

LOCAL ACTION GROUP STRATEGY FOR THE SUBREGION "CULA" (District of Ungheni)

Purpose:

The Cula Subregion (titled "GAL-CULA") consist of 14 individual local governments, including 34 communes (villages and one city), with a total population of 23,013 inhabitants. The GAL-Cula is a new entity constituted at the request of the participating communities and official representatives of these settlements in order to set up a process of local and regional development for the benefit of all citizens. The LAG aims to promote the needs of the territory defined by the Cula Sub-Region and to contribute to the creation of new jobs, economic growth and the dynamism of agricultural entrepreneurship, crafts and other competitive services for the welfare of the targeted communities. According to the EU definitions, the LAG is a non-profit entity, made up of public and private organizations as widely as possible from the social and economic sectors of a rural area that can access financial aid and grants from the European Agricultural Funds and Rural Development (EAFRD). The establishment of GAL-CULA is also due to the inspiration transmitted by the TARTU LAG representatives in 2017 through its consistent support and advice, with the aim to integrate local and international experiences that could provide the necessary incentives for social progress. The LAG is established in accordance with the law on non-profit organizations and public associations (No.837-XIII) of May 17, 1996), Constitution of the Republic of Moldova (1994) and the Charter adopted by its founding members. The LAG was registered by the Ungheni rayon authorities, acquiring the status of a public association, whose purpose is to promote the scope and objectives defined by its statutory mission, representing in fairness all its constituent parts. The aim of the LAG is to promote and develop the interests of the localities included in the Cula suburb of Ugheni by identifying innovative projects, attracting resources and capacity building for the benefit of communities included in the region. The GAL Cula Association is governed, according to legislation, by the General Assembly of the LAG, the Board of Directors, a President and a Censors' Commission.

Profile:

The region is a wide area of rural localities with memorable landscaping, large forests and plantations and unspoiled ground for organic farming. It reflects on a smaller scale the entire Center Development Region (CDR), which is highly dependent on farming, food processing and rural settlements (80.06%. The Cula Subregion has only a single urban settlement at its midst, across some of the most important national crossroads (R1), a sort of natural hub of a vast mass of sparsely populated villages. At the same time, the Cula sub-region is a vast territory located in a picturesque area, crossed by important national and international roads. It has a population of only 23,013 inhabitants, living in 34 villages, organized in 14 municipalities. Of the 14 communes, only 5 correspond to the established administrative headquarters ceiling, with more than 1500 inhabitants (Or. Cornești, Cornesti, Bogdanii Noi, Hircești, Rădenii Vechi). There are significant differences between localities by territory and population. The Radeniii Vechi Commune has a total area of 8773 ha, 30 times larger than the territory of Cornesti. The localities of the Cula sub-region are sparsely populated and relatively sparse, which raises the actual costs of building and maintaining road infrastructure and social services delivered locally. While the average density on the Ungheni rayon is 102 km², measured on the basis of the population (110,500 inhabitants) and territory (1083 km²), according to the 2014 census, then the population density in the Cula sub-region is twice as high small - 57 persons km² (23,013 inhabitants per 401.3 km²). The relief of the Cula sub-region is hilly and tall, crossed by high plains and hills. Much of the subregion's localities are included in the top 50 settlements in the Republic of Moldova with heights: 267 m, 15th place, Poiana - 256 m place 25, Veverita - 253 - 33rd place, Cornești - 252, 34th place, Curtoaia - 245 m place 42. Heights can be modeled



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for ski slopes as well as for carting exercise. The total area of the sub-region is 40,133 ha (or 401.3 km²), covering most of it with forests, forest strips, arable fields, pastures, multiannual plantations, vineyards and orchards. The subregion can be considered, according to NBS data, a deprived area, and thus recognized by a Government Decision of the RM (2006), which provided for special actions to improve the socio-economic situation and sustainable development of the localities but which was not implemented. The disadvantaged nature of the region is measured by indicators that measure the existence of major social and economic inequalities, due to the limited number of jobs, restricted education services, insufficient investment, lack of serious infrastructure projects (natural gas, sewerage and other services communal) that would halt population exodus in these regions. According to IDAM, in Ungheni there are 10 of the most deprived settlements in the Republic of Moldova. The administrative and financial capacities of local authorities in the Cula sub-region are insufficient. Town halls employ insufficient staff due to lack of resources (4 employees in localities with less than 1500 inhabitants and 13.5 people in settlements with over 10500 inhabitants), and modest qualifications compromise the establishment of adequate management of local resources, tax collection, attracting external resources, effective communication with the community. This makes the localities of the Cula Sub-region to be net consumers of centralized transfers from the central budget and chronic under-financing of local development. Transfers assessed on the basis of the number of inhabitants and the lack of projects strategically supported by international donors and the government have perpetuated the state's chronic under-financing status. The small size of the communities has also led to a low consumption of goods and services, thus influencing the low pace of development of private sales and service infrastructure (shops, hairdressers, auto-service, and other services). Schools, the associative sector, the church, and other public institutions are practically decoupled from the concept of sustainable development, generally unrealistic expectations towards other authorities.

There are no actions to integrate the adult population or professional retraining, nor to prioritize the economic education of young people, business consultancy services, local development stimulation projects, know how, useful in developing horizons in diversifying local economies. The capacity of local authorities is affected by the lack of budgetary resources and the shortage of qualified staff. Despite their elective nature, local councils and local executive authorities (mayoralities) have insufficient resources to exercise their statutory powers. Insufficient budgets do not allow city halls to employ technical cadastral specialists, which influence both the use of local resources and the development of development projects (roads, local infrastructure, and public private partnerships). The Cula sub-region reflects the situation in most of the rural areas of the central region (RDC). A reference indicator in this respect is access to sewerage systems for the inhabitants of the region. The total share of the population connected to sewerage systems in the Center Development Region (RDC) is apr. 10% coverage at localities, while the country-wide connection rate is around 30%. The vast majority of Ungheni districts do not have centralized water supply systems, with the population still using surface water fountains, accumulation wells and other alternative means to cover their drinking water consumption and for households. Sewage and wastewater treatment systems are extremely scarce in most of the localities in the Ungheni district, and in this respect the Cula area has no place where there are installed waste water treatment systems.

If in the Republic of Moldova, about 46% of rural localities have centralized water supply systems, this indicator in Ungheni does not even account for half of its value at national level. Other emergency



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services are also unavailable in this area, access to natural gas networks, access to sewerage services. Even the only town of Cornesti has lost over the past decade the city sewage system, the waste water filtration station and the central water system), leaving it to the individual inhabitants to supply the minimum needs for an urban locality. Although it has preserved a number of institutions of regional importance (hospitals, ambulatory, high schools), Cornești has lost most of the resources it has in the past (forests and plots of land), which have essentially limited the potential urban development. The lack of adequate living conditions reflects on the predisposition to change the place of residence, either by external migration or by rural-urban mobility, which is intended to obtain any kind of work in the adjacent labor-absorbing localities of this vast depressed area. As a result of this process, the localities of the Cula sub-region face a steeply de-popular process through external migration and accelerated aging of the population remaining in these localities. The NBS statistics show not only the galloping decrease in the population but also a sharp decline in the male population compared to the feminine gender, the constant decrease of the number of school-age children and the external active migration. One of the indicators providing relevant information on the economic situation of the region is the per capita gross domestic product (GDP per capita). All regions are in a disadvantaged situation where GDP per capita here is less than 4.5 times that of Chisinau. If in Chisinau the GDP per capita is relatively good and the capital (Chisinau) is placed in the first 100 countries after this indicator, then at the level of the regions the GDP is 4-4.5 times lower than the capital of the country. The income disparity between urban and rural populations is enormous, which affects consumption and access to services provided by the private sector. The economy of the Cula sub-region is dominated by agricultural occupations. Lack of diversification of productive activities leads to a real economic fatalism, influenced by climate change and the price structure of agricultural production. According to the Small Areas Deprivation Index (IDAM), Ungheni has a better position than most of the existing districts but has serious deficiencies in some of the calculated areas. Thus, the indicator of the state of the local roads and access to the transporting routes shows unsatisfactory for Ungheni, Leova, Singerei, Soroca and Falesti, as well as the indicator for the access to the natural gas infrastructure. The data show the formation of a real "bag of deprivation" that includes 5 districts in the Center Area and 4 districts in the northern region, this belt of poverty and underdevelopment passes through the middle of the Cula Sub-region. The lowest rank of deprivation is registered in Nisporeni - 158, Soldanesti - 226, Ungheni 301, Rezina - 309, Cantemir - 331. At the same time, IDAM ranked Chisinau - 814, Anenii Noi - 712, Riscani - 638, Ialoveni - 602.

The deprived settlements accentuate education issues by not having the necessary transport infrastructure to accommodate children in existing schools, which limits access to education services. IDAMs for educational education are better at Ungheni (327) than in other districts as a whole, but there are important internal differences, an example of which is the Culture Sub-Region. Road infrastructure is poorly developed in the Ungheni district, and in particular its Cula Subregion. It is obvious that the state of local roads prevents the population from accessing social services, education, medical services, while limiting the development of local economies. Speaking about infrastructure, we must also understand the existence of safe water sources and sewerage systems that dramatically affect the quality of citizens' lives. Infrastructure deprivation index places Ungheni at 24, near the worst developed districts in the Republic of Moldova (Nisporeni - 19) and Falesti - 19, Ocnita - 16). This indicator shows to what extent the population has limited access to public utilities and services, to information, to modern technologies.



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Strategic directions for LAG Sub-region CULA

Objective # 1. • Adopt a sub-regional development policy to restore the well-being and satisfaction of the local population. • Establishing development goals and tools based on connections, common interests and sub-regional actors.

Objective # 2. • Defining development priorities and sub-regional benefits. • Creating economic and social conditions for attracting private and public investment in problematic sectors. • Increasing the competitiveness and the number of jobs that hold young people and involve the local population.

Objective # 3. • Applying measures to adapt communities to modernization, promoting integrated co-operation with international donor community. • Creating viable business projects based on occupational and business niches that create sustainable growth mechanisms.

STRATEGY OF THE LOCAL ACTION GROUP - "CULA SUBREGION "

The Strategy Paper reflects the current stage of reflection on consultations and debates on potential solutions and potential horizons, without excluding that over a certain period of time the localities included in this analysis could re-evaluate their prospects and ambitions. Despite the features of a "less favored area," the Cula Sub-region has certain advantages over other adjacent areas that can be turned into excellent strategic resources if, however, they are intelligently understood and applied by stakeholders. Environment conservation and widespread access to forests, meadows, slopes, landscaped and memorable landscapes, flowing water courses and mineral water sources can serve as a basis for sustainable economic growth. The Cula sub-region can use its current decline to attract key ODA (development partners) essential development and economic development projects on the basis of convincing visions and projects. The Subregion is coterminous with several tourist routes and attractions, including monasteries, museums and architectural objectives, multi-season tourist routes.

The SWOT analysis indicates a potential number of topics that can develop the local economy, stabilize communities and attract targeted investments in the sub-region's economy. The central location of the Cula sub-region in the vicinity of national and inter-national routes is an advantageous condition that can facilitate local development. LAG-CULA will commit itself to promoting the objective of attracting public resources to the renovation of local roads, providing better mobility conditions to all localities in the region. The following strategic lines have been identified: (1) strengthening ecological and organic farming in fruit growing, apiculture and fish farming; (2) Establishment of Training and Vocational Training Centers based on the vocational education reform; (3) bringing investment into qualitative agricultural production and services: encouraging rural entrepreneurship; (4) strengthening the administrative and financial capacity of LPAs and active involvement in LAG development (5) Development of business infrastructure to increase the flow of foreign investment; (6) exploring the excellent eco-system for the development of tourism services by creating and capitalizing on a system of integrated boarding houses and services; (7) development of road infrastructure, microfinance and entrepreneurial activities The



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strategy aims to make available to the localities of the Cula subregion a sustainable development project in order to capitalize on the local potential and is part of the existing regional and national regulatory framework, the National Development Strategy "Moldova 2020" (approved by Law No 166 of July 11 2012), the National Regional Development Strategy, the Central Region (2020), approved by the Moldovan Government Decision (no.685 of 04.09.2013), the Sectoral Energy Efficiency Program for the South Region, the Regional Operational Plan (2017-2020). A critical element for the viability of the development strategy is the rehabilitation of roads related to the region (Cornești-Cornova route), the creation of canalization projects and the provision of drinking water in the localities where engineering projects exist or will be developed.

The GAL-CULA strategy will focus on the following priority priorities: increasing the number of jobs and economic activities in the localities of the sub-region and mobilizing existing resources; creating an entrepreneurial environment favorable to local economic development and developing clusters of services and production capable of attracting tourists, investors, donors and partnerships; promoting technologies and partnerships that diversify the local economy and increase the rate of use of natural resources, increase agricultural productivity and the quality of local products, increased to efficiency and competitiveness; increasing the welfare of local communities by creating living standards, new sewerage systems, public hygiene, adopting effective youth retention policies in rural areas; preserving the region's unique eco-system, in harmony with the strategy of diversifying the economy on the slopes, woodlands, lakes and rivers in the area. The LAG will endeavor to establish collaboration contacts with environmental agencies, prioritize engineering work so that sub regional objectives are incorporated into national development strategies. Through the LAG, all localities can become more attractive, they will be visited more often by development partners. The actions will be focused on investing in about 20 projects, setting up about 30 new rural businesses and creating about 1000 jobs. Creating a minimum infrastructure from the first stage of tourism through facilities for accommodating tourists and renovating valuable trails for tourists interested in forests and trails will attract visitors and help identify new themes of economic growth. The Cula sub-region will focus on creating local competitiveness by diversifying the functions of local economies characterized by agricultural and non-agricultural activities, capitalizing on rural heritage and developing eco-rural tourism, promoting small business and creating access to modern means of communication and information for the local population.



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