LEADER introduction: Lessons from West Balkan countries

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REGIONAL RURAL DEVELOPMENT STANDING WORKING GROUP, SOUTH EASTERN EUROPE

PREPARE

EUROPEAN COMMISSION IPA and LEADER PROGRAMMES

RSWG-PREPARE Report 2014
‘Empowering Rural Development Stakeholders in the Western Balkans’
Regional Rural Development Standing Working Group, South Eastern Europe (SWG)

- The Western Balkan countries are part of a wider group of countries in South Eastern Europe which are all faced with development challenges in their extensive rural areas.
- In 2006, the governments of these countries decided to form the Regional Rural Development Standing Working Group in South Eastern Europe (SWG).
- This inter-governmental organisation consists of Ministries which are responsible for rural development in the six Western Balkan countries plus Bulgaria and Croatia.

**The mission of SWG**

- increase collaboration among the member countries
- coordinate agriculture and rural development regional initiatives
- support the process of social and economic development of rural areas in South Eastern Europe.
PREPARE

• PREPARE Partnership for Rural Europe, created in 2000, has been a leader in the evolution of thinking and policy related to rural development among civil society and non-government organisations.

• PREPARE’s stated aim is
  • to strengthen civil society in rural areas,
  • to encourage dialogue with governments and European Institutions; and
  • to promote international exchange in rural development.

• PREPARE worked with Latvia, Lithuania, Poland, Czech Republic, Slovakia, Slovenia, Bulgaria and Romania between 2000 and 2007 to encourage the emergence of National Rural Networks. All these countries, now EU member states, have National Rural Networks.
PREPARE in South Eastern Europe

• From 2007 onwards, PREPARE turned its attention to South Eastern Europe, including the Western Balkan countries and Turkey.
• It made contact with NGOs in all those countries; supported meetings there, with the aim of strengthening civil society; and invited both civil and governmental people from those countries to its annual Gatherings and traveling workshops,. In 2007, PREPARE and SWG signed a Memorandum of Cooperation, as a basis for working together.
• SWG and PREPARE have given active encouragement to the creation and work of National Rural Networks in the Western Balkan countries.
EU INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA)

• The EU offers CANDIDATE and PRE-ACCESSION status to countries wishing to join the EU provided they comply with qualifying conditions and geo-political criteria.
• These countries are eligible for EU support from the Instrument for Pre-accession Assistance (IPA).
• IPA support for reform of public policy and administration is provided in 5 different areas (axes).
• IPA support for rural development (IPARD) is provided from axis 5.
EU IPARD ASSISTANCE (axis 5)

• The first IPA Regulation (applying from 2007 to 2013) restricted IPARD assistance to Candidate Countries (Turkey, the former Yugoslav Republic of Macedonia (FYROM) and Croatia).
• The second IPA regulation running from 2014 to 2020 makes aid from all 5 IPA axes available to both Candidate and pre-Accession countries.
• However, the European Commission has yet to give formal audit approval (accreditation) to the arrangements in BiH and Kosovo for decentralised, *ex post* implementation and payment of grants from IPARD funds.
• 5 other countries (Turkey, FYROM, Serbia, Montenegro and Albania) are obtaining IPARD support for programmes or parts of their country which have received EU accreditation.
EU LEADER

- The LEADER approach is a significant and integral part of the IPARD offer to Candidate and Pre-Accession countries.
- LEADER supports creation of sub-regional partnerships between public, and private and civil sectors and the production and implementation by those partnerships of local development strategies.
- Within the EU, LEADER has done much to mobilise cooperation between rural stakeholders on a sub-regional level and to build good relations between them and governments.
- LEADER in combination with IPA financial support has the potential to achieve the same results in the Western Balkans and Turkey.
- As reported in later parts of this paper, a number of these countries have established Local Action Groups which act, or hope to act, as LEADER-type partnerships.
Albania
Support from the European Union.

- Albania has benefitted from three successive phases of pre-accession assistance from the European Union – PHARE, CARDS and now IPA.
- It has made substantial progress in preparing for the decentralised management of IPA funds.
- The Commission expects an application for an IPARD 2 programme, with funding to start not before 2015.
- The ‘Albania Progress Report’, issued by the European Commission in October 2013, notes that Albania is making continued progress in the movement towards conformity with the EU’s acquis communautaire.
‘Community Led Local Development in Albania’.

Conference in October 2013

The Institute for Democracy and Mediation (IDM), Tirana

PREPARE

More than 100 participants

mainly from the civil sector and local government

agreed that the creation and activity of Local Action Groups, i.e. sub-regional partnerships with full participation of civil society, will have a vital role in facing the challenges of local development and in achieving social equality, sustainable economic development, and the growth of social capital
Round Table meeting in Albania: February 2014

QUODEV

agreed to establish a network of Local Action Groups.

Quodev was set up by Oxfam UK in 2013, to continue its work in Albania, which started in 1993 in some of the most remote mountainous and marginalised rural area
Ms. Anila Vendresha, Executive Director of the NGO Quodev,

• the appetite of rural stakeholders for participation is quite good
  • LEADER could stimulate that participation.
• LAGs can bring together people from different angles, and help to create a culture of consensus about priorities for rural development.
• LAGs can encourage innovation, risk- taking and investment, which are much needed in Albania: people can be frightened to take risks, LAGs can provide some safety nets.
  • Local authorities in Albania are not yet experienced in local development;
  • LAGs can press the local authorities to be responsive and participative.
• More finance is needed to help the emerging LAGs to widen their scope and to build their legitimacy.
Bosnia and Herzegovina
Support from the European Union.

• The country is a potential candidate for membership to the European Union.
• It has received EU assistance under the PHARE, CARDs and IPA programmes – see example below.
• However, its progress towards accession to the EU, and therefore its access to IPARD, are constrained by the institutional setup of the country.

Example: In 2012, € 0.4 million of IPA funds supported the development of ecotourism in the Sutjeska National Park, which is one of only two primeval forests in Europe and among the most complex eco-systems in Southeast Europe. This gave a boost to the service sector and sparked the production of new eco-tourist goods and the development of a tourist infrastructure, including new approaches to marketing, which should help the local economy
Western Balkan Concluding Conference in Brussels: 8 April 2014

- There are 156 public authorities – the central government, the 3 entities, the 10 cantons, and the 142 municipalities.
- Each of these has either a Ministry or a Department of Agriculture or of Economy.
- There is a complex pattern of legal provisions for cooperation with stakeholders.
- Linking the action of all these authorities is a coordination team, with sub-groups focused upon:
  - competitiveness in the agro-food industry;
  - agro-ecology;
  - quality of life and development of the rural economy;
  - LEADER.
- Each of these sub-groups has representatives of relevant stakeholders, for example agricultural cooperatives, associations, chambers of commerce and university faculties.
- The LEADER subgroup includes nine Local Action Groups.

Ms. Jelena Prorok, BiH Ministry of Foreign Trade and Economy
The REDAH development agency, was set up in 2003, based on the LEADER approach,

It is a partnership between 23 municipalities, two NGOs, two chambers of commerce and three individual companies. 450 000 people inhabit the area.

16 partner municipalities are in BiH and 7 in RS.

Its work focusses on

- regional development,
- cross- border cooperation,
- support to small and medium- sized enterprises
- general promotion for agriculture and rural development

“working in Bosnia and Herzegovina is a bit like struggling to solve a Rubik's cube. “Mr Ivica Sivric, Director REDAH.”
Western Balkan Concluding Conference in Brussels 8 April 2014

- The REDAH development agency has established the Centre for Rural Development and Agriculture
- This Centre seeks to enhance networking; offers support to cooperatives and associations; provides training and practical advice; and manages pilot projects and studies, for example in the production of berries.
- With help from the Spanish LEADER network, it is supporting the creation of Local Action Groups.
- These groups are now in the process of formal establishment, and in the meanwhile starting work on a modest scale.
- For example, the LAG Planinski biser has supported 11 projects, with grants totaling €35,000

*Mr Ivica Sivric, Director REDAH.*
The REDAH development agency is also working with other NGOs to create a Rural Development Network for Bosnia and Herzegovina, on the lines of NRDNs established in Serbia, the former Yugoslav Republic of Macedonia and Montenegro.

REDAH and another NGO, the Agency for Cooperation, Education and Development (ACED), take the lead in establishing the RDN, with technical and financial support from PREPARE and ELARD.

ACED was set up by Republic of Srpska, is based in Banja Luka, and is a non-party, non-government, non-profit-making organisation committed to serving development and social progress.

Mr Ivica Sivric, Director REDAH.
Key developments timeline:

- **July 2012**: ACED, with PREPARE’s support, organised a *workshop in Banja Luka* entitled ‘Rural Development of Bosnia and Herzegovina’.
- **September 2013**: ACED, REDAH and two Local Action Groups organised a multi-national PREPARE *Gathering at Jalonica*, with traveling workshops in different parts of Bosnia and Herzegovina, supported by PREPARE and ELARD.
- **April 2014**: *Sarajevo conference* organised by the same partners for 15 LAGs decided to form a National Rural Network. This Network, which expects to hold a Rural Parliament in late 2014 intends to be a prime mover in stimulating rural stakeholders to be active in rural development.

*Mr Ivica Sivric, Director REDAH.*
• In BiH, ministries and institutions do not consider seriously the opinions of direct participants in rural development, such as municipalities, NGOs and the private sector.
• They adopt programmes by working with the academic community, mostly on theoretical basis instead of real field demands.
• They should instead:
  • organise discussions, round tables, workshops, in order to realize the real grass-roots situations, and then adapt a programme;
  • develop contacts at the local level, and strengthen the capacities of municipalities, NGOs and the private sector in order to widen the network of participants who can bring ideas to the government.

Mr Ivica Sivric, Director REDAH.
• REDAH has for some years been:
  • connecting participants through project activities,
  • presenting them with possibilities and methods for solving particular problems. In ways which:
    • respect real needs in the field
    • help find partners,
    • develop the network of participants,
    • help find resources,
    • practice joint implementation, monitoring, evaluation, etc.
• Our main aim is to increase the number of people in the field who understand the importance of such work in rural areas.

*People are the crucial capital for development: if we invest in them, then the financial support will also have more important and more concrete effect.*

*Mr Ivica Sivric, Director REDAH.*
Kosovo
Support from the European Union 1.

- Political uncertainty has delayed Kosovo’s progress towards possible separate accession to the European Union.
- It was only in 2013 that the European Commission confirmed that a Stabilisation and Association Agreement can be concluded between the EU and Kosovo.
- However, the territory has been eligible for EU assistance under the PHARE, CARDS and IPA programmes.
- The European Commission’s “2012 Annual Report on Financial Assistance for Enlargement” reports as below on Kosovo’s Rural Grant Scheme, which was part-funded by the EU:
Support from the European Union 2.

• “With € 5 million worth of funding, the multiannual Rural Grant Scheme supports the development and modernisation of three agriculture sub-sectors – dairy, meat, and fruit and vegetable processing.

• In order to bring Kosovo’s agricultural industry up to EU standards, the programme supports a variety of areas. These include: improving the use of by-products; introducing products with higher value added; creation of cold storage facilities; updating appropriate food safety management systems; better marketing of processed food products; and modernising quality control equipment.

• By the end of 2012, the grant scheme had helped 13 Agro-food processing companies and created about 240 seasonal and 64 long-term jobs. About 400 farmers successfully signed contracts with processors to supply them with milk, meat, fruit and vegetables.

• The end result is a stronger agricultural industry in the region that can contribute to stable food supply in Europe.”
Western Balkan Concluding Conference in Brussels: 8 April 2014

- Kosovo is committed to securing long-term sustainable growth.
- The government’s rural development programme for 2014-20 is in preparation, focussing on growth, competitiveness and environmental protection.
- Preparation of this programme has involved a comprehensive analysis of the different groups of stakeholders in the territory, and a series of five seminars with stakeholders in order to define the priorities for development. The consultation timeline also includes:
  - **November 2012**: the first national stakeholder conference, attended by 180 stakeholder representatives. This conference identified four main priorities: competitiveness in production of livestock and crops; agriculture and environment; vocational training; and the LEADER approach.
  - **June 2013**: a first draft of the development programme was presented to the second national conference which discussed priorities and detailed measures. Participant stakeholders were later given further information.
  - **December 2013**: third national conference for a broader group of stakeholders to comment on the design of measures.

_Blerand Stavileci, Minister of Agriculture, Forestry and Rural Development_
Western Balkan Concluding Conference in Brussels: 8 April 2014

• NGO ‘Initiative for Agriculture Development’ is satisfied with the government’s cooperation
• The dialogue between stakeholders in the working group has been helped by the Ministry. Some of this NGO’s members were relatively weak, compared with other strong lobbying organisations, but by participating in the working groups and using the information supplied by government, (which they could take to their own members) were able to adequately express their priorities and points of view.
• There is a need for further effort to reach out to and involve parts of the rural population have not yet been involved in stakeholder groups, for example those who live in the mountainous areas which have suffered severe out-migration
• There is a continuing need to build trust amongst different stakeholders, and between them, the local authorities and the government
• The Local Action Groups, which have been set up in recent years, are still weak,. Very few of them have been able to distribute grants: there is a great need to build up their capacity.

Zenel Bujaka, Director of the NGO ‘Initiative for Agriculture Development’
Turkey
Turkey is by far the largest of the seven countries, with a vast territory and a population of 75 million.

This great size, together with wide geographic and ethnic variety, poses a major challenge in identifying rural stakeholders and involving them in developmental processes.
Western Balkan Concluding Conference in Brussels: 8 April 2014

- There are three main levels of administration in Turkey –
  - national government,
  - provinces
  - districts.
- The country is subdivided into 81 provinces, and each province is divided into districts, with a total of 923 districts.
- Each province is administered by a governor appointed by the Ministry of Interior.
- A district may cover both rural and urban areas.
- One district of a province is the ‘central district’ : it is administered by an appointed ‘vice-governor’
- other districts are administered by a ‘sub-governor’.
- All district centres have municipalities, headed by an elected mayor, who administers a defined area (usually matching the urban zone) for defined purposes.
- A growing number of settlements, which are outside of district centres, also have municipalities, usually because their population requires one.
- At the lowest administration level, each quarter (commune) of a municipality, and some villages, have elected muhtars who take care of specific administrative matters, which may vary according to the locality.
Western Balkan Concluding Conference in Brussels: 8 April 2014

• Turkey’s Tenth Development Plan (2014-2018) includes a general framework of rural policy,
• The main components of this rural development framework are:
  • strengthening the rural economy and employment,
  • improving human resources, and reducing poverty,
  • improving social and physical infrastructure with conservation of natural resources.
• The primary objectives are to:
  • ensure that minimum level of welfare in rural areas shall be closer to the national average; and
  • improve the working and living conditions of rural communities.
• The draft National Rural Development Strategy (2014 onwards), prepared by the Ministry of Food, Agriculture and Livestock with technical support from the Ministry of Development, is a tool for implementing the Tenth Development Plan. It provides a general framework for rural development activities and will be financed by national and international resources.
Support from the European Union.

- Negotiations between the EU and Turkey, relating to the country’s potential accession to the Union, have fluctuated in recent years. In 2012, the Positive Agenda for EU-Turkey relations brought fresh dynamism, and several parts of the accession process are back on track after a period of stagnation.
- This included a substantial increase in the country’s participation in EU programmes, including IPARD and LEADER described below.
- Other lines of EU support include, for example, €43.5 million towards the Greater Anatolia Guarantee Facility, which provides credit of over €900 million towards small and medium-sized enterprises in the developing regions of Turkey. This project aims to reach at least 4,000 SMEs in 43 developing provinces.
- In another project, the EU provided €13.6 million to support an increase in enrolment rates of girls and young women attending secondary and vocational schools, with additional training to improve their working skills.
Support from the European Union: IPA.

- Turkey is one of only three countries which benefited from the use of IPARD 1 (the others being the former Yugoslav Republic of Macedonia and Croatia).
- Its national IPARD 1 Programme for 2007-2013 was approved by the European Commission in 2008, with a total indicative budget of €865.1 million.
- The process of introducing the programme, on the basis of decentralised management by the national government, has proved to be complex and demanding.
- IPARD has accordingly been introduced by geographical stages and times. The first calls for proposals for a restricted number of IPARD measures and only in a few provinces issued in 2011 and the full range only in July 2013.
- The programme is now being implemented in 42 of the 81 provinces of Turkey.
- The government’s IPARD agency has regional offices in these provinces and currently employs about 2,000 staff.
Support from the EU: LEADER 1.

- the Ministry of Agriculture is promoting the LEADER approach in Turkey.
- capacity building for this purpose has recently started (2014)
- two pilot areas have been chosen in different parts of the country
- the Ministry engaged national experts who are familiar with LEADER and who will help with the training of “animators”;
- some strong NGOs are involved; and the aim is to consult all stakeholders in the area.
- Local Action Groups will be registered as they are formed under the powers and procedures of the Law of Civil Associations, in consultation with the Ministry of Interior
Support from the EU : LEADER 2.

• Turkey has a significant number of NGOs and foundations who are active in different fields directly or indirectly related to rural development.
• A significant example is the help given during the last 5 years by the Hüsnü M. Özyeğin Foundation which helps people in villages in the Kavar Basin in southeastern Turkey to strengthen their fragile economies and social infrastructure.
• Such action by NGOs does not appear to be recognised by government, nor linked to the government’s own development activity.
Support from the EU : LEADER 3.

• Timeline of attempts to bring the two sides together:
  • **November 2012** Heinrich Böll Foundation, Istanbul, organised a national Conference on ‘Alternative and new approaches on rural development’ at Kadir Has University, attended by representatives of many NGOs. This conference focused on the role of small famers, rural development and related gender issues; and it received a report on activities in these fields within the European Union.
  • **August 2013**, the Hüsnü M. Özyeğin Foundation, working with PREPARE and its partner Hungarian Rural Parliament, organised a successful training session in Istanbul, with 40 participants from NGOs and government officials.

After a first sceptical reaction, participants from both sides – NGOs and government – gained trust in each other and contributed to a better understanding, within government and administrations, of the needs of local communities.
Conclusions from the seven countries
Western Balkan Concluding Conference in Brussels: 8 April 2014

What have we learnt about the present state of relations between stakeholders and governments in the seven countries? The most important lessons are:

• Rural development is recognised as being both top-down and bottom-up
• It is accepted that the two directions must be connected
• Action by stakeholders already provides growth points for future development
• The broader mass of rural people are still ill-connected to development processes
• The concerns of stakeholders relate to a wide scope of development
• Policies and practices of rural development are still being shaped
• The role of different levels of governance is not fully clear
• The mechanisms for connecting governments and stakeholders are emerging
• The groundwork for partnership is being laid
• More education and confidence in and between government and other stakeholders is needed in all countries
• IT IS VITAL TO ALLOW ENOUGH TIME (YEARS) FOR COMPLETING THE ABOVE
SERBIA

- most Government expenditure on agriculture and rural development since 2004 (90% of the total) has been on payments to farmers to promote competitiveness.
- Every year, the Ministry of Agriculture and Environmental Protection announces measures for support to all farmers who are in the National Register of Agriculture Holdings.
- Most of the support goes to subsidy payments in the field of market development and direct support to producers.
- Spending on rural development by the Ministry of Agriculture and Environmental Protection has varied, and is currently only 3% of the total, about 8.2 million euros per year. Of this, the larger part goes to support for competitiveness of agricultural production, but some support is also given to agro-environment measures, diversification of rural economy and (in 2013) LEADER-like activities.
- All these measures are in line with EAFRD principles, as part of the process of EU integration.
FYROM 1

• in 2007, the government introduced a National Strategy for Agriculture and Rural Development for 2007-13 and passed a law establishing an Agency (AFSARD) to manage the relevant financial support.

• The Strategy embraced the same range of measures, as the European Agricultural Fund for Rural Development operating within the EU.

• The Strategy has been implemented through annual programmes for rural development, for which annual funding increased from € 24 million in 2005 to € 101 million in 2009.

• The largest part of these funds has been applied to direct subsidies to farmers, plus lesser figures for forestry, veterinary action and other issues, including funding for rural development, which stood at € 6.8 million in 2009.

• The government’s intention for the future is to focus more on improving the environment, land management and diversifying the rural economy.
FYROM: IPA

- FYROM’s national IPARD Programme for 2007-13 was approved in 2007, with a total indicative budget of € 87.53 million.

- In 2009, decentralised funding via AFSARD was authorised for three measures:
  - Investments in agricultural holdings to restructure and to upgrade to Community standards,
  - Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards
  - Diversification and development of rural economic activities
FYROM: IPA

• Since 2009, the government has issued nine public calls for applications to use IPARD funds.
• The uptake has been slow, with the result that part of the total funds were de-committed and allocated to rural infrastructure projects in a different part of the IPA programme.
• To date, about 18% of the remaining IPARD 1 budget has been committed to fund about 300 projects.
• A tenth public call for IPARD funds is now in operation, but at April 2014 a large part of IPARD 1 funds remained to be spent.
• The Ministry of Agriculture, Forestry and Water Management is currently preparing its application for IPARD 2 for 2014 to 2020, which will have the same scope as IPARD 1, plus forestry and advisory services.
MONTENEGRO 1

• In 2009, the Law on Agriculture and Rural Development was approved, and the government launched the National Programme of Food Production and Rural Development 2009 to 2013.

• This programme has been focused on sustainable resource management, achieving a stable food supply, providing adequate standard of living for the rural population, and raising the competitiveness of food products.

• The measures are based on the structure of the EU’s Common Agricultural Policy, and are being progressively introduced.
MONTENEGRO 2

• With help from the World Bank, the Ministry of Agriculture and Rural Development ran the MIDAS programme of support to farm and food enterprises.

• It has created a Rural Development Department, which will act as the Managing Authority for the Rural Development Policy, and a Paying Agency which should be accredited by the end of 2014.

• It is recruiting and training further staff to these teams; and is preparing its Agriculture and Rural Development Strategy for 2014-20.
MONTENEGRO IPA

- Montenegro is eligible for assistance through IPARD.
- Work on the IPARD programme started in 2010
- A draft programme for IPARD 1 was submitted to the European Commission in 2012. However, the national implementing structures and potential beneficiaries were not then ready to implement IPARD 1.
- The government is currently preparing its application for IPARD 2, alongside the national Agriculture and Rural Development Strategy.
- The IPARD Programme is expected to focus on measures related to investments in agricultural holdings; investments in processing and marketing of agricultural and fishery products; and diversification and development of the rural economy.
UNDP-ADC-SDC Project
Fostering Regional and Local Development (RLD)

A quick snapshot
WHAT DOES GOVERNMENT AND RLD WANT TO ACHIEVE?

Municipalities and regional administrations, supported by central government, able to formulate and implement gender-neutral, sustainable local strategies, action plans and projects, in consultation and partnership with their communities.
• RLD supports development and adoption of national (in association with EU RegPol project), regional and municipal strategies, action plans and projects
• RLD supports government decentralisation of powers, budgets and institutional fiscal and monitoring responsibilities to lowest levels possible
Societal

• making local people, communities and civil society organisations aware of and able/motivated to contribute to local formulation and selection of projects

• Scope for LEADER?