminatory and transparent selection procedure and criteria, which avoid conflicts of interest and guarantee that no individual interest group controls the

selection decisions; preparing and publishing selection calls, in accordance with the approved LDS; evaluating the submitted funding applications, establishing the amount of support, selecting projects and submitting them to AFIR/MIPE. (Local Action Groups Guide for the Implementation of Local Development Strategies 2023-2027, p.7)

The financing of LAGs within the Framework of the CAP Strategic Plan 2023-2027 is carried out through the intervention DR-36 – LEADER – Local development placed under the responsibility of the community. The session for submitting Local Development Strategies took place between December 2023 and January 2024. Following the verification of the eligibility of the submitted SDLs, a total of 246 Local Development Strategies were selected for financing at the national level. Of the total of 246 SDLs, 37 are single-fund SDLs, and 209 are multi-fund SDLs.

Regarding the LAGs in the North West region, a number of 35 LAGs were selected for the period 2023-2027. (Table 1). At the same time, it is important to highlight the fact that the 35 LAGs analysed only include territories located entirely in the component counties of the North West Region.

Thus, it is observed that at the level of Bihor county, a number of 9 LAGs were selected for operation during the analysed period with a total area of 5,040 km² serving a population of 248,665 inhabitants. The largest LAG at the level of Bihor county in terms of area and also in terms of number of inhabitants is represented by the Association of the Local Action Group Bihor near the Hungarian Border (LAG Bihor), this being one of the oldest LAGs at the level of Bihor county but also at the level of the North West Region.

According to the financing plan for the financial year 2014-2020, the amount of euro allocated to LAG BIHOR was about 3.3 million euros, with a value of 35.75 euros / person, and the value per km² of about 2,214 euros, calculated values based on the information available in the Gal Financing Plan for the analysed period. (Chereji et al, 2022)

Table 1

List of selected Local Action Groups 2023-2027, North West region

No	LAG name	County	Area (km ²)	Population no. inhabitants
1	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ BIHOR DE PE LÂNGĂ FRONTIERA CU UNGARIA	BIHOR	1.271,63	75.977
2	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ ȚARA BEIUȘULUI	BIHOR	309,36	11.744
3	Asociația GAL EuroCrișana	BIHOR	496,01	18.071
4	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ ZONA ALEȘD – VĂLEA CRIȘULUI REPEDE	BIHOR	521,19	32.004
5	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ CRIȘUL NEGRU	BIHOR	277,51	10.985
6	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ ZONA METROPOLITANĂ ȘI CÂMPIA CRIȘULUI (G.A.L. ZONA METROPOLITANĂ ȘI CÂMPIA CRIȘULUI)	BIHOR	326,73	17.620
7	ASOCIAȚIA GRUP DE ACȚIUNE LOCALĂ ZMO DEALUL ȘOMLEU	BIHOR	287,24	35.052
8	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ VĂLEA VELJ (GAL VĂLEA VELJ)	BIHOR	603,91	25.592
9	ASOCIAȚIA GRUP DE ACȚIUNE LOCALĂ PĂDUREA CRAIULUI	BIHOR	946,42	21.620
	No of LAG Bihor county	9	5.040,00	248.665,00
10	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ "CODRU MOMA"	BIHOR, ARAD	575,42	23.035
11	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ MUNTELE ȘES JUDEȚUL BIHOR	BIHOR, SĂLAJ	684,43	39.590
12	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ PROGRES TRANSILVAN	BISTRIȚA-NĂSĂUD	401,61	11.361
13	FEDERAȚIA PENTRU DEZVOLTAREA ZONEI RURALE BÂRGĂU-CĂLIMANI	BISTRIȚA-NĂSĂUD	1.129,26	44.468
14	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ LIDER BISTRIȚA NĂSĂUD	BISTRIȚA-NĂSĂUD	1.071,56	42.350
15	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ ȚARA NĂSĂUDULUI	BISTRIȚA-NĂSĂUD	1.191,65	57.479
	No of LAG BN county	4	3.794,08	155.658,00
16	ASOCIAȚIA PARTENERIAT GAL ȚINUTUL HAIDUCILOR	BISTRIȚA-NĂSĂUD, CLUJ	1.384,56	62.777
17	ASOCIAȚIA "GAL SOMEȘ-NADĂȘ"	CLUJ	423,28	75.300
18	ASOCIAȚIA GAL CÂMPIA TRANSILVANIEI	CLUJ	935,73	29.964
19	ASOCIAȚIA GAL SOMEȘ TRANSILVAN	CLUJ	894,62	45.644
20	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ LIDER CLUJ	CLUJ	768,77	19.148
21	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ NAPOCA POROLISSUM	CLUJ	1.613,03	41.150
	No of LAG CJ	5	4.635,43	211.206,00
22	ASOCIAȚIA "GAL POARTA TRANSILVANIEI"	CLUJ, SĂLAJ, BIHOR	1.264,54	33.365
23	"ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ NORD EST-ȚARA MARAMUREȘULUI"	MARAMUREȘ	1.440,14	64.159
24	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ MARA-GUTĂI	MARAMUREȘ	908,43	43.968
25	ASOCIAȚIA MICROREGIONALĂ MARA-NATUR	MARAMUREȘ	1.503,82	78.670
26	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ VĂLEA IZEI-MOISEI	MARAMUREȘ	427,37	22.162
	No of LAG MM	4	4.279,76	208.959,00
27	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ MARAMUREȘ VEST - GALMMV	MARAMUREȘ, SATU-MARE	869,69	51.409
28	ASOCIAȚIA GRUP DE ACȚIUNE LOCALĂ TÖVISHÁT	SĂLAJ, SATU-MAREȘă	1.018,54	49.879

29	ASOCIAȚIA SAMUS POROLISSUM	SĂLAJ, CLUJ	1.331,76	46.638
30	ASOCIAȚIA GAL VALEA SOMEȘULUI	SĂLAJ, CLUJ, MARAMUREȘ	1.368,43	39.266
31	GAL VALEA CRASNEI ȘI BARCĂULUI	SĂLAJ, BIHOR	860,97	53.563
32	ASOCIAȚIA GRUP DE ACȚIUNE LOCALĂ SUD-VEST SATU MARE	SATU-MARE, BIHOR	1.483,25	72.364
33	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ LIDER OAS	SATU-MARE	759,20	62.900
34	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ MICROREGIUNEA SOMEȘ- CODRU	SATU-MARE, MARAMUREȘ	573,25	28.603
35	ASOCIAȚIA DE DEZVOLTARE MICROREGIONALĂ A COMUNITĂȚILOR DIN ZONA SĂTMARULUI	SATU-MARE, MARAMUREȘ	1.096,18	70.058
Total			48.768,76	2.282.423,00

Source: Own processing after MADR, Axa LEADER 2023-2017

The territorial coverage of the LAGs strictly in Cluj County is represented by a number of 5 LAGs, 4,635 Km² and a total number of 211,206 inhabitants. As highlighted in Table 1, at the level of the North West Region there are a number of 11 LAGs that have a territorial area spread over 2 counties and a LAG with a territorial area related to it across 3 counties - the Association of LAGs Poarta Transilvaniei being present on the surface of Cluj, Sălaj and Bihor counties with the following composition: Ciucea, Negreni, Poieni (Cluj County), Almașu, Banișor, Cizer, Fildu De Jos, Horoatu Crasnei, Plopiș, Sag (Sălaj County), Borod, Bratca, Bulz (Bihor County).

Satu Mare County is the only county in the North West region that has a single LAG with territorial composition only at the county level on an area of 759.2 km² and 62,900 inhabitants. It is noted that Satu Mare County is territorially represented in 5 other LAGs that have territories

from neighbouring counties as their composition: Maramureș, Bihor, Cluj, Sălaj.

Regarding the financing of LAGs, for the 2023-2027 programming period, at the level of the North West region, Local Development Strategies with single-fund financing (EAFRD financing) for 3 LAGs were selected for financing, 2 LAGs at the level of Bistrița Năsăud county and one LAG in Bihor county. All other Local Development Strategies, respectively 32, requested multi-fund financing, in addition to financing from the EAFRD, they also requested financing through the ESF + (European Social Fund). Financing through the ESF + brought each LAG an additional financing of 5.38 euros/inhabitant, respectively 262.34 euros/km², which contributed to the increase in the total public value received as financial support for the implementation of the SDLs.

Table 2

LAG with strategies single fond

No. of document	Applicant (Name of entity designated by the partnership)	Partnership/LAG name	County	Total public value FEADR
1	AOCIATIA GRUPUL DE ACTIUNE LOCALA "TARA NASAUDULUI"	TARA NASAUDULUI	BISTRITA- NASAUD	2,494,415
2	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ "CODRU MOMA"	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ "CODRU MOMA"	BIHOR	1,415,286
3	ASOCIAȚIA GRUPUL DE ACȚIUNE LOCALĂ PROGRES TRANSILVAN	GAL PROGRES TRANSILVAN	BISTRITA- NASAUD	1,078,140

Source: Own processing after MADR, Axa LEADER 2023-2017

Public value generated per capita FEADR	16.73	Euro/loc
Resulting public value per km2 FEADR	816.06	Euro/km2
Public value of a bonus unit FEADR	140,083.31	Euro
Public value generated per capita FSE+	5.38	Euro/loc
Resulting public value per km2 FSE+	262.34	Euro/km2
Public value of a bonus unit FSE+	13,341.63	Euro

Table 3 Public value, FEADR And FSE+

Source: FINAL SELECTION REPORT OF LOCAL DEVELOPMENT STRATEGIES, ses.01/2023 - MULTIFOND, MADR

Regarding the strategy with single-fund financing, each LAG receives, in order to achieve the result indicators proposed in the SDL through EAFRD, 16.73 euros/inhabitant and 816.06 euros/km2. At the same time, it can be

seen from table 3 that each LAG also receives a bonus both through EAFRD and through ESF +.

CONCLUSIONS

The implementation of Local Action Groups (LAGs) in the North West Region has shown significant progress in addressing the unique needs of rural communities.

By developing and executing tailored local development strategies under the LEADER Axis of the PNDR 2014-2020, LAGs have substantially improved the quality of life in these areas. Their ability to extend funding from urban to rural environments has fostered a beneficial synergy, especially in critical sectors such as mobility, thereby integrating diverse territories into cohesive development frameworks.

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