

## CONSIDERATIONS CONCERNING THE EVOLUTION OF THE LOCAL DEVELOPMENT STRATEGY OF SOME LEADER TERRITORIES IN ARAD COUNTY

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### **Abstract:**

Romanian National Rural Development Programme (NRDP 2007-2013) is the document, which applies EU Common Agricultural Policy in Romania as EU member state. LEADER, as part of EU Common Agricultural Policy was developed like territory planning policies focused on the rural area of intervention. It proved more effective and productive, being decided and implemented at local level by the local actors, using clear and transparent procedures for the evaluation of strategic objectives and plans, having the support of local governments and technical assistance necessary to transmit best practices. The European Agricultural Fund for Rural Development (EAFRD) finances investments in LEADER axis, using intervention areas (priority 1, priority 2 and priority 3) and related measures to NRDP. These measures can be found in a variable degree at the level of the Local Development Strategy (LDS) elaborated by The Local Action Groups (LAGs), LEADER territory concerned. Based on these issues, the paper seeks to present some practical considerations of the assessment of the LAG's activities in the implementation of strategy, scientifically linked to the portfolio analysis activities (intervention areas and measures) that compound the Local Development Strategy of some LEADER entities of the Arad County. The evaluation used outcome indicators for implementation of the Strategy.

**Key words:** planning policy, LEADER Program, Local Development Strategy, rural and regional development, business portfolio analysis, LAG's beneficiaries

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### **Introduction**

Socio-economic dynamic of today's society makes a large number of municipalities, regions and even nations of the world to be in distress, bankruptcy as the final test of "morbid condition" which could be a status of an administrative structure. "Morbid condition" refers not only to look financial, but also their economic and social situation (population migration, high unemployment rate, reduced incomes and investments). The fact is that each administrative structure is subjected to internal cycles of growth and decline, the action of external shocks and even forces that can not control. States, regions and localities can come back from this decline, can be reborn and to recover through a planning process policy. All these aspects were mentioned in the work of Kotler et al. (2001).

At European Union (EU) level, the solutions adopted for solving communities problems, in most cases call for strategic planning (planning policy), are reflected

by different national programs of intervention by structural and cohesion policies funded under the European Community structural and cohesion funds.

One of these tools of intervention is the National Rural Development Program developed in Romania, an EU member country, during 2007-2013 (NRDP 2007-2013). Source that supports NRDP is the European Agricultural Fund for Rural Development (EAFRD). It finances investments in the NRDP 2007-2013 at the level of four priority axes (development directions): Axis 1 - Increasing the competitiveness of agriculture and forestry, Axis 2 - Improving the environment and the countryside, Axis 3 - Quality of life in rural areas and diversification rural economy, Axis 4 - LEADER (an acronym in French meaning: links between actions for the development of the rural economy) - EU initiative to support rural development projects initiated at the local level in order to revitalise rural areas and create jobs, an horizontal position entails accessing the aforementioned three axes, each with several measures.

Different approaches to rural development experienced by the EU before the early '90, were generally oriented on an economic sector, focusing more on farmers and aiming to encourage structural change in agriculture. The approach used "up-bottom", with the help of support plans decided at national or regional level. Instead LEADER approach "bottom - up" started after 1990 focuses on the area (a small territory, socially cohesive, common needs and expectations), involving local communities and adding value to local resources, by putting in practice local politics of that area. This approach gradually began (LEADER I - 1991-1993, LEADER II - 1994-1999, LEADER + from 2000 to 2006, integrated LEADER - during 2007-2013), is considered a new way of creating jobs and economic companies in the rural areas. Finally, LEADER 2007-2013 was incorporated into the overall rural development policy of the EU, being included in the national and regional rural development programs, along with other rural development priorities. Unlike other programs and associated approaches, the LEADER approach is a *link between people, territory and activities*, a way that allows local actors to determine the needs of the area of origin and contribute to the territorial development of economy, demography, education, culture etc. via a Local Development Strategy - LDS (strategic planning), developed and implemented locally. Development of rural areas by Axis IV - LEADER is planned and coordinated by local actors (local governments, businesses entities and non-profit organizations).

Axis IV - LEADER has also funded the institutional construction of the Local Action Groups (LAGs) - governing bodies of Axis IV focused on the development and implementation of strategic planning of the territory (LDS), which provides the possibility of rural actors representatives of various fields, to work together and interact in favor of rural communities. The points made above are listed in the Guide for Applicants and Procedure Manual for the measure 431.2 - Operation of Local Action Group, acquiring skills and animating the territory - September, 2014, version 09.

European Commission defines a project as a group of activities to be carried out in a logical sequence to achieve a predetermined set of objectives formulated by the beneficiary. The Romanian Government considers that the concept of the project is associated with a definite purpose, which is expected to be achieved in a period and within allocated resources, to which is attached a set of objective rules and activities.

From the analysis reported above and the Applicant's Guide for measure 41 - Implementation of the Local Development Strategy - September, 2014, version 09, we can say that the LEADER Strategy (LDS) is a complex and collective project that can provide fair and efficient solutions to common problems of LEADER's area by initiative and empowerment of local actors, who will be working in partnership and respect the basic principles of the project management. When consider a local partnership like LAG type, we are talking about a group of agents who choose to engage in the service of territorial development, a project management service associated with a high degree of contact, which results after Bradley (2001) a various implications for *marketing theory*.

According to the words of Bradley (2001), staff providing such services must have high technical competences, also in human relations, because is directly involved in providing of marketing services translated into information actions - advertising and animation of the LEADER's area, consultancy / assistance to the potential beneficiaries of this territory.

This study was conducted on three LEADER territories from Arad county, under the initial phase of implementation of Local Development Strategy (LDS): Podgoria Miniș-Măderat, Micro-regiunea Văii Crișurilor Alb și Negru and Valea Superioară a Crișului Alb. The analysis were make on the period: January 2012 - March 2013, during which strategies have not yet support any adjustment / modification of the content, because the LAG's structures from Arad county are still in the implementation phase of the project tender shares in LDS and not at the level of monitoring contracts of the LAG's beneficiaries.

### **Literature review**

"Strategic planning market can serve as a guiding force in shaping the future of a place - a " filter" for the selection and ranking of the actions or concrete proposals which are inevitable. ...A community should develop on its own future scenarios and determine a way to confer competitive advantages". These were mentioned in the work of Kotler at al. (2001, p.338).

To support this idea, the same authors of the work "Marketing Places" propose ten kinds of responses, which is a framework for channeling development sites in twenty-first century. Of these, two are retained in our case:

- Communities need to diversify the economic base and to create mechanisms for flexible adaptation to changing conditions - must consider that enters their difficult task to form a well-balanced portfolio of business activities ... which in the modern sense involves inter-sectors collective use of new technologies and applications. (Kotler at al., 2001, p. 343)

- Communities need to create organizational arrangements and procedural support their development and maintain forward momentum of this process, once started to develop a place .... no magical panacea, so we can not do anything but to learn from the lessons of the past (successes and mistakes); important is to keep the ultimate goal in the priority attention of the public, giving him the opportunity to review the strategic plan and ensuring a steady flow of information on the progress so far. Unfortunately, the implementation may prove the least interesting, but remains the most important aspect of strategic planning. (Kotler at al., 2001, p.359) Considering the above mentioned, the complexity of the projects and their management stage monitoring (the more those aimed at LDS), their implementation and allocation of resources is very important. It must be done at repeated intervals by analysis of results / indicators to identify how to achieve strategic priorities and objectives of LDS. This step provides information through LAG's group management, can identify and solve implementation problems, but can also assess the progress of the project (as it was mentioned in strategy formulation - number of projects contracted by the beneficiary of LAG for each measure strategy and financial plan, which was allocated to each measure an amount of financing projects within it).

Details of all actions of this type are included in the progress reports regarding the LAG funding (operating costs, advertising / information, animation, training and supporting the implementation of LDS), that are reviewed and approved by the Contracting Authority - The Payment Agency for Rural Development and Fishing - APDRP (institution that on June 2014 was named Funding Agency for Rural Investment - AFIR).

Analyzing the LDS of the "Podgoria Miniș-Măderat" we could get the following information, relevant to the study:

- public - private partnership, established in 2011 based on 34 organizations (10 public, 19 private and 5 civil society structures);

- LEADER territory is located in the center of Arad county, with a surface of 901 square kilometers, where live 36,444 people, potential beneficiaries are residents of the 8 administrative units;

- depending on territorial and activities, the strategic priorities are: *rural tourism; viticulture and wine making; agriculture; municipality and social infrastructure; according to them were developed 17 operational objectives: rural tourism-5 objectives corresponding measure 313; viticulture-5 objectives corresponding measures 111, 121, 123, 142 and 312; agriculture-5 objectives corresponding measures 111, 121, 123, 142 and 312; rural infrastructure-2 objectives of the measures 125 and 322;*

- the total grant (national and European Community) of EAFRD allocated for the implementation of the "Podgoria Miniș-Măderat" LAG's strategy is 2,309,000 euros and the total allocated public for LAG operation is 397,010 euros.

These informations were obtained by analyzing the Local Development Plan of the "Podgoria Miniș-Măderat" territory.

Analyzing the LDS of the "Micro-regiunea Văii Crișurilor Alb și Negru", we have obtained the following information:

- public - private partnership, established in 2011 based on 41 organizations (11 public, 12 private and 18 civil society structures);
- LEADER territory is located in the north - west of Arad county; area of 1,716.5 square kilometers being, with a 59,139 inhabitants, potential beneficiaries are residents of the 18 administrative units;
- depending on territorial and activities, the strategic priorities are: *agriculture, rural tourism, the diversification of the rural economy, social infrastructure and public utility*; according to them were initial established 14 operational objectives: *agriculture*-4 objectives for measures 111, 121, 123, 141, 142 and 312; *rural tourism*-4 objectives related measure 313; *diversification of the rural economy* - 4 objectives of the measures 312 322; *social infrastructure and public utility* corresponding to measure 322;
- the total grant (national and European Community) of EAFRD allocated for the implementation of the "Micro-regiunea Văii Crișurilor Alb și Negru" LAG's strategy is 2,285,500 euros and the total allocated public for LAG operation is 454,256 euros.

Informations were obtained by analyzing the Local Development Plan "Micro-regiunea Văii Crișului Alb și Negru" territory.

Analyzing the LDS of LAG "Valea Superioară a Crișului Alb" we obtain the following informations relevant for the study:

- public - private partnership, established in 2011 based on 61 organizations (17 public, 24 private and 20 civil society structures);
- LEADER territory is located in the north-east of Arad county and south-east of Bihor county, covering 1,451 square kilometers, where live 38,122 people, potential beneficiaries are from the 15 administrative units;
- depending on territorial and activities, the strategic priorities are: *agriculture - forestry, rural tourism, traditions and crafts, image and quality of life* according to them were developed 14 operational objectives: *agriculture-forestry* - 4 objectives for measures 111, 121, 122, 123, 142 and 312; *rural tourism*- 4 related measure 313; *diversification of the rural economy* - 4 objectives related measure 312, *image and quality of life* - 2 objectives of the measures 125 and 322;
- the total grant (national and European Community) of EAFRD allocated for the implementation of the "Valea Superioară a Crișului Alb" LAG's strategy is 2,410,500 euros and the total allocated public for LAG operation is 429,210 euros.

The above informations was obtained by analyzing the Local Development Plan of the "Valea Superioară a Crișului Alb" territory.

Review of the specific literature of our paper work: strategic planning and project management of a territory in terms of NRDP, leads us to formulate the central theme of it - *monitoring the implementation of the LAG's strategy using business portfolio analysis. Starting from this, we could create such an organizational mechanism for monitoring, that could be use by the LAG and that could provide useful information for management team to focus or continue good activities for*

LEADER strategy, to abandon those who have not experienced the desired performance, being less valued by strategy or formulate strategies for action within the meaning of adding value of important attributes of the strategy, but less efficient.

Monitoring is carried out within the project at technical LAG's level and different moments of evolution of the strategy (initially - refers to the monitoring of LAG's activity itself for implementing LDS, final - monitoring the implementation of projects contracted by the beneficiaries of the the LAG's territory). At this step we will analyze the Local Development Strategy of LEADER territory initially.

### **Methodology and data**

Marketing theory, referred to the theme of research, gives the *business portfolio analysis* (monitoring tool of strategic planning) as a method of strategic planification. Within supplied by it, various methods have been developed for planning analysis using matrix representations, indicators for measuring usually two dimensions: attractiveness and competitiveness.

Regardless of the method chosen, planning analysis like: Boston Consulting Group (BCG), General Electric, Arthur Little, Choice plus or simply performance - importance matrix, its are useful for positioning a company activities, review and issue recommendations on strategic planning of a territory, like LEADER territory, area or locality, as can be seen in the work of Kotler Ph., Haider D.H and Rein I. It is recomanded to select important attributes for each of them, so that the combination of them showing at least four possibilities, choices that will indicate areas of interest and areas of opportunity or threat on the development of strategy of the LEADER territory resulting from implementation. These attributes will help us to formulate recommendations for positioning the LAG's activities in the intervention measures of NRDP, which has as portfolio. These issues are developed by Kotler et al. (2001, p.95).

*At the beginning of the research methodology of the LEADER strategy we will associate the EAFRD measures with the territory attributes that will describe aspects regarding citizens (training and information, knowledge transfer, jobs), area (rural heritage, rural infrastructure) and activities in this area (management and marketing activities in rural areas, food processing and forestry activities, tourism activities, administrative, educational and social protection activities etc.).*

In addition to information related to strategy of LEADER area we note that LDS of LAG's territories over which we will doing the analyse has close attributes.

Measures under *Axis 1* aimed on *increasing the competitiveness of agriculture and forestry* is associated with the following attributes:

- territories and communities concerned mainly on agricultural and forestry actions of training, information, acquiring innovative knowledge communities and balanced development of relations between producers, processing and marketing sectors in order to adapt to customer requirements (measures 111 and 142);
- territories and communities of semi-subsistence farms and commercial farms concerned with the establishment/ turnaround and market aims or improvement of

product quality and compliance obtained by the European Community rules on cross-compliance (measures 121 and 141);

- territories and communities concerned to increase the economic forests and forest products processing (measures 122 and 123);

- territories and communities with agricultural areas (high culture, vineyard) oriented food processing (measure 123);

- territories and communities with agriculture and forestry lands established in new structures and property, oriented toward the adaptation of agricultural and forestry infrastructure (measure 125).

The measures under *Axis 3* are focused on *sustainable development through diversification of the rural economy of LEADER territory and increase the image and quality of life*. Its added LEADER area the following attributes:

- territories and rural communities concerned with encouraging non-agricultural activities by creating micro-enterprises to obtain additional income and employment growth (measure 312);

- communities and rural areas development oriented on the tourism activities and on the increasing of the attractiveness of the LEADER's areas to obtain alternative income and employment growth (measure 313);

- communities and rural areas concerned with improving life conditions for the population, assure access to basic services and protection of their cultural and natural heritage (measure 322).

It should be noted that in the LAG's LDS analyzed were not included measures that could lead to sustainable use of agricultural land and forestry, like axis 2, as said the NRDP 2007-2013, consolidated version IX, November 2013.

Not all attributes (measures/actions) have the same meaning for the analyzed LEADER strategies. Based on these aspects in substantiating business portfolio analysis, we consider that the *importance of the attribute* (measure/action) may be given by the indicator called: *programmed financial volume of each measure of the initial LDS*. It was elected this indicator to the detriment of indicator called - *the number of projects allocated for each measure of the initial LDS*, on the ground that the last one has no expected relevance. Demonstrating by the practical experience - it has changed too often over the initial LDS implementation under review period: January 2012 - March 2013 (amending the mean value allocated to the project in the measure).

Identification and operationalisation of the results indicators (LAG specific indicators) - step in monitoring process - allows us to evaluate the attributes for the current state LEADER territory. These indicators are called generic - *projects performance ratio arranged by LAG under its portfolio measures*, as shown below:

- *indicator LAG 1* - the ratio of the projects number selected and contracted by APDRP (AFIR) and the total projects number allocated by the initial LDS (on which the financing EAFRD for LAGs) - can expressed in each measure level (attribute), the efficiency of information/advertising, animation and counseling activities of LAG team in the period under review;

- *indicator LAG 2* - ratio of financial volume contracted by the LAG's applicants with APDRP (AFIR) and financial volume programmed initial by LDS (on which the financing EAFRD for LAGs) - expresses features of LEADER territory and LAG's applicants, for each measure (attribute) in hand; capacity and effectiveness of its to implement the project successfully submitted to the LAG (institutional and financial capacity of the organizations, human capital, type of activities aimed on increasing the competitiveness of agriculture and forestry, or oriented toward sustainable regional development).

All indicators described above are designed so as to quantify *performance measures* (attributes) to a certain stage of strategy implementation. The indicators in the tables below were calculated based on the information provided by the progress reports of the LAGs, their selection Committee reports completed after each auction session organized by the LAGs and contracts concluded by LAG's applicant with the Contracting Authority (AFIR).

Note that, we would have appreciated outcome indicators (indicator LAG 1 and indicator LAG 2) at the stage of selection and contracted with APDR (AFIR), on the grounds that by signing this document (grant contract), funding applications have reached at the end of the process of evaluation/selection, according with the NRDP methodology, being evaluated by experts of the Contracting Authority. Meantime, parties (customer LAG - Contracting Authority) through the signing of the contract assumes unequivocally specific rights and obligations related to the project implementation (including co-financing the project), the chance to give up project funding is already quite small.

Planning method used in this paper is the *matrix of performance - importance*, described in the work of Kotler and his colleagues. The reasons for choosing this method would be related to the fact that it allows us to consider the essential features related to the specific planning and performance of the LEADER territory and LAG's activities undertaken by teams on it; is relatively easy to apply, presenting chart positions attributes (measures) in terms of dependable performance indicators and importance, facilitating the discovery of relationships between activities undertaken by LAG's teams, their beneficiaries (LAG's applicants) and LEADER territory; but also because it is a planning tool suitable for analysis the LEADER strategy implications on communities/territories which implements the purpose of making recommendations to modify these strategies. These motivations were founded on the claims made by Malcolm McDonald (2010, p.60).

Processing the information provided by the work of Kotler and his collaborators called „Marketing Places”, as seen from table no.1, we identify four categories: *section A* - in which the important attributes (measures) of the LEADER territory, as resulting from analyzed LDS in terms of importance indicator, but for various reasons were not performance being not appreciated by the LAG's applicants (indicator LAG 2), the actions of LAG team were less effective (indicator LAG 1), for those results, the LAG team must be taken urgent actions to improve the situation - *Focus here!*; *section B* - includes attributes (measures) important for



LEADER area, assessed on the same indicator, where it is already strong and therefore the LAG's actions were effective (indicator LAG 1), and beneficiaries were satisfied (indicator LAG 2), where comes the urge - *It is very well continue!;* *section C* - indicates attributes (measures) of the LEADER territory considered unimportant, as is apparent from the analysis based on the indicators of assessment strategies, where it records underperformed implementation actions of LDS (LAG's action ineffective - indicator LAG 1; uninterested applicants on measures intervention- indicator LAG 2), being considered - *Low priority!;* *section D* - fall attributes (measures) of LEADER territory considered unimportant, but are appreciated by the LAG's beneficiaries (indicator LAG 2) and LAG's structures are doing very well (indicator LAG 1), where comes the urge - *Possible overzealous!*

**Table 1 - Performance - Importance Matrix**

		<i>Importance</i>	
		SMALL	GRATE
<i>Performance</i>	HIGH	D.Possible overzealous!	B. It is very well continue!
	LOW	C Low priority !	A. Focus here!

Source: Kotler et al.(2001)

In the following we present situation of the indicators of achievement related to above mentioned Local Action Groups (LAG).

**Table 2 - Indicators of results on the implementation of the LEADER's LDS of the "Podgoria Miniș-Măderat" territory**

Measure type	No. of projects contracted in the period under review	Total number of projects for each measure as initial LDS <sup>1</sup>	GAL indicator 1 - projects performance ratio	Financial volume contracted by the LAG's applicants with APDRP	Financial volume programmed for each measure as initial LDS <sup>2</sup>	GAL indicator 2 - projects performance ratio
Axis 1 - Increasing the competitiveness of agriculture and forestry						
111	0	6	0	0	18.000	0
121	3	16	0,19	62.742	360.000	0,17
123	2	8	0,25	61.114	200.000	0,31
125	2	4	0,5	150.122	200.000	0,75
Transitional measures for Romania						
142	0	2	0	0	40.000	0
Axis 3 - Quality of life in rural areas and diversification rural economy						
312	4	16	0,25	121.004	280.000	0,43
313	1	16	0,06	60.000	336.000	0,18
322	5	16	0,31	338.635	800.000	0,42

Source: self processing

Note 1: LDS - Local Development Strategy of the LEADER area

Note 2: The amount of money in euro as grant

**Table 3 - Indicators of results on the implementation of the LEADER's LDS of the "Microregiunea Văii Crișurilor Alb și Negru"**

Measure type	No. of projects contracted in the period under review	Total number of projects for each measure as initial LDS <sup>1</sup>	GAL indicator 1 - projects performance ratio	Financial volume contracted by the LAG's applicants with APDRP	Financial volume programmed for each measure as initial LDS <sup>2</sup>	GAL indicator 2 - projects performance ratio
Axis 1 - Increasing the competitiveness of agriculture and forestry						
111	0	6	0	0	18.000	0
121	10	15	0,67	430.436	480.000	0,9
123	0	5	0	0	200.000	0
Transitional measures for Romania						
141	20	21	0,95	150.000	157.500	0,95
142	0	3	0	0	45.000	0
Axis 3 - Quality of life in rural areas and diversification rural economy						
312	10	10	1	568.544	700.000	0,81
313	0	10	0	0	175.000	0
322	12	15	0,8	373.361	450.000	0,83

Source: self processing

Note 1: LDS - Local Development Strategy of the LEADER area

Note 2: The amount of money in euro as grant

**Table 4 - Indicators of results on the implementation of the LEADER's LDS of the "Valea Superioară a Crișului Alb" territory**

Measure type	No. of projects contracted in the period under review	Total number of projects for each measure as initial LDS <sup>1</sup>	GAL indicator 1 - projects performance ratio	Financial volume contracted by the LAG's applicants with APDRP	Financial volume programmed for each measure as initial LDS <sup>2</sup>	GAL indicator 2 - projects performance ratio
Axis 1 - Increasing the competitiveness of agriculture and forestry						
111	0	6	0	0	18.000	0
121	0	15	0	0	337.500	0
122	0	4	0	0	100.000	0
123	0	4	0	0	100.000	0
125	4	5	0,8	195.775	250.000	0,78
Transitional measures for Romania						
142	0	3	0	0	60.000	0
Axis 3 - Quality of life in rural areas and diversification rural economy						
312	11	15	0,73	327.942	367.500	0,89
313	0	15	0	0	367.500	0
322	12	15	0,8	589.532	750.000	0,79

Source: self processing

Note 1: LDS - Local Development Strategy of the LEADER area

Note 2: The amount of money in euro as grant

## Results and discussions

The combination of performance ratings with corresponding degrees of importance, according to the methodology described resulting matrix representations of performance and importance on the three LDS analyzed by the indicator LAG 1 and indicator LAG 2. Before proceeding to present the results and

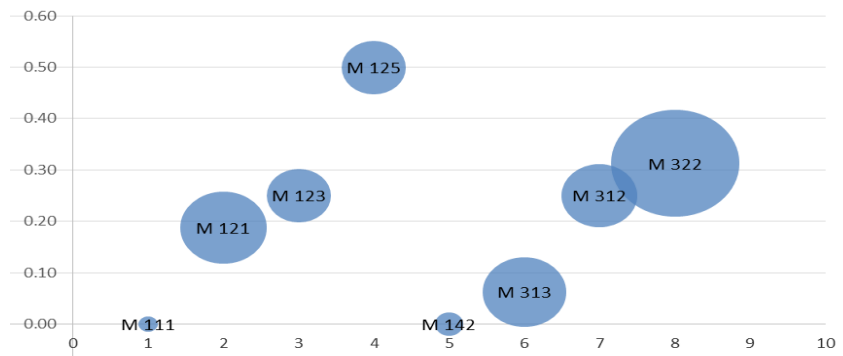
conclusions that can be drawn here will have to make a clarification on abbreviations used in the figures to be discussed below (figure no.1, figure no. 2, figure no. 3, figure no. 4, figure no. 5 and figure no. 6): M 111 - abbreviation for NRDP measure 111 "Vocational training, information and diffusion of knowledge"; M 121 - abbreviation for NRDP measure 121 "Modernization of agricultural farms"; M 122 - abbreviation for NRDP measure 122 "Improving the economic value of forests"; M 123 - abbreviation for NRDP measure 123 "Adding value to agricultural and forestry products"; M 125 - abbreviation for NRDP measure 125 "Improving and developing infrastructure related to the development and adaptation of agriculture and forestry"; M 141 - abbreviation for NRDP measure 141 "Supporting semi-subsistence farms"; M 142 - abbreviation for NRDP measure 142 "Setting up producer groups"; M 312 - abbreviation for NRDP measure 312 "Support for the creation and development of micro-enterprises"; M 313 - abbreviation for NRDP measure 313 "Encouragement of tourism activities"; M 322 - abbreviation for NRDP measure 322 "Village renewal and development, improvement of basic services for the economy and rural population and upgrading of the rural heritage". The diameter of each circle (representing measures) is variable, being higher or lower depending on the financial volume for the measure in question, by the initial financial plan of LDS.

*The LEADER territory "Podgoria Miniș-Măderat"* and the local communities here, by initially SDL given *considerable attention sustainable development of the area (measures under Axis 3)*, setting a priority action to satisfy the need to improve living conditions for the population, access to basic services and protection of their cultural and natural heritage (grant allocated initial by the strategy is 800,000 euros). It is followed by provision needs to diversify the rural economy by developing non-agricultural services (grant allocated initial by strategy is 280,000 euros) and the rural tourism services (grant being allocated to applicants is 336.00 euros) which are expected to generate complementary and alternative incomes in the area, growing the employment rate in the community (see table no. 2, figure no.1 and figure no.2).

*Less attention* is paid by the initial LDS to the growth of the *agriculture and viticulture competitiveness - measures of axis 1* (see table no. 2, figure no.1 and figure no.2). Analysis performed on table no. 2, can notice that the level of intervention measures to the LAG's applicants were allocated higher grant than the average amount of grant aid projects related to that extent, for example: measure 125, measure 312 and measure 322.

In terms of *the indicator LAG 1* (see figure no.1), we find that after more than a year LAG team "Podgoria Miniș-Măderat" managed to handle *at a good level to the measure (intervention action) 322*, the most important activity intervention of NRDP established by LDS, *intended development of the image and quality of life of the analyzed territory*. Also, the team will have to *focus more on strategic priorities of the LEADER territory: rural tourism -measure 313 and non-agricultural activities in viticulture - measure 312, so far considered important for the LAG strategy*.

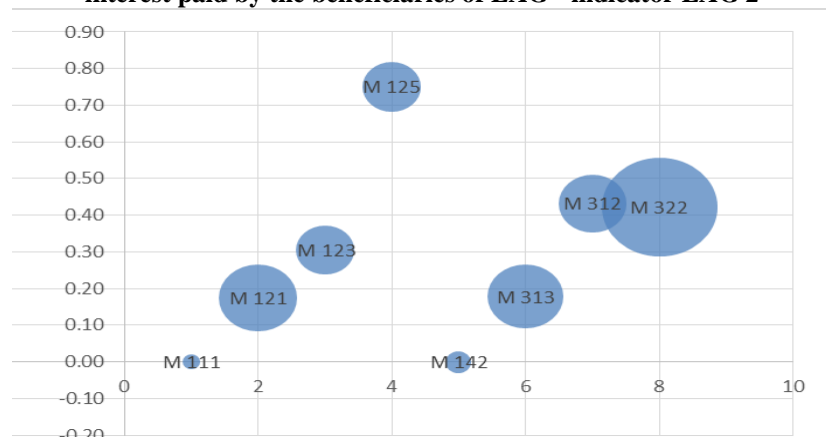
**Figure 1 - Performance - Importance Matrix on the efficiency of implementation of LEADER's LDS "Podgoria Miniș-Măderat" by the LAG team - indicator LAG 1**



Source: self processing

It also notes a so-called *overzealous* by the technical team of the LAG in terms of implementing measures related to agricultural infrastructure provided by measure 125. In quadrant shares under performed team LAG records less efficiency activities on information / advertising and animation of the measure 121 "Modernization of agricultural farms", NRDP intervention tool, considered at least as important in planning strategy of territory as measure 312 and 313.

**Figure 2 - Performance - Importance Matrix on the effectiveness of the implementation of the LEADER's LDS "Podgoria Miniș-Măderat" in terms of interest paid by the beneficiaries of LAG - indicator LAG 2**



Source: self processing

Regarding the *current beneficiaries of the LDS* and interest paid by them to it - *indicator LAG 2* (see figure no. 2), we noticed that most interested applicants by the strategy are *municipalities*, which found a *high amount of grants contracted by*

*the measure 322 and measure 125. These measure by their features on local communities are intended not involves co-financing for investments of public utility, only in serving a part of the community or profit generating projects- maximum co-financing is 30%. These applicants have the institutional and financial capacity to successfully implement the projects being interested in satisfying managed communities.*

Another measure requested by applicant in vineyard area, which will be supplemented by reducing financial allocation amounts of other measures is far 312 - demonstrating, as far as measure 125, that have been undervalued in the drafting of the LEADER' LDS. Measure 312 plays the increased inters of the beneficiaries to diversify the rural economy of the area by non-agricultural activities service, particularly in the vineyard sector, proving the existence of a natural human potential (specialists) and organizational (sub-sistence farms and commercial farms) that will be able to successfully implement future projects and will bring a capital contribution, additional incomes and growing the rate of employment in the area. The features of this intervention measures show that *there are beneficiaries that willing to allocate a percentage of up to 30% of the eligible project expenditure for tangible and intangible investments*, as shown in the NRDP 2007-2013, consolidated version IX, November 2013 , p.349 - 358.

Applicants of the *measure 313* are not very interested in this action of the NRDP, although tourism potential of the territory is above average of the Arad county. The territory has secondary residences that can transform in potential rural tourism locations/agro-touristical farms. The problem is that its not dispose on human capital for sustain the investment (old age presons, low knowledge regarding project management and skills in tourism activity) and have the financial strength (much of them) to provide co-financing between 15 - 30% of the total eligible expenses of the investment projects in the field. Because of these issues *LAG's team should focus more and provide solutions for accessing measure, put the potential beneficiaries of LAG in contact with potential co-funders of the measure: banks concerned and guarantee funds.*

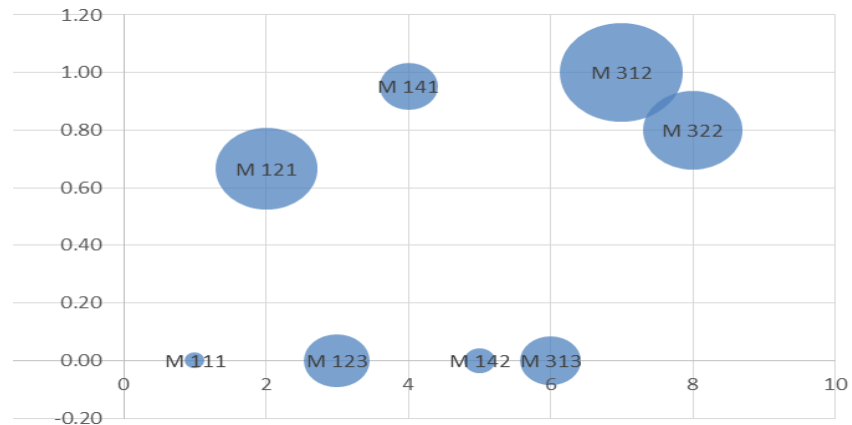
The potential applicants of the *measure 121*, which supports investments in agricultural farms - purchase of new equipment and machines, making new construction and /or modernization of existing farm buildings, the introduction and development of new production technologies and processes - are not very interested thereof. This can be explained by financial and organizational capacity rather low given their inability to provide co-financing required by the measure, 55% of the eligible value of a project. The conclusion is that the LEADER territory is not very prepared for this measure - it missed potential farms or there they are a few, most have appealed to national measure 121 of NRDP, which provides a consistent budget for the project. *This measure should be abandoned in the moment of changing LDS as well as the measures 123, 111, 142 whose performance is low or zero (the last two).*

*Micro-regiunea Văii Crișurilor Alb și Negru* is the LEADER territory whose needs are mainly focused on *sustainable rural development* (measure 312 - receiving

initial grant of 700,000 euros, measure 322 - with an initial allocation of 450,000 euros) followed by *increasing the competitiveness of the agricultural sector* (measure 121 - refundable financial allocation of 480,000 euros) and *supporting agriculture on transitional measures* (measure 141 - with an initial allocation of 157,500 euros grant). Also we notice that the LAG's beneficiaries were allocated a grant higher than the average amount of aid for the project for the measure 121, and in some cases LAG's applicants require projects whose eligible value is less than the average eligible expenditure relating them - measure 312 (see table no.3, figure no.3 and figure no. 4).

On the light of *indicator LAG 1* - efficiency LDS implementation by the technical team of LAG - that it was able to successfully manage a relatively large number of intervention measures. The best administered measures are related to *the micro-enterprises and diversification of the rural economy - measure 312* (the best of all LAG's teams) and *measure 322 - raising living standards through increased provision of public spaces and urban/social objectives*. For this reason the recommendation would be to *continue with the development of these measures in the strategy implementation by reallocating funds on the financial plan, from measures that have not worked effectively like: measure 313 - encouraging tourism activity, measure 142 - setting up producer groups or measure 123 - valuing agricultural production and forestry* (see figure no.3).

**Figure 3 - Performance - Importance Matrix on the efficiency of implementation of LEADER's LDS "Micro-regiunea Văii Crișurilor Alb și Negru" by the LAG team - indicator LAG 1**

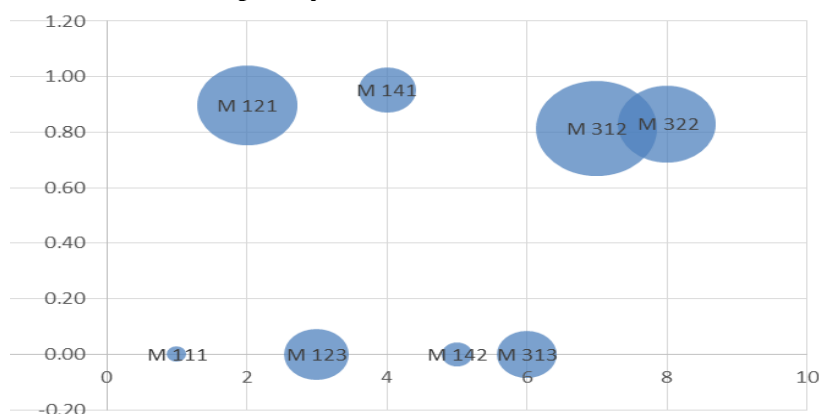


Source: self processing

*Effective sustained*, albeit with a *slight excess of zeal of LAG's team* (given the performance recorded in one year of implementation of the LDS, regarding the importance of intervention actions) were measured for the *establishment / restructure of semi-subsistence farms and modernization of commercial farms - measures 121 and 141* (see figure no.3).

From the analysis of *indicator LAG 2* (see figure no. 4) showed that the *micro-region is mainly agrarian, agricultural sector predominates where the beneficiaries wants to set up the semi-subsistence farms or to modernization the existence one. They have agricultural potential (land, livestock) - those who submitted to the measures 141, and in added the organizational and financial capacity (necessary co-financing projects, agricultural specialists and project managers) - those who submitted to the measures 121. Evaluation, leads us to the idea of amending the LDS and reconsidering the importance of these measures, for which will be allocated additional funds in the financial plan of strategy, from the measures that were not requested. Financial re-allocations will focus specifically on measure 141, while taking account of its specific (5 years of implementation period and a 20% increase in production for marketing and minimum 3 units increasing farm size compared to the initial situation mentioned in the business plan, results without the farms would not be granted subsidies for the last two years of project implementation).*

**Figure 4 - Performance - Importance Matrix on the effectiveness of the implementation of the LEADER's LDS "Micro-regiunea Văii Crișului Alb și Negru" in terms of interest paid by the beneficiaries of LAG - indicator LAG 2**

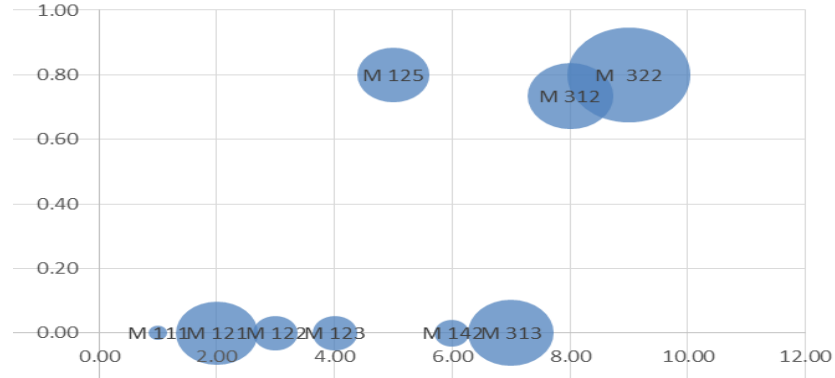


Source: self processing

*Valea Superioară a Crișului Alb* is LEADER territory based on intervention of the EAFRD measures that are *focused on actions that meet the needs of sustainable development communities: measure 322 - increasing the image and quality of life (initial grant allocation of 750,000 euros), measure 312 - development and diversification of the rural economy through micro-enterprises (grant allocation of 367,500 euros) and measure 313 - encouragement of tourism activities (refundable allocation of 367,500 euros). The area features has large areas of forest and arable land suitable for cereals, different from the described areas above, but that could allow increasing the competitiveness of the agricultural and forestry sectors, through appropriate measures (see table no. 4, figure no. 5 and figure no.6). Analyzing table no. 4 allows us to observe that the level of quite all measures,*

LAG's applicants were allocated a grant close to the average amount of grant aid projects related to that extent, due to the small margin of values between the two indicators (indicator LAG1 and indicator LAG2).

**Figure 5 - Performance - Importance Matrix on the efficiency of implementation of LEADER's LDS "Valea Superioară a Crișului Alb" by the LAG team - indicator LAG 1**



Source: self processing

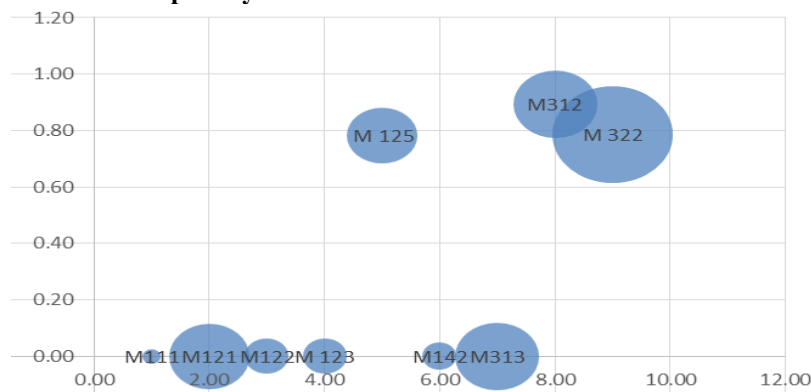
From the point of view of *efficiency technical LAG's team action* regarding the portfolio management of the measures we can see *an imbalance*. Only three measures of the nine of LDS were assigned portfolio effectively supported: *measure 322* (team achieved the best results of the all LAG's teams analyzed), *measure 312* and *measure 125* so far. The number of contracted projects in case of these above mentioned measures, have exceeded similar measures from the strategies of other LAGs (see figure no.1, figure no.3 and figure no.5). *The most effective measures were administered on Axis 3 like: measure 322 and measure 312*, which allows us to *recommend their further support in future changes to LDS* of "Valea Superioară a Crișului Alb". The position of the *measure 125* in the matrix leads us to believe that *is likely to join the tendency of the other two, after a change of strategy importance allocated to it* (reallocate more money for all LAG's potential applicants that could implement once this measure). *Inefficient implementation of other measures is based on over-assessment of initial potential of LEADER territory*. This territory compared to others is on the average potential of agriculture and tourism, being predominantly forest. It includes six of the eight deprived areas defined in the county of Arad, as shown in Annex 11 of the Guide Measure 322 - Municipalities and degree of poverty related. Based on high degree of poverty, lack of forest management, age older population, the relatively small number of commercial farms in the area makes it appropriate to change LEADER's LDS by *waiver of the measures under Axis 1* (less measure 125) and *possibly complement with other measures adapted better to the needs of the territory*, measure 141 and 112 - establishing of the young farmers, which can lead to the revival of the agriculture and forestry sector.



Most interested beneficiaries of territory were *local authorities* who have understood the opportunity offered by the LEADER program to *improve living conditions for the population, access to basic services and protection of cultural and natural heritage of rural areas through measures 322* and to *adapt agriculture and forestry infrastructure to new ownership structures through the measure 125*. They are followed closely by the *non-agricultural micro-enterprises applicants* aimed *diversifying the rural economy* in order to increase the number of jobs and additional incomes through the *measure 312*. As regards the other measures of LDS, with all team effort LAG, they not found beneficiaries. The reasons of this situation regarding measures 121, 122, 123 were presented in pages of this material.

Instead of the *measure 111* - known as atypical, we can deliver the assumption that it *was not accessed because is difficult to implement*. In addition most of the young farmers, European funding applicants, *attended courses organized at national level*. *Measure 142* - setting up producer groups - did not found beneficiaries, because *existing associations in the county of Arad were not flexible adapted to LEADER's condition and revers* (in terms of associated members).

**Figure 6 - Performance - importance Matrix on the effectiveness of the implementation of the LEADER's LDS "Valea Superioară a Crișului Alb" in terms of interest paid by the beneficiaries of LAG - indicator LAG 2**



Source: self processing

### Concluding remarks

LAGs as non-profit associations and non-governmental organizations providing project management that acts as a mechanism for investing in people, properties, rural infrastructure, companies located in specific areas and attempts to provide new possibilities for action of the people from communities in the early stages of development or business expansion, to provide training opportunities especial in agriculture field, to offer them the chance to start a business, to increase the image and quality of life. This bodies can be associated with "flexible structure that offers

flexible solutions featuring a portfolio of activities oriented economic revitalization" as mentioned Kotler et al. (2001, p.344).

The complexity of these structures, their multi-level governance orientation and also their flexibility make quite difficult the action to implement effective LEADER strategies. To this is added the novelty of the LEADER Program in Romania and the need to action quickly for adjusting / modifying the Local Development Strategies, for that the LEADER Program be considered a success at the end of 2015.

What we proposed in this paper, using marketing theories is to provide practical and transparent solutions to streamline the process of monitoring the implementation of Local Development Strategies of LEADER territories, at the LAGs structures and NRDP Managing Authorities that assessing implementation of strategies. In addition, this method will be useful designing future Local Development Strategy financed by the EAFRD 2014-2020.

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