



# Empowering rural stakeholders in the Western Balkans



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# Empowering rural stakeholders and communities is the only way forward

When it comes to rural development, engaging rural stakeholders and communities is a prerequisite for any genuine progress. Real advancement in the processes of rural development can be achieved only if everyone is on board. This means local mobilisation, community initiatives, but also building honest partnerships between stakeholders and governments. It has to come from the communities themselves, but it has to be supported by decision makers and policies. It is a two-way process that requires not only a lot of effort, but also the right tools to make it possible.



From my personal experience, coming from a new member state, looking back at how things evolved in my country, I know that empowering communities on matters such as rural development is an imperative, not an exception. It is a difficult task, because rural regions are more exposed to economic constraints, migration, weak infrastructure or poor public services. I know how challenging and demanding this can be, but I also believe that this is the only way forward.

We need to find better mechanisms to allow for better participation. With its travelling workshops through countries in the Western Balkans, this project is not only about getting these countries closer to Europe, but also about understanding their needs, and assessing relationships between governments and stakeholders. You will find all these in this report and it is valuable information for Europe and for the countries concerned. However, for me, its value resides also in finding and testing new methods of societal engagement, ways to put together stakeholders and political leaders. Its importance goes beyond the EU enlargement process as its conclusions and the recommendations could be extrapolated to any policy initiative applicable at the EU level.

When it comes to designing EU policies - and rural development is one of them - we need new methods, new ideas, and new tools to empower citizens, stakeholders and governments, to create a climate of trust. Farmers, entrepreneurs, NGOs, village communities need to be involved, to participate, allowing decision makers to have a clear view of realities and needs on the ground. For this to happen we must find better ways to listen, we need to be more inclusive in our dialogue with society. This is particularly important in rural areas where people are still insufficiently connected to these processes, and this is the reason why I followed this project with great attention.

The recent reform of the Common Agricultural Policy represented a new direction for the policy itself, but I would like to think it did more than that. That we also introduced a change of method in policy design at EU level. We listened more, we had a better dialogue with the society, we communicated more with farming and non-farming stakeholders, with communities, with NGOs. Nevertheless, I am convinced that more can be done. This is why this report is valuable - not only for its conclusions and recommendations, but also for describing ways to empower rural stakeholders and communities.

To the initiators of this project - the Standing Working Group for Regional Rural Development in South Eastern Europe (SWG) and PREPARE - and to all those involved, from public administrations to civil society and citizens, a hearty thank you for your participation and your hard work. I know that this project was also built on valuable personal experiences, and I believe that this is where everything starts: Europe grows with connecting people.

Dacian Cioloș,  
European Commissioner for Agriculture and Rural Development

# The beauty of the European Project

The beauty of the European project emerges where people meet, from very different cultures and professional horizons, where they listen to each other, share ideas, and discover what they have *in common*. This project of six traveling workshops through the three countries of the Western Balkans - "Empowering rural stakeholders" - was such a revelation, creating common ground between local actors, administrations, national governments and European institutions, all involved in rural development.

It takes some courage and persistence to agree upon, organise and carry out such an adventure. It requires trust between all partners involved, public institutions, private enterprise and civil society, that it is worth investing energy and time in what we called a common "rural reality check". Looking for solutions to the broad range of real problems we identified in rural areas, we have worked from the bottom-up, involving local people and their initiatives as well as their National Rural Networks; and we worked from the top-down, including the broad expertise of national ministries and the services of the European Commission. With our conclusions from this encouraging European event we met somewhere in the middle. We agreed that we must *together* encourage and empower rural people from the bottom-up and from the top-down, so that they can take their own destiny into their hands.



As initiators of this European event, the Standing Working Group for Regional Rural Development in South Eastern Europe (SWG) representing the ministries for agriculture and rural development of the region, and PREPARE - promoting civil society partnership for rural Europe - express their warm thanks to all partners involved in the event. Without the hard work and know-how of our colleagues in the national networks and the local projects, the strong support from national ministries and administrations and the extraordinary engagement of the Commission services from TAIEX and DG Agriculture and Rural Development, this project would not have been possible.

We very much hope that the recommendations from this report will be helpful for day to day work of all involved and an encouragement to further cooperation.

Boban Ilic,  
Secretary General, SWG  
and  
Hannes Lorenzen,  
Chair of Organising Group  
PREPARE Partnership for Rural Europe

# Summary



## The events (chapters 1 and 2)

This report, and the events recorded in it, focus upon seven countries which are at various stages of active or potential candidature to join the European Union. Six of the countries are in the Western Balkans – Albania, Bosnia and Herzegovina, Kosovo\*, the former Yugoslav Republic of Macedonia, Montenegro and Serbia. The seventh country is Turkey.

These countries are reforming their governmental systems to align them with the standards and policies of the European Union. To help in this process, the EU offers support through the Instrument for Pre-accession Assistance (IPA). Part of that Instrument is focused on rural development, including the potential to use the LEADER approach, which operates successfully throughout the EU.

The central concept behind the events described here is that effective rural development will depend upon action by both governments and rural stakeholders. It is vital that the two sides work closely together; that governments involve rural stakeholders in shaping and implementing policy; and that rural stakeholders are empowered to take initiatives which benefit rural communities.

In order to stimulate the thinking of governments and rural stakeholders, the events had an unusual format – a simultaneous series of six traveling workshops in Serbia, the former Yugoslav Republic of Macedonia and Montenegro, followed by national conferences in the three countries and a concluding conference in Brussels.

Taking part in these events were Ministers, Government officials and rural stakeholders from the seven countries, plus EU experts and representatives of the four organisations which co-initiated the events – the European Commission's Directorates for Agriculture and Rural Development and for Enlargement, the Standing Working Group for Rural Development in the Western Balkans (representing the Governments in the region), and the PREPARE Partnership for Rural Europe.

The traveling workshops were designed to provide a 'reality check' for the participants, by bringing them face-to-face with

each other and with farmers, entrepreneurs, local authorities, Local Action Groups (LAG) and others on their own ground. The participants had time for discussion and reflection on the realities as seen by rural people and by the governments who serve them.

## Serbia (chapter 3)

More than half of Serbia's population lives in rural areas: one-fifth of its workforce is in agriculture: it has 450,000 farm holdings of less than 5 ha. So, the government has focused much effort on support to farmers. Now it is drafting new policies for rural development, aiming to diversify the rural economy and to support sub-regional partnerships based on the LEADER approach. It has consulted stakeholders; encouraged the creation of many potential Local Action Groups; and supported the creation of 16 regional associations. These associations co-founded the Network for Rural Development of Serbia, which is promoting action by rural stakeholders.

The two traveling workshop groups in Serbia were impressed by a number of key themes – the severe difficulties faced by small farmers; the value of cooperatives and associations in enabling farmers and others to work together; the presence of many dynamic entrepreneurs; commercial enterprises created by women; the active role of municipalities in rural development; the potential for leadership at local level; and the low profile of national government.

The visiting groups concluded that the Government needs to become more visible and more effective; to establish a policy-related climate in which enterprise can flourish; to involve NGOs and businesses more fully in shaping strategies and programmes; to strengthen frontline advisory services; to link national rural development programmes more clearly to the work of municipalities; to launch soon a network of properly-funded Local Action Groups; to support the formation of cooperatives and associations; and to sustain the activity of the Network for Rural Development. Municipalities should be more consistently active in rural development; involve stakeholders in shaping and implementing policies; and encourage initiative at village

level. Rural stakeholders should respond to the growing openness of government, and should take initiative in meeting the collective needs of their sectors or their rural communities.

## the former Yugoslav Republic of Macedonia (chapter 4)

Half of the population of the former Yugoslav Republic of Macedonia lives in rural areas: agriculture produces about 10% of its national GDP: of its 190,000 farms, about 80% are small family farms of average size of 1.7 ha. The government has pursued a national strategy for agriculture and rural development; has applied most of the funding in direct payments to farmers; but intends to focus more in future on environment, land management and diversifying the rural economy. Since 2009, the country has benefited from EU funds under the IPARD measure. Substantial leadership in the field of rural development is being provided by the Rural Development Network, which aims to mobilise rural communities as agents of local development and as participants in rural policy. It has 58 NGOs in membership; works closely with about 1,500 rural leaders; and has done much to lay the foundations for LEADER-type activity.

The two traveling workshop groups in the former Yugoslav Republic of Macedonia were impressed by a number of key themes – fragility among rural communities, many of which appear to be caught in a vicious cycle of decline in population, employment and services; the challenges faced by the farming community, including the impact of climate change; the presence of dynamic entrepreneurs; the first steps into cooperation in farming and in the food chain; the opportunities offered by heritage and tourism; the potential for leadership by municipalities, and for LEADER-type activity; the flexible use by entrepreneurs of many different sources of funds; and the very low take-up of IPA Rural Development (IPARD) funds.

These visiting groups concluded that there is a strong need for integrated rural development policies, in order to address the vicious circle of weak rural economies, unemployment, out-migration, inadequate rural services and infrastructure. There must be clear linkage and complementarity between the policies of central govern-

ment and of municipalities. The time is ripe for launching a full LEADER programme. Cooperation and networking among rural stakeholders should be supported by Government, municipalities and Local Action Groups. Access to credit and finance should be improved. The Government and the European Commission, when shaping the IPARD 2 programme, should analyse the reasons for low take-up of IPARD 1 and make changes accordingly. There is widespread need for advisory services, training and other aspects of capacity-building: leadership in this field should come from the Government, the Rural Development Network, municipalities and Local Action Groups.

## Montenegro (chapter 5)

Of Montenegro's population, 40% lives in rural areas: agriculture produces about 10% of its national GDP: its farming structure is dominated by over 50,000 small family farms of average size of 5 ha. The national economy is dominated by the service sector; and tourism is considered the backbone of future economic growth. The government sees the need for urgent strengthening of the farming and food sectors, in order to increase their competitiveness. Last year, the Ministry organised wide public consultation about rural policies, but was disappointed by the low response. It supports the establishment of NGOs, including associations of producers. The Rural Development Network of Montenegro, set up in 2012, aims to promote rural development through exchange of information, ideas and best practice: it has 18 NGOs in formal membership, and links to many municipalities.

The two traveling workshop groups in Montenegro were impressed by a number of key themes – the role of dynamic entrepreneurs; the value of cooperatives and associations; the active use by farmers of information, advice and financial support from the government; the potential offered by tourism in diversifying the rural economy; the need to focus more widely on strengthening rural economies, and on sustaining rural services and infrastructure; the potential role in local development of municipalities, which however appear to be now severely constrained by the lack of finance; and the need to strengthen institutional capacities at many levels.

\*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ opinion on the Kosovo declaration of independence.

The visiting groups concluded that Montenegro has already achieved significant things in rural development, notably in promoting competitiveness in agriculture and the food industry. But the Government and the people realise that it must continue urgently the process of developing the full institutional basis for a comprehensive approach to rural development, including a closer and fuller partnership between government and rural stakeholders. Major elements in that institutional framework may be an updated national strategy for agriculture and rural development, supported by an IPARD 2 programme; a phased programme for introduction of the LEADER approach; the production, by municipalities or Local Action Groups, of local development strategies; shaping of a clear relationship between national and local development strategies; progressive strengthening of the family of rural NGOs, and of the national Rural Development Network as the focal point of this family; widening of the government's extension services and active information systems; a structured basis for links between government and organisations representing rural stakeholders; and a programme of education, training and capacity building, made available to all key sectors.

### Experience in four countries (chapter 6)

Taking part in the traveling workshops in Serbia, the former Yugoslav Republic of Macedonia and Montenegro were officials and NGO representatives from Albania, Bosnia and Herzegovina, Kosovo and Turkey. Ministers or their representatives from these countries attended the concluding conference in Brussels.

### Albania

In recent years, Albania's labour market has seen a dramatic shift away from agriculture and towards industry, tourism and other services. Less than half of its population now lives in rural areas. But agriculture is still a major sector, providing half of total employment and about 20% of national GDP. The government's policy for agriculture and rural development is focused on stimulating farmers to create effective businesses and to contribute to economic growth. When preparing this policy, the Minister of Agriculture, Rural Development and Water Administration consulted producer groups and other stakeholders. The producer groups asked for support towards their collective activity, such as in building facilities for storage and refrigeration. The Ministry takes advice from *ad hoc* committees, including stakeholders. Speaking at the concluding conference, Ms. Anila Vendresha of the NGO Quodev said that the appetite of rural stakeholders for participation is quite good in Albania. She argued strongly for the support of LEADER-type Local Action Groups (LAGs), some of which have already been created with the encouragement of Quodev. LAGs can bring together people from different angles, and can help to create a culture of consensus about priorities for rural development. Local authorities in Albania are not yet experienced in local development, and LAGs could press these authorities to be active, responsive and participative.

### Bosnia and Herzegovina

About 60% of the population of BiH lives in rural areas: agriculture accounts for 10% of national GDP: most of the farm holdings are small family farms, many operating at subsistence level. The complex structure of governance means that responsibilities for agriculture and rural development are divided between the central government, the two autonomous entities (Federation of Bosnia and Herzegovina, and Republic of Srpska), the Brčko District, the 10 cantons in the Federation, and 142 municipalities. Linking the action of all these bodies is a coordination team, with specialist sub-groups, including a LEADER sub-group which includes 9 Local Action Groups.

This complex institutional setup is constraining the country's progress towards accession to the EU, and therefore its access to IPARD funds. However, organisations with links to rural stakeholders are finding ways to cooperate between sectors, and across internal borders. For example the REDAH development agency, set up in 2003 on the basis of the LEADER approach, is a partnership between 23 municipalities (16 in the Federation area, 7 in Republic of Srpska), 2 NGOs, 2 chambers of commerce and 3 individual companies. It is focused on regional development, cross-border cooperation, support to SMEs, and general promotion to agriculture and rural development; and is supporting the creation of Local Action Groups. It has been working with other NGOs to create a national Rural Development Network, parallel to those in Serbia, the former Yugoslav Republic of Macedonia and Montenegro.

### Kosovo

Of Kosovo's population, over 60% live in rural areas. Political uncertainty about the territory's status has delayed progress towards its accession to the EU, but it has received EU assistance under a sequence of programmes. Through its Rural Grant Scheme, the government has supported the modernisation of three agricultural sectors – dairy, meat and fruit and vegetable processing. The Ministry of Agriculture is preparing a rural development programme for 2014-20, focused on growth, competitiveness and environmental protection. Preparation of this programme included seminars with stakeholders to define priorities. A national conference in late 2012, with 180 stakeholder representatives, identified four main priorities – competitiveness in production of livestock and crops; agriculture and environment; vocational training; and the LEADER approach. Two further national conferences with stakeholders have been held, and the Minister of Agriculture believes that this sequence of intensive discussions has done much to empower stakeholders.

The director of the NGO 'Initiative for Agriculture Development' confirmed that this consultation by the Ministry has assisted dialogue among stakeholders. However, there is a need to continue building trust among stakeholders, and between them, local authorities and government. Some rural communities, e.g. those in mountainous areas affected by severe out-migration, are not yet involved in stakeholder groups, and further effort is needed to involve them. Some potential Local Action Groups exist, but are weak and under-funded: there is a great need to build up their capacity.

### Turkey

20 million people, more than a quarter of Turkey's population, live in rural regions, and a large proportion of them depend on agriculture or other locally-based industries. These industries are supported through significant government programmes, some of which are co-funded by the EU. For example the Greater Anatolia Guarantee Facility provides credit of over €900 million toward SMEs in developing regions. The draft National Rural Development Strategy provides a general framework for rural development activities. In 2008, a national IPARD 1 programme was approved by the European Commission, with a total budget of €865 million: this is now being implemented in 42 of the 81 provinces, and the number of projects submitted for IPARD support has been growing rapidly. The government is now preparing application for IPARD 2 funds. It is promoting the LEADER approach, with the help from leading NGOs. A number of NGOs and foundations are active in different fields related to rural development in Turkey. Some of the NGOs belong to the non-institutional network KKG. Regional or national conferences or training sessions have been organised by other foundations, with help from PREPARE Partnership for Rural Europe. Much remains to be done in capacity-building among rural stakeholders, and in strengthening trust and cooperation between different NGOs and between them and government.

### Challenge (chapter 7)

What have we learnt about the present state of relations between stakeholders and governments in the seven countries? The most salient conclusions seem to be the following:

- *Rural development is recognised as being both top-down and bottom-up.* Action by governments is essential in order to provide infrastructure and services, to ensure fair play and cohesion, and to create and pursue strategies for development. But much of the action at local level lies with farmers, entrepreneurs, village communities and NGOs.
- *It is accepted that governments and stakeholders must be connected.* Government policies must reflect the true realities of rural resources and needs. Rural actors must understand the help they can gain from government and be enabled to seek that help in workable ways. The aim must be to achieve true participation of stakeholders, and partnership between them and government. Such partnership is not easy, because of the imbalance of power between people and government ... and that is why the rural stakeholders must be empowered.
- *Action by stakeholders already provides many growth points for future development.* The rural regions in these countries contain many lively initiatives, active and successful entrepreneurs, both men and women, often people who have gained experience abroad and then returned. Some of them have been elected to municipalities, thus forming a personal connection between top-down and bottom-up. These are crucial growth points in the emerging rural development campaign.
- *However, the broader mass of rural people are still ill-connected to development processes.* Many rural regions in the seven countries have narrowly based rural economies, low average income, unemployment, out-migration of young people, weak infrastructure or gaps in social services. Crucially, there are hundreds of thousands of small farms, disadvantaged in many ways, and often feeling powerless. We must find ways to strengthen and diversify economies of these areas before they are opened to the full shock of EU competition.
- *The concerns of stakeholders relate to a wide scope of development.* The future viability of rural communities and rural economies depends not only on the measures contained in rural development policies, but also on a wider range of elements, such as roads, water supplies, schools and higher education. So, a fully integrated approach to the development of rural regions is needed. All relevant policies and programmes may need to be 'rural-proofed', i.e. subjected to assessment of their potential impact on the well-being of rural communities.
- *Policies and practices of rural development are still being shaped.* Some governments have had policies for rural development in place for some years, usually with a strong focus on direct support to farmers. All the governments are now preparing or updating their policies, with a wider focus. Five of the countries are expected to submit IPARD 2 programmes. So, opportunities are opening up for a more rounded approach to rural development, with commensurate need for fuller working relationships between governments and stakeholders.
- *The role of different levels of governance is not fully clear.* In the Western Balkan countries, government is effectively at two levels, national and municipal. Each of these levels can act in the field of rural development. This two-tier structure has great potential value, in that public action and funding can be flexed by municipalities to the specific needs of their populations; and that municipalities are closer to the people, and thus more accessible to rural stakeholders than central government. However, stakeholders have no clear impression of the complementarity between the central and municipal levels in rural development work. There is a wide variation in levels of action, or lack of action, by municipalities. There is no systematic basis for public initiative at village level to sustain the services which rural communities need – whereas in many villages in Turkey, the elected *muhtar* can take such initiative.
- *Mechanisms for connecting governments and stakeholders are emerging.* Governments in the seven countries have all, to varying degree, sought to involve stakeholders in the process of preparing strategies and programmes for agriculture and rural development. The main focus has been upon information and consultation, but some groundwork has been laid for fuller participation and partnership. These are significant first steps in building cooperation and trust between government and stakeholders, which will be crucial to the success of development processes. However, very many stakeholders cannot yet connect to policy-making.

- *The groundwork for partnership is being laid.* In some of the countries, significant steps have been taken towards introducing concepts of partnership and the LEADER approach. A few countries already have networks of sub-regional partnerships, or Potential Local Action Groups. So, the groundwork exists for the phased introduction of LEADER as a significant element in future rural development programmes, and as one leading mechanism for cooperation between government and stakeholders.
- *Valuable networks have been created.* A crucial asset for the forward march into effective local development in the Western Balkans is a family of Rural Development Networks in at least four of the countries. These networks, independent from but recognised by governments, provide crucial points of contact and collaboration between municipalities and NGOs; can relate directly to stakeholders; can encourage the creation of producer groups, cooperatives and associations; and can promote action at village level. They are a vital part of the 'architecture' of future development structures in these countries.

## Opportunity (chapter 8)

What do these findings imply for the future relations between government and stakeholders in these countries ?

**If we are truly to empower rural stakeholders, and to build genuine partnership between government and people in the processes of rural development, we need to develop tools which enable government to stretch outwards and downward among the stakeholders, and the stakeholders to stretch outwards and upward towards government.**

**This is a two-way process, demanding deliberate effort from both sides.**

What tools do we need ? Our discussions suggest the following main elements :

- *Clarity about the role of different levels of governance.* Citizens should be able to find out easily which arm of government is doing what in the field of regional or local development, and at what level – central, municipal or local. This is a straightforward issue, to be addressed by government information services, working closely with municipalities and their Associations.
- *Integrated approaches to development.* When finalising the new generation of strategies and programmes for agriculture and rural development, governments should review the scope of their intended action in the field of 'narrow' rural development; ensure that this scope addresses both the needs of farmers and the diversifying of rural economies and the strengthening of rural services; and ensure that there are effective links between these programmes and those which are deployed by other ministries or agencies in the fields of

transport, water supply, electricity and other services which are essential to rural enterprises and communities. An integrated approach should also apply to the rural development activity of municipalities and (as they come on stream) of local partnerships and LEADER groups.

- *Support to marginal areas and small-farming communities.* These countries have many marginal areas and small farming communities, which deserve urgent government attention. They are still home to hundreds of thousands of people: if a spiral of decline is allowed to continue, the quality of their lives will deteriorate. These areas contribute food, timber and other resources to the national economies: they contain ecosystems, landscapes and cultural heritage which need effective stewardship. So, governments should focus their efforts in an integrated way in guiding the necessary change in farming structures in these areas, diversifying their economies in order to replace the loss of agricultural jobs, and sustaining the vitality of the communities. This implies a package of measures of the kind that is pursued within the European Union, supported by good accessible systems of information, advice and extension services, delivered with a human face in order to build trust between stakeholders and government.
- *Clear and open processes of information, consultation and participation.* Governments at central and municipal level should focus on clear and open processes of information and public consultation related to their activities in local development. They should then move progressively beyond consultation and encourage participation of stakeholders in the shaping, implementing and monitoring of policies and programmes. They should encourage the formation of associations and NGOs, the creation and strengthening of village-level democracy, and the formation and activity of regional and national network such as already exist in some of the Western Balkan countries.
- *Review of systems and programmes where necessary.* Processes of consultation and participation should be real, not notional. Both sides – governments and stakeholders – should be genuinely listening and seeking to reconcile differences and to find practical solutions to problems which emerge. When necessary, systems and programmes should be reviewed. One major programme which clearly merits review is IPARD, taking account of the low uptake of IPARD support in the former Yugoslav Republic of Macedonia.
- *Versatile extension services.* Extension services are a crucial intermediary between governments and stakeholders. They will have a key place in the collective process of modernising and adapting the agricultural and rural economies of the Western Balkans and Turkey. They will themselves need to keep pace with changes in markets, supply chains, regulations and the like; and to extend their scope progressively to embrace other forms of economic activity and innovation.

- *Collective action by stakeholders.* On their side, rural stakeholders should not stand back and expect government to take the whole lead in connecting with them. They should be assertive, willing to work with each other, ready to cooperate with others, for example in producer groups, machinery syndicates, associations and other ways to work together. There is a need to nurture the courage of stakeholders, and to build trust among them and between them and public agencies at all levels.
- *Village leadership.* The traveling workshops revealed two striking examples of village leaders who have taken initiative, and sparked the collective energy and action of local people, in ways which transformed the quality of life and the social and economic opportunities of the village communities. These countries could benefit enormously from further initiatives of this kind. Governments and municipalities should consider how they can stimulate the emergence of village leaders and village-level initiatives.
- *Expansion of the LEADER approach.* LEADER can be a powerful tool linking different sectors of sub-regional level, and for creating active partnership between the sectors. It can achieve an integrated and inclusive approach to local development, and build the capacity of stakeholders to contribute to this approach. Governments should allocate resources for the creation of the LEADER-type partnerships in rural sub-regions, building upon the work that has already been done. This support should be handled in a way that allows partnerships and local development strategies to emerge and evolve from the bottom-up, with true equality between the public, private and civil sectors.
- *Continued and strengthened networking at all levels.* The traveling workshops were themselves exercises in networking. They showed that we are all learners: we are all teachers; we can help each other. Networking is a crucial means of empowering rural stakeholders, and creating partnership between them and public agencies. It is needed at all levels, both between and within countries. It is needed between governments, in order to exchange experience and development processes. It can strengthen different groups or categories of rural stakeholder. It can enable economic sectors to share expertise and to increase their collective influence; municipalities to enhance their ability to play a leading role in local development; village communities to share experience of practical local action and to raise the rural voice; LEADER Groups and other sub-regional partnerships to exchange experience and exercise their collective influence on the whole development process; and NGOs to raise their profile and enhance the capacity of civil society in social and environmental fields.
- *Rural Development Networks.* Governments should recognize the high value of the national Rural Development Networks, which as independent non-government organisations act as expert and objective intermediaries between government and all stakeholders. These networks already play a significant role in promoting partnership-based local development in

four of the seven countries; and are likely to have growing importance in stimulating awareness, networking and active participation among all categories of stakeholder. Governments in the other three countries may wish to encourage the creation of similar Networks.

- *National Rural Networks.* There is provision in the IPARD measures for the creation by governments of formal National Rural Networks (NRNs). This concept is new to the Western Balkan countries and Turkey. It may prove, in due course, to have value in these countries. But experience in the EU suggests that NRNs are of greatest value where there is a well-established pattern of stakeholder organisations and a substantial degree of trust between these organisations and government. So, governments in these countries may wish to place priority on building workable relationship between themselves and a wide range of stakeholders, with help from the Rural Development Networks, before considering the creation of formal NRNs.
- *Capacity-building.* Rural development is about necessary change. The changes may be in economic activity, in social structures, in government systems, and in methods of stakeholder involvement, etc. Change demands personal adaptation for all those who are involved in it. Adaptation is not easy: it demands new attitudes, new skills, new resources. So, the empowerment of rural stakeholders depends not only on necessary changes in systems but also on strengthening the capacity of people and organisations to react to change. The need for capacity-building applies equally to stakeholders, public officials at central and municipal level, and those who lead associations, networks and action groups.
- *Time, and persistence.* The creation of close working relationships between stakeholders and governments cannot be achieved overnight. It will take time, patience and persistence to create workable systems, to build trust, to develop personal contacts and working relationships. We should see this as a continuing process, to be pursued over the coming years.

**The Western Balkan events should be seen as the beginning of a process of empowerment of rural stakeholders, and the strengthening of the partnership between them and governments. The action lies with the people of these remarkable countries, the main groups and sectors of stakeholders, the village leaders and local authorities, the non-governmental organisations, and the national governments. Continued leadership will be needed from the national Rural Development Networks, the Standing Working Group, PREPARE Partnership for Rural Europe, the Governments and the European institutions.**

## chapter 1

# Background to the Western Balkans events

## The challenge of enlargement

The context for the events described in this report is the process of potential enlargement of the European Union to embrace the countries in the Western Balkans and Turkey, which are at various stages of active or potential candidature to join the Union. This enlargement presents a major challenge for the Union and for the applicant countries – Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey. If completed, it would bring into the Union over 18 million people in the Western Balkans and a further 75 million in Turkey. About 30 million of these people live in rural areas.

*We wish to join the European Union, not because of the funds they can bring to us, but because we wish to thrive, we want our farmers to survive, we want the rule of law and economic growth. To achieve these things, we need to be self-focused, even selfish: we need to take the responsibility.* Boban Ilic, Secretary General, Standing Working Group

## Pre-accession assistance

The candidate countries are committed to reforms in their governmental and other systems which will progressively align them with the standards and policies of the European Union. To help them in this process, the European Union offers support through the Instrument for Pre-accession Assistance (IPA). This includes measures related to reform in many areas of public policy and administration. Of most relevance to the present purpose is IPARD, the part of IPA which provides support in the field of Rural Development. IPARD is being applied progressively in the seven countries. Its first phase, IPARD 1 introduced in 2007, was available to Turkey and the former Yugoslav Republic of Macedonia (and also to Croatia, which in 2013 joined the EU and is outside the scope of this report). The second phase, IPARD 2 introduced in 2014, is available in principle to all seven countries, but the Commission currently expects to receive IPARD 2 programmes only from Turkey, the former Yugoslav Republic of Macedonia, Serbia, Montenegro and Albania.

Even before the European Union's offer of support through IPARD, most of the seven countries had launched, or started work upon, national rural development programmes, under the

supervision of their relevant Ministries. These national programmes are funded wholly by the relevant government. In addition, some of the countries benefit from development programmes funded by bilateral or multilateral agencies. The programmes funded by IPARD 1 in Turkey and the former Yugoslav Republic of Macedonia, and potentially under IPARD 2 in all seven countries, stand alongside these other programmes; and are managed directly by the national governments, who must invest in adequate systems of implementation, management and control. This decentralised mode of management was chosen by the EU because it suits the process of supporting large numbers of relatively small projects, which are expected from small and medium-sized farm holdings and small and micro-sized businesses.

The role in and ownership of the process of drafting and implementing IPARD programmes by all parties concerned is of the utmost importance. In fact, no programme will be successful in contributing to improvements in efficiency and competitiveness of agriculture and growth in rural areas without careful consideration of the needs, and capacities, of local actors. Besides the specific support for farmers, the development of the wider rural economies plays a significant role in preparing rural populations for opportunities to shape their own future. Especially, the empowerment of rural people to participate in designing rural development policies and projects through Local Action Groups is vital for innovation and for integration of the various sectors and stakeholders, without which a long-term sustainable growth in rural areas may not be achieved.

## LEADER

*The appetite of rural stakeholders for participation is quite good, and LEADER can stimulate that participation.* Anila Vendresha, Executive Director of the NGO Quodev, Albania

A significant element in the EU's approach to rural development, which has already attracted interest among governments and rural stakeholders in the Western Balkans and Turkey, is the LEADER approach. It focuses upon the creation of sub-regional partnerships between public, and private and civil sectors and

the production and implementation by those partnerships of local development strategies, and is an integral part of the IPARD offer to governments in the region. 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. It could achieve the same purposes in the Western Balkans and Turkey: already in some of these countries, there are Local Action Groups which act, or hope to act, as LEADER-type partnerships.

*Seeing is believing: getting to know the experience of LEADER-promoted rural development in EU countries offers models and solutions that can then be adapted to local conditions.* Fouli Papageorgiou, rapporteur of traveling workshop in the former Yugoslav Republic of Macedonia

## Standing Working Group (SWG)

The Western Balkan countries covered in this report are part of a wider group of countries in South Eastern Europe which are all faced with the challenge of development in their extensive rural areas. In 2006, the governments of these countries decided to cooperate in tackling this challenge. They formed 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 covered in this report, plus Bulgaria and Croatia. The mission of SWG is to increase collaboration among the member countries, to coordinate regional initiatives related to agriculture and rural development, and to support the process of social and economic development of rural areas in South Eastern Europe.

## PREPARE Partnership for Rural Europe

Parallel to the evolution of thinking and policy related to rural development among governments has been a similar evolution in civil society and non-government organisations. One leader in this movement has been the PREPARE Partnership for Rural Europe, created in 2000, following a multi-national traveling workshop in Estonia and Sweden provoked by a group of NGOs and supported by the European Parliament. PREPARE's stated aim is to strength-

en civil society in rural areas, to encourage dialogue with governments and European Institutions and to promote international exchange in rural development. It started with a partnership between two European NGOs – Forum Synergies and ECOVAST – and developed further into a growing number of National Rural Networks of NGOs. Four of these networks – in Sweden, Finland, Estonia and Hungary – were co-founders of PREPARE in 2000. Since then, PREPARE has worked to encourage the emergence of National Rural Networks in countries moving towards accession to the EU. Until 2007, its effort was focused on the countries which are now EU members – Latvia, Lithuania, Poland, Czech Republic, Slovakia and Slovenia, all of which now have National Rural Networks which have joined the PREPARE Partnership, plus Bulgaria and Romania, which do not yet have such 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, which in recent years have been held (each time in a different country) in south eastern Europe. This activity brought PREPARE into contact with SWG, and in 2007 the two groups 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; and these networks have played a major role in the organisation of the events described in this report.

*PREPARE is building bridges between governments and civil society. It is a long process of improving communication and building trust. We offer both a sense of place in a community or network to which people belong, and a sense of the common space we share as citizens of Europe in which we can give and receive mutual support.* Hannes Lorenzen, Chair of PREPARE Organizing Group



## chapter 2

# The purpose and shape of the events

Panel at the Concluding Conference (from left) Petar Gjorgjevski, Rural Development Network of the former Yugoslav Republic of Macedonia; Valentina Stojanovic-Tufa, Head of the Cabinet, Ministry of Agriculture, Forestry and Water Management, the former Yugoslav Republic of Macedonia; Danilo Golubović, State Secretary, Ministry of Agriculture, Serbia; Dirk Ahner, Conference Chairman; Dacian Cioloş, European Commissioner for Agriculture and Rural Development; Prof Dr Peter Ivanović, Minister of Agriculture, Montenegro; Ratko Bataković, Rural Development Network of Montenegro; Dragan Roganovic, Rural Development Network of Serbia.



## Conception

In mid-2013, PREPARE proposed to SWG that the time might be ripe for a multi-national event in the Western Balkans, focused upon the empowerment of rural stakeholders and the building of closer working relations between rural stakeholders and governments. The central concept was that effective rural development, in countries such as the Western Balkans and Turkey, depends on action by both governments and rural actors. Governments provide a crucial framework of policy, financial and other support, and investment in public infrastructure and services; yet, on their side, stakeholders take the lead in many aspects of economic, social and cultural development. Rural actors – such as farmers, businesses, cooperatives, local communities, non-government organisations and the like – have their roots in the rural areas, and an intimate collective understanding of the needs and resources of those areas. So, it is vital that the two sides work closely together; that governments involve rural stakeholders in shaping and implementing policy; and that rural actors are encouraged and empowered to take initiatives which meet the needs, and add value to the resources of their rural areas.

*Empowering rural stakeholders and communities is as important as political decisions and administrative preparations. It is the way to insure real integration and real advancement in the processes of rural development. Dacian Cioloş, Commissioner for Agriculture and Rural Development*

## Partnership to launch the event

The Standing Working Group embraced this concept. PREPARE and SWG then approached the European Commissioner for Agriculture and Rural Development, Dacian Cioloş. He supported the proposal, and agreed with Štefan Füle, Commissioner for Enlargement and Neighbourhood Policy, that the Commission's Technical Assistance and Information Exchange (TAIEX) team be asked to organise the event, working closely with SWG and PREPARE. PREPARE proposed that the event should take the form of multi-national traveling workshops in three separate Balkan countries, followed by a combined conference to bring together the conclusions from all the workshops. It was decided that the workshops

be held in Serbia, Montenegro and the former Yugoslav Republic of Macedonia. The national rural networks, and the relevant Ministries, in these countries were invited to join the organising team.

## Title and aim

The partners agreed on the following title and aims for the events:

Title - "Empowering rural stakeholders and the LEADER approach: mainstreaming participation of stakeholders in the development and implementation of agriculture and rural development policies in the Western Balkans and Turkey".

Aims - To raise awareness among rural stakeholders, particularly Local Action Groups, of the means for their involvement and cooperation in policy and decision-making at national level; and to draw the attention of national administrations and decision-makers to the importance of having structured means for involving stakeholders, and in particular local actors in rural areas, in designing and implementing agricultural and rural development policies.

*To throw light on policy issues, I use ad hoc committees, with stakeholders involved. I see these as rather like 'black belt judo teams', able to tackle issues effectively. If you only work top down, you can miss tricks. Edmond Panariti, Albanian Minister for Agriculture Rural Development and Water Administration*

## Traveling workshops

The main element in the initiative was a series of traveling workshops in the rural areas of Serbia, Montenegro and the former Yugoslav Republic of Macedonia. Traveling workshops, in the form pioneered by PREPARE, are a stimulating way of achieving face-to-face contact between rural stakeholders and government officials, thus offering a reality check to both sides. Participants visit a series of enterprises or initiatives, meet rural actors and talk about the relations which they have or need with government and their desire and ability to take part in development processes.

They see practical examples of cooperation between governments and stakeholders; and develop ideas about how such cooperation can be nurtured.

## The participants

In order to gain the full benefits of a multi-national event, participants in the traveling workshops were drawn from each host country and from the other Western Balkan countries, Turkey and the European Commission. In total, there were 90 participants – 15 from each of the three host countries; three from each of Albania, Bosnia and Herzegovina, Kosovo and Turkey; and the rest from PREPARE, SWG, the European Commission, plus EU experts acting as rapporteurs. Participants from each country included an equal number of government officials and of rural stakeholders. The mixture led to lively exchange of experience between different countries and different sectors.

*It is one thing to sit in an office in a capital city and write policies. It is another thing to get your boots on and see the realities. We should be ready to go to the lowest level to connect with farmers and to find the village leaders. Darko Konjevic, Ministry of Agriculture, Montenegro*

## Format of the traveling workshops

The total of 90 participants was divided into six traveling workshops, two in each of the three host countries. Each workshop group travelled in a different rural region for two days, 31 March and 1 April 2014, with pre-arranged visits to different rural enterprises, communities or Local Action Groups. The participants had time in each place for discussion with the local stakeholders, and at the end of each day to gather their thoughts about what they had seen.

## National conferences

On the day after the traveling workshops, 2 April 2014, a national conference was held in each host country. Taking part were members of the two traveling workshop groups, plus representatives of government, local authorities and rural stakeholders. The

conference received reports from the traveling workshops in that country, followed by general debate on the challenge of partnership between governments and rural stakeholders. There was detailed discussion on the role of stakeholders, and the mechanisms which can enable them to take part in shaping and implementing policy. This was illuminated by success stories from EU Member States. Government and stakeholders were able to commit themselves to the creation and strengthening of working relationships. The outcome of the event in each host country is summarised in Part I of this report.

## Multi-national Conference

The final element in the events was a Concluding Conference held in Brussels on 8 April 2014, with the participation of Commissioner Dacian Cioloş; Director General of DG Enlargement Christian Danielsson; Ministers or their representatives from the seven participating countries; many of the participants in the preceding traveling workshops and national conferences; and invited experts and officials. The conference received and discussed reports from the events in the three host countries; presentations from Albania, Bosnia and Herzegovina, Kosovo and Turkey; and success stories from EU Member States, focused on rural networks and local partnerships. There was general debate on the challenge of partnership between governments and rural stakeholders in drafting and implementing rural development programmes. The European Commission, governments in the IPA countries and leading stakeholder groups made commitments to the creation and strengthening of working relationships. The Conference conclusions form the basis of Part 2 of this report.

Lists of participants in, and the programmes for, the traveling workshops, national conferences and concluding conference can be found in the Annexes to this report.

## chapter 3

# Rural reality check in Serbia



The traveling workshop groups

## The country

Serbia is still a mainly rural country. 65% of its national territory is in farmland, a further 30% in forestry. Of its 7.2 million people, 58% live in rural areas, and about two thirds of these rely wholly or partly on agriculture or forestry for their livelihood. These industries produce about 10% of the nation's GDP, and 23% of total Serbian exports; and employ 21% of the national labour force (as compared with the average of 5% in the EU). So, it is not surprising that Serbia, with its GDP per capita lower than any country in the EU and an unemployment rate of 23%, places high priority on sustaining and modernising its agriculture.

## Farming structure

Modernisation is not easy. Of the 631,000 farm holdings, nearly half are less than 2 ha in size, and a further 27% are between 2 ha and 5 ha. These are essentially family farms, mainly located in the hills and mountains of central and southern Serbia. A government report on 'Small rural households' notes that the smaller farms are "extremely vulnerable ... nearly 50% of the households see their future outside of agriculture and in off-farm activities ... (but) households are often unable to recognize the opportunities for the engagement of their members in other activities in the household or the community". A high proportion of small farms are managed by older people, and many of the younger generation are leaving the land. The farm labour force, and especially the farm owners, tend to have low levels of training, many having acquired their knowledge of agriculture only on the farm. Less than 5% of managers (except in Vojvodina) have completed secondary agricultural school, higher agricultural education or agricultural college.

## Support for farming and rural development

In this context, most of Government expenditure on agriculture and rural development since 2004 has been on payments to farmers to promote competitiveness, now running at 90% of the total. 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 direct payments in the field of market development and direct support to producers. But competitiveness and market development is only one aspect of the economic challenge. Spending on rural development by the Ministry of Agriculture and Environmental Protection has varied during that period, 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 the last year) LEADER-like activities. All these measures are in line with EAFRD principles, as part of the process of EU integration.

## Strategy

The Ministry has finalised its new Strategy for Agriculture and Rural Development, which is soon to be adopted by the Parliament. The Strategy will be implemented through new national and EU IPARD 2 Programmes for Agriculture and for Rural Development for the period 2015-24. The submission of IPARD 2 programme for adoption is expected this year. The Ministry has recently changed its name to Ministry of Agriculture and Environmental Protection, and is reorganising its structure, and recruiting and training additional staff for the management and implementation of programmes. It recognises the need for regional and local development strategies, and for the building of cooperation between stakeholders.

## Involvement of stakeholders

Speaking to the Concluding Conference, the State Secretary Danilo Golubović accepted the need to involve all stakeholders in facing the challenges and threats affecting the rural areas. The Ministry has established five working groups, including stakeholders, to address policy issues. One of these is the National Council for Rural Development, which will be the predecessor for the IPARD Monitoring Committee and which includes NGO representatives. The process of preparation of the new Strategy for Agriculture and Rural Development included a conference attended by 200 people, who expressed enthusiasm and optimism about the strategy. Public consultation produced

over 1000 written comments. As current Chairman of the Ministerial Assembly of the Standing Working Group, Mr Golubović recognises that Ministries must cooperate with stakeholders in their countries and promised to promote this principle. He expressed strong support for the SWG's programme of Area-Based Development.

## Preparation for LEADER

The Serbian government recognised some years ago that LEADER is a powerful tool for rural development. In 2007, the Ministry informed municipalities about the LEADER approach, and encouraged them to create LEADER-like partnerships. From 2008, with UNDP support, the Ministry pursued a project for strengthening of rural social capital and networks, including promotion of the LEADER approach. In 2011, with EU support, it launched the Technical Assistance Project "LEADER Initiative in Serbia". Now, there are 24 Potential Local Action Groups (PLAGs), based in different sub-regions of northern and central Serbia, covering in total 15% of the national territory and 8% of Serbia's population.

## Network for Rural Development

[www.ruralinfoserbia.rs](http://www.ruralinfoserbia.rs)

An informal Network for Supporting Rural Development of Serbia was set up in 2007, with support from the Ministry of Agriculture, Forestry and Water Supply. In 2007, the Ministry issued a call for proposals from NGOs to set up regional associations of local organisations active in rural development. The outcome was the creation of 16 regional associations. In 2010, these associations founded the Network for Rural Development of Serbia, as non-profit and non-governmental association, which had initial financial support from the government. The members of the Network are the 16 regional associations, which together cover the whole of rural Serbia with 161 municipalities involved. The Network has gradually become stronger, despite the withdrawal of government funds in 2011. That year, it was officially registered as an Association of Civil Society Associations.

The Network's mission is to promote an evenly developed Serbia, in which rural areas are a desirable place to live, where people work to conserve and improve the values of rural life. Its early activity included a Ruralnet project for capacity-building of rural organisations, funded by the EU. It seeks to improve information services for rural stakeholders, and is actively involved in planning and implementation of rural development measures. Its member associations work with government agencies, advisory services, municipalities, farmers, entrepreneurs and other rural stakeholders, and have contributed to many of the initiatives described in this chapter. The Network is a member of the Balkan Network for Rural Development and of PREPARE Partnership for Rural Europe.

*Regional development agencies (RDA) can act as mediators in communication between the central (national) and local levels. They can directly encourage and enhance creation of development mechanisms in rural areas, such as LAGs, associations of agricultural producers, cooperatives, associations of women, youth etc, because they are active in networking within the territories that they cover. RDA employees are skilled and trained for project writing and applying to EU funds, and thus can help rural people to absorb pre-accession funds for rural development. Jasminka Luković Jagličić, Regional Economic Development Agency for Sumadija & Pomoravlje, Serbia*

## Local authorities

The basic units of local government in Serbia are the 24 cities, most of which have populations over 100,000; and 150 municipalities, which vary in population between 2,500 and 64,000. The territory of each city or municipality includes a city or town (from which it gets its name) and surrounding villages. The local authority is headed by the President, who in cities is called the Mayor. Executive power is held by the Municipal Council, and legislative power by the Municipal Assembly, which is elected every 4 years through local elections. The President and the Council are elected by the Assembly. The authorities have their own property (including public service companies) and budget. They can choose to spend money on rural

development through special programmes which are approved by the Ministry of Agriculture. There is no nation-wide system of local authorities at village or parish level, but the Serbian tradition permits the creation and activity of local councils representing the views of the community.

### Traveling workshops

The two traveling workshop groups in Serbia visited the two cities of Užice and Kraljevo, and the four municipalities of Ljig, Arilje, Ivanjica and Nova Varos, all in the southwest of the country. They visited small farms; companies which were processing raspberries, strawberries and other fruit; an association of cattle breeders and cheesemakers; a beekeepers' association; three women entrepreneurs; enterprises based on crafts, culture and rural tourism; two non-profit initiatives; and one multi-faceted village initiative.

### Key themes

The following key themes emerged during the traveling workshops and were elaborated at the national conference:

- The severe difficulties faced by small farmers
- The value of cooperatives and associations
- The role of dynamic entrepreneurs
- Commercial enterprises led by women
- The role of municipalities
- Leadership at village level
- The low profile of national government.

These themes are described below.



Ivan Pavlović shows the silage clamp on his farm on Obrva village

### The severe difficulties faced by small farmers

*The rural regions of Serbia are becoming depleted: they have suffered loss of population over the last 50 years. The rural economy is very narrowly based, and could be destroyed by accession to the European Union unless we first strengthen the economy. We must use precious time to get things going. Aleksandar Bogunović, Ministry of Agriculture and Environmental Protection, Serbia*

The farm households visited by the groups confirmed the sense of vulnerability among small farmers described in the government report on 'Small rural households'. In livestock regions, a farm of between 2 and 5 hectares can support only a handful of milking cows or beef animals, and the volume of *kajmak* or hard cheese produced from the milk may not justify expensive equipment or distant marketing. The family may lack the capital to diversify their enterprise. If they act alone, small farmers can be at grave disadvantage in selling their products. Many farmers do not easily cooperate with their fellow farmers. Many farms have three or four generations living at home, so that adult children may be obliged to work for low reward or to seek work nearby in narrowly-based local economies. However, if the younger farmers are well-educated, and allowed by their parents to play an active role, they can begin to transform the business.

*Ivan Pavlović runs a 10 ha farm in Obrva village, with 5 milking cows. He draws his living from the sale of milk, kajmak and hard cheese made by his wife, meat and vegetables. He expressed deep frustration because of the small size of his enterprise, the low prices secured by his milk despite its high quality (hygiene rules prevent him selling milk to restaurants), and the high cost of credit needed to improve his facilities. He receives no subsidy and had to spend €10,000 of his own money creating the modest dairy.*

*Vojo Tosović is a well-educated young farmer working a 5-hectare farm with his parents, wife and children. He has 0.5 ha of greenhouse producing vegetables and seedlings for local sale.*

*The family also produces fruit and vegetables from the remaining 4.5 ha. They have three cows and gain income in winter through sale of kajmak. Vojo would like to expand the greenhouse, but there is little land for sale and he has problems with cash flow and high interest rates on loans. He is working with other farmers on plans for a producer group. His wife is keen to enter further education to gain skills to help with the family business.*

*We want small farmers to have their 'own place in the sun'. We will not allow them to die. Dragan Roganovic, Director, Rural Development Network of Serbia*



Meeting the President of the Kraljevo Beekeepers' Association



Meeting the Cattle Breeders Association, Nova Varos

### The value of cooperatives and associations

In some parts of the rural economy, small enterprises are gaining the advantage of working together. Cooperatives and associations can offer greater strength in the market than individual producers can have, and are better placed to exercise influence on the policies of municipalities or of the government.

*Association Moba brings together over 700 farm households across 17 municipalities to the south of Belgrade. It was set up in 2000 by seven young and educated farmers concerned for their future and that of their fellow producers. Each member pays a subscription of about €3 a year. The Association helps members to complete the annual farm records required by Government, and provides guidance on applications for government grant. Recently, it opened a 'Welcome Centre' to offer a point of sale and online database for food, crafts and agri-tourism products offered by members: 100 members use this service.*

*To formally become a recognised supplier of goods or services in Serbia, a 'producer' must formally register as a 'legal entity' with at least one employee. This in turn requires a monthly payment of about €200 as the minimum employee tax. There is one exemption for the dairy 'producers' which allows the individual to trade to an agreed level before the regular payment regime takes effect. Association Moba is actively lobbying for the same approach to be applied to all products and services.*

**Cattle Breeders Association.** *In the Nova Varos area, there are 100 Producers of Zlator Cheese, a soft non-pasteurised dairy product, traditionally produced in blocks of 5 kg-10 kg and sent by public transport to market in Belgrade. Thirty of these producers – who, on average, each have 10 cows and produce up to 20 kg of cheese per week – have formed a Cattle-Breeders Association. With the help from the Municipality's Local Economic Development Unit, they have put forward a case for PDO (Protected Designation of Origin) recognition of Zlator Cheese, and have developed and tested packaging and labelling for 1 kg units of cheese, for sale to a wider market. They have plans for a central cutting/packing facility, better marketing, and on-farm investments in grasslands technology, animal husbandry and waste management. If this activity flourishes, they may need improved roads and public water supplies.*

**Kraljevo Beekeepers' Association,** *founded in 1898, now has 170 members, who between them have 6,826 bee hives. The members cooperate in training, purchasing equipment, and marketing their products. They are part of the Beekeeping Association of Serbia, which has over 10,000 members; is in direct touch with government and is able to influence policy; and is a member of NALED, the national alliance of local economic development, which also includes municipalities, banks and farming associations. After successful presentation of their interests at national and city levels, bee-keepers in Kraljevo receive an annual subsidy of 500 dinars per hive from the municipality. Their products are sold through the cooperative organisation Srpska Magaza. They aim to achieve PDO status for honey from their region.*



Visiting the freeze-drying room for raspberries at Drenovac Fruit Processing Company, Arilje

## The role of dynamic entrepreneurs

Serbia offers impressive examples of entrepreneurs who have the courage and ability to launch an enterprise, using the human and natural resources available in the rural areas. Some of them have gained skills, experience and ideas from working abroad, and have returned to Serbia in order to launch their enterprises. They can add significantly to the value of products; strengthen the sense of local identity; create precious jobs in the countryside; bring together groups of small producers and offer them contracts which bring stability within the rural economy.

**Fruit processing.** The Arilje region is famous for raspberries, and has a well-developed chain of production, processing and marketing, led by dynamic entrepreneurs. For example, Drenovac Fruit Processing Company is a modern company, processing to high technical standards, with annual turnover of € 1.5 million and 17 full-time employees. It has 'sole supply' contracts with 80 producers, to whom it provides all necessary fertilisers and pesticides plus training in their use to comply with the company's standards. It started as a 'cooling facility', producing Frozen Raspberry for export. Recently the owner, Slobadan Obradovic, built a 'freeze drying' facility, the first in Serbia: he wants to invest further, but is impeded by the high cost of borrowing and needs to find the right markets. He would welcome access to government grants.

**Jekoslav Puric** runs an 8.5 ha family farm in Nova Varos municipality. This area has a very long tradition of producing buckwheat and spelt barley. With encouragement from the municipality's farm advisor, Mr Puric decided to move into organic production of buckwheat, with support from State funds. He is the first farmer to achieve Organic Standards in this region of 100 producers. He and the advisor, from whom he gains regular help, believe that the organic production of Buckwheat, which is gluten-free with other positive properties, 'is the future'. The move into organic production cut the volume produced by 30%: moreover, the market for organic products is small in Serbia, so he gets the same price for his organic product as he did before. However he is determined to continue, is strongly committed to the value of organic products, and hopes that in time they will attract premium prices and sustain the viability of his farm. He aims to invest in improved equipment for sowing, harvesting, seed separation, bagging and storage, and will welcome support for this from public funds.

## Commercial enterprises led by women

Enterprises created and run by women can bring particular value through employing, or providing a market for the products of, other women.

**Varosanka Ltd** is a food-producing company based in Nova Varos municipality and completely owned, managed and operated by women. The owners are sisters; a daughter has joined the management team; and they have 15 employees. The company was set up in 1990 to process and pack wild mushrooms, but was recently forced to diversify because the yield of wild mushrooms was heavily reduced by dry weather following climate change. So, the owners switched to making high-quality, traditional products using vegetables, fruit and nuts from the region or imported. They can produce up to 32,000 jars per month, but are challenged in finding markets. They aim to invest in new jar-filling machines and to find new points-of-sale.

**Zdrava hrana** (= Healthy Food) is a company set up in 2009 in the village of Vitkovac by Verica Gunjić, a lively woman who was made redundant from her previous job as company accountant. She decided to use the skills learnt in that job and to add value to fruit and other local products in her native area. She could not get public support in starting the enterprise, because "everybody was afraid of the risk". She now has 2 year-round and 7 seasonal workers to make and package jam and other preserves, and buys the fruit from trusted local pickers.

She had support from the employment agency to take on unemployed people as seasonal workers, and to buy equipment; and from the Aida agency to take the products to fairs in Belgrade and elsewhere. She belongs to the Association of Producers of Food and Vegetables, which took her products to fairs in Frankfurt and Ljubljana. She sells products through Srpska Magaza, and recently opened a village shop as an outlet for her produce and as a service to the village.

**Mrs Milojevic** decided in 2003 to extend her home in Lopatnica village to create a guesthouse. No advisory service was available, so she sought ideas by visiting guesthouses in Bavaria. She received a small municipal subsidy in 2008, but applied without success to the Ministry of Agriculture for subsidy and loan. She now has 10 guest beds, and achieves over 50% occupancy during the long summer season. She has her own website for marketing; is a member of the local tourist association; and is helped in marketing by the municipal tourist organisation. She is now building a fine swimming pool and other outdoor facilities, using her own resources. She would like to see a 'village manager' appointed, to organise the community at the village level.



↑ Varosanka Ltd, processing fruit and vegetables, Nova Varos  
Verica Gunjić, creator of the 'Zdrava hrana' company →



Debate with Councillor Gargović, Head of the Agriculture Department, City of Kraljevo (on the left) and local leaders



Meeting Dimitrije Pamhović, Mayor of Nova Varos Municipality

## The role of cities and municipalities

Cities and municipalities appear to be increasingly willing to take leadership in local – including rural – development. They are in charge of agricultural extension, i.e. advisory services to farmers, which provide a very significant point of contact between government and stakeholders. Many municipalities already have, or are preparing, rural development strategies, which are subject to the approval of the Ministry of Agriculture and Environmental Protection. Stimulus for action by municipalities has come from the commercial entrepreneurs described earlier, some of whom have joined the municipal councils and become mayors or cabinet members responsible for development. In this work, they can apply their commercial skills and their knowledge of the support which enterprises generally need from the public sector, for example investment in infrastructure or credit subsidies.

**Milan Stevanovic**, Deputy Mayor of Arilje Municipality, is a young man. He studied economics abroad with the support of scholarships; has returned to his home region to help run the family distillery; and has entered politics with the aim of supporting the development of the region. One direct beneficiary of help from Arilje municipality is Molimir Stojic, a fourth-generation producer of raspberries on a 5 ha farm. He has recently boosted his yield of raspberries to 30,000 kg per hectare by investing in hail protection and irrigation systems, with financial support from the Municipality, which also part-funded some new varieties of Raspberry, notably 'Polka' which is suited to the fresh raspberry market and ripens late in the season.

**Zoran Radovanovic** is part of the third-generation in a family business, Floriva Ltd, focused on commercial production of berry seeds and plants for sale to growers in Ivanjica Municipality, which is an area heavily dependent on agriculture (more than 80% of the workforce), mainly production of soft fruit. He is a Councillor in the Municipality and Head of its Agriculture Development Unit. In that capacity, he has animated local projects, such as development of greenhouses for 20 small local fruit growers, with funding from the Turkish Development Agency: he had to lobby the Mayor for a long time to authorise this project. His ambitions for the area include diversifying the local economy and adding value to local berries in the 'fresh fruit' and 'organic' markets. The Municipality has initiated a Potential Local Action Group, which has drafted a Local Development Strategy.

**Dimitrije Pamhovic** was elected in 2012 as Mayor of Nova Varos Municipality. This is a region with more than 28% unemployment, following what the Mayor describes as the 'disastrous' selling off of former shoe-making, textile and furniture manufacturing businesses and associated tourism spas to speculators who were interested only in the resale values of the property. With the loss of these industries, the area is now highly dependent on agriculture, mainly livestock production. The Mayor is focused on improving the local economy. The Municipality has taken temporary ownership of one large vacant hotel, in an effort to re-energise tourism. It has taken over the assets of a failed Cooperative, with a view to supporting use of these assets by small businesses. It is putting pressure on speculators to use the industrial land which they purchased or to sell to others who will do so. To drive forward this effort, the Mayor set up a Local Economic Development Unit, led by Marijaha Dahilovic, a native of the area who left ten years ago to gain a degree in Food Production and commercial experience in a multi-national food company in Belgrade. The Unit is focused on developing local manufacturing business, tourism and artisan food production. In July 2013, it organised a major weekend festival celebrating local food, spa-based tourism, crafts and culture, attracting 50,000 people.

**Kraljevo city** runs a rural development programme, through which it can help enterprises by giving grants or credit subsidies. It offers grants of up to 50% of the capital cost of projects submitted by registered agricultural producers, who number 8,500 out of a total of 11,700 farmers in the municipality. The city is preparing a rural development strategy, in consultation with working groups which bring together experts, local associations and representatives of farmers and manufacturers; there will be general public consultation. It intends to support the development of infrastructure, investment in processing, and development by cooperatives and associations (for example irrigation schemes). It expects that village councils will be involved in the letting of tenders for projects, subject to rules set by the municipality. It gives subsidies to farmers, for example 1500 dinars per inseminated cow, support for development of orchards, vegetable plots and beekeeping. It subsidises credits for farmers, so that the farmer only pays 2% interest on a loan. Councillor Gargović, head of the Agriculture Department, said that the city is ready to consider supporting the creation of a cooperative of small farmers, with 51% control by the municipality for a transitional period, but that the initiative must come from the farmers themselves and the necessary law on cooperatives is still awaited.



Visiting the pottery shop at Zlakusa

### Leadership at village level

The traveling groups did not find much evidence of widespread social initiative at village level, of the kind that is found (for example) in some Baltic countries. However, national law enables the creation by village communities of their own local councils, which can stimulate action at village level. The creation of such local councils appears to depend upon an initiative by social entrepreneurs or other lively people. A striking example of such initiative is provided by the village of Zlakusa, in Užice city's rural hinterland.

**Zlakusa** is an attractive village set in a valley among steep hills. It has three crucial assets. The first is a long-established local tradition of using local clay and ground silica to make earthenware pottery, now pursued by 17 families and providing jobs for about 70 people. The second asset is a unique limestone cave in the adjoining village of Potpec, already visited by about 6,000 people a year, from which emerges a river which feeds a series of fish ponds in the valley. The third asset is Sasa Drndarevic, a local man who returned to the village after working elsewhere as a professional engineer. His first action after returning was to create an Ethno Park 'Terzica Avlija', where visitors can see traditional buildings, replica World War 2 schoolhouse, a library of local history and other features. Based in the Park is the Ethno Association 'Zavichaj', which promotes traditional culture, including dance and music for adults and young people. These initiatives encouraged activity by others in the community, including a women's association which runs its own centre selling craft products. The village has secured the opening of its own station on the railway line that runs through to Kraljevo; and created 60 km of walking trails in the locality. The 17 families of potters craft have cooperated to create a shop for direct sale to visitors, and are seeking PDO status for their Zlakusa pottery. In doing these things, the village has had significant support from the Rural Development Network and has attracted help from the city of Užice; from the United States Embassy, which was 'long-term, flexible help'; from participants in international eco-camps; from the National Employment Bureau, which funded work in the village by unemployed people; and from the national Ministry of Economy and Regional Development.



Sasa Drndarevic, engineer, moving spirit of the development of Zlakusa village

### The low profile of national government

During their visits, the groups heard very little mention of action by, or support from, the national government, apart from setting the legal and financial framework for the municipal support to farmers and rural development, basic income support to farmers, some help from the Ministry of Economy and Regional Development, and some use of labour provided through the government's scheme for the unemployed. Some farmers said that government grant was 'hard to get'. Few of the entrepreneurs in processing or manufacturing had sought or received help from the government, though some help had been received from bilateral agencies. The IPARD programme was not yet on stream, and no-one mentioned the benefits that it might bring. The traveling groups gained some sense of indifference to, or lack of trust in, government among stakeholders.

### Conclusions

*Rural development is a process, a life, not simply a bundle of measures. We must support the process over time, otherwise it may fail.* Dragan Roganovic, Rural Development Network of Serbia

**Entrepreneurs.** The main initiative in the economic side of rural development appears now to come from entrepreneurs, small and large, who are making good new things happen with quite limited support from government. The skill and risk-taking initiative of these entrepreneurs is a powerful asset for Serbia, and is having a ripple effect to the benefit of the rural economy and communities. It points to a high potential for a vibrant civil society in Serbia, which would be fully capable of acting as partners of government and which can fairly expect the government to establish a fiscal, financial, regulatory and policy-related climate which is fully geared to the needs of rural communities. There is need for consistent support to help existing initiatives to become stronger and to gain financial stability, and to support the emergence of new enterprises and civic organisations.

**Ministry of Agriculture and Environmental Protection.** At present, rural stakeholders in the regions that were visited appear to gain little benefit from the activities of the Ministry of Agriculture and Environmental Protection, beyond basic support to farmers and use of extension services. Among processing and manufacturing firms, and village communities, there appear to be no current expectations of help from national rural development programmes or from IPARD. There were complaints about the complexity of government paperwork; lack of sensitivity to the special needs of small farmers and small enterprises; and lack of cooperation between different government departments. The Ministry needs to consider how it can become more visible and more effective.

*The traveling workshop was very useful for the future work and programming of IPARD. The conclusions will be presented in the IPARD application as part of communication process, since it gave good insight into the situation in the field and showed possibilities for the rural development programmes.* Aleksandar Bogunovic, Serbian Ministry of Agriculture

**Municipalities.** By contrast, both entrepreneurs and village communities were aware of, and often seeking to use, the support offered by municipalities, some of which may indeed be on behalf of central government. Geographic proximity, and personal contact between enterprises and the municipality, clearly assist this awareness and use of municipal support. However, municipalities appear to vary in the degree of priority that they give to rural development, and in their sensitivity to the needs of village communities. Some municipalities are so large that some villages or stakeholders cannot readily relate to the centre.

**Contact with stakeholders.** The connection, and complementarity, between the national rural development programme and the rural development activity of the municipalities is not clear to stakeholders, although it is clearly defined in the Law on Agriculture and Rural Development support measures. Consultation with stakeholders in the formulation of development strategies and programmes, both at central and municipal level, appears to be essentially limited to organised groups, and to fall very far short of giving stakeholders a sense of co-ownership of policy or of partnership with government in the process of development. There is a clear need to involve civil society organisations and businesses more fully in the development of strategies and programmes, including detailed issues, such as defining criteria and principles of support. This involvement will gradually increase trust between public authorities and stakeholders.

*I think that we need much stronger Rural Network at national level, which will act as an umbrella for local rural stakeholders and amplify their voices in Belgrade. On the other hand, I think that colleagues working in Ministry of Agriculture and in Government should have similar travelling workshop in EU countries and notice how in those countries local people participate in policy making.* Aleksandar Damjanovic, Serbia

**Difficulties faced by farms and rural enterprises.** Farms and rural enterprises, whatever their size, appear to be affected to varying degree by difficulties relating to problems of cash flow, the cost of credit (one person quoted an interest rate of 20%), access to land for expansion of farms or businesses, the processes involved in becoming a recognised producer or trader, regulations for hygiene and other issues, support for investment in modern equipment, effective marketing chains, and access to good quality advice. Public bodies at either national or municipal level need to address these difficulties; to create as far as possible a level playing-field for enterprises of all sizes; to encourage and facilitate cooperation between enterprises; to promote the development of effective economic chains, including producers, processors and distributors; and to help enterprises to secure access to the land and credit, which are needed for enhanced economic activity. The connection between stakeholders and government programmes could be significantly helped by a strengthening of front-line advisory services, and by broadening their range of advice to cover issues such as farm diversification, rural tourism and assistance to SMEs.

**Rural services and infrastructure.** There were also indications of significant inadequacy in many aspects of rural services, such as village shops, childcare facilities and adult education. There were pleas for improvement in infrastructure, such as water supply and roads, and access to broadband (which is currently on a line-of-sight basis with regular breakdowns and low capacity). The well-being of rural communities depends upon the adequacy of services and infrastructure. Governments and municipalities should focus on the improvement of these essential services.

**Village leaders.** With the striking exception of the village of Zlakusa, there was little evidence of the presence of leaders and local councils at village level. Such councils could be a significant stimulus to action at that level, but their creation currently appears to depend upon initiative by dynamic individuals, who may not be easily found in some parts of Serbia.

**Connecting rural stakeholders.** In order to achieve a systematic basis for connecting rural stakeholders to public systems in ways which may ensure the integrated development of rural areas, the government could be well advised:

- To link the national rural development programmes more clearly to the activities of municipalities, which are relatively visible and accessible to rural stakeholders,
- To launch soon, in full cooperation with the municipalities and other rural stakeholders, a network of properly-funded Local Action Groups, using the LEADER approach and building upon the existing network of prospective Local Action Groups,
- To encourage and enable municipalities and Local Action Groups to support the emergence and activity of village councils, leaders and animators,
- To support the formation and work of cooperatives and associations, joint initiatives by civil society, and networking and exchange of experience between villages and municipalities,
- To sustain the autonomy and the continuing activity of the Network for Rural Development in Serbia, which – with its regional associations – will be a vital catalyst in the development process of the next decade.

## chapter 4

# Rural reality check in the former Yugoslav Republic of Macedonia



Traveling group meets farmer

## The country

the former Yugoslav Republic of Macedonia gained its independence in 1991 when it peacefully seceded from Yugoslavia. In 2005, the EU recognized it as a Candidate country. Formal negotiations for the country's accession to the Union were recommended by the European Commission every year since 2009, but have been delayed by Greek objections to the country's name and other issues. However, the process of preparing governmental systems to meet the *acquis communautaire* continues, and the European Commission's progress report for the country records continuing progress with measures related to agriculture, food safety and veterinary standards.

## Farming structure

Of the country's population of just over 2 million, more than 50% live in rural areas. The rural economy is dominated by agriculture. Agriculture produces about 10% of the national GDP. Agri-food and fishery products total about € 450 million per year, about 15% of the country's exports, the main exported products being tobacco, wine, lamb, and dried or fresh vegetables. Many parts of the country have fertile soils which, coupled with a warm climate, are capable of high value production and a wide variety of products. The country has 510,000 ha of cultivated land. Of the 190,000 farms, about 80% are small family farms with average farm size of 1.7 ha: working on these family farms are about 440,000 household members and 141,000 seasonal workers. Of the total value of farm production in the country, 73% is presented by arable crops and horticulture, the other 27% - by livestock production, mainly milk, followed by pig meat, cattle, sheep and goats.

## Support for farming and rural development

In 2007, the government introduced a National Strategy for Agriculture and Rural Development and passed a law establishing an Agency to manage the relevant financial support. The Strategy covered the same period, 2007-13, and 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 payments 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.

## IPARD

the former Yugoslav Republic of Macedonia is one of only three countries which benefited from the use of IPARD 1 (the others being Turkey and Croatia). Its national IPARD 1 Programme for 2007-2013 was approved by the European Commission in 2007, with a total indicative budget of € 87.53 million, on the basis of decentralised management by the national government. In 2009, funding 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.

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 funds 2014 to 2020, which will have the same scope as IPARD 1, plus forestry and advisory services.

## Rural Development Network

[www.ruralnet.mk](http://www.ruralnet.mk)

The "Rural Development Network of the Republic of Macedonia" was established in March 2010, as a movement at national level to provide a voice for rural communities. It now has 58 NGOs as members, and works closely with about 1,500 rural leaders. The membership is very diverse, including associations which represent farmers, rural women, craftsmen, rural tourism workers, environmentalists, etc. The Network's aim is to mobilise rural communities to act as agents of local development and to participate in rural policy at local, regional, national and EU level.

To this end, the Network promotes cooperation and mutual help among rural people and organisations, and a flow of information between government and civil society at all levels. It aims to ensure that the needs, the voice and interests of the rural population are fully expressed and understood; and that rural development is kept on the agenda of all relevant actors at national and local level. It currently has six priority areas of action – pioneering the LEADER approach and creating links between stakeholders at local level; the economic empowerment of women in rural areas; agriculture and forestry; cultural heritage as a tool for development of rural areas through promotion of rural tourism; sustainable management of the environment; and diversification of economic activities in rural areas. The network is a member of the Balkan Network for Rural Development, of the PREPARE Partnership for Rural Europe, and of the European LEADER Network for Rural Development. It works closely with the Standing Working Group, which has its headquarters in the former Yugoslav Republic of Macedonia.

## Preparation for LEADER

The Rural Development Network has done much to lay the foundations for LEADER-type activity in the country. It ran a series of workshops in different regions to explain the concept of public-private partnerships in rural development, on the LEADER model. Workshop participants were able to learn the basic principles of rural development, how to undertake territorial analysis and prepare a local development strategy. Local municipalities were persuaded to draft local development strategies and to finance at least one project in each municipality. As a result, strategies were com-

pleted in 21 municipalities, following the seven LEADER principles. Over the last four years, the creation of LEADER-like local development groups has been assisted by projects funded through the Swedish International Development Agency, the Swiss Agency for Development and Cooperation and USAid. These strategies and groups will form the basis for a future LEADER Programme.

## Local authorities

For legal and statistical purposes, the country is divided into 8 planning regions. Since reorganisation in 2013, the main units of local government have been 80 municipalities, of which 10 form parts of the capital Skopje. Municipalities vary in size of population between 3,000 and 105,000. They have powers to raise local taxes and to support development in their areas. There is no general pattern of local self-governments at village level, but village councils can be created on the initiative of local people.

## Traveling workshops

The two traveling workshop groups in the former Yugoslav Republic of Macedonia visited a total of eight municipalities – Staro Nagoricane, Strumica, Pehcevo and Berovo in the eastern regions; and Kruševo, Bitola, Negotino and Kavadarci in the southern regions. They met farmers, owners of guesthouses, other tourist facilities, women's craft associations, village communities, church officials, municipalities, and Local Action Groups.

## Key themes

The following key themes emerged during the traveling workshops and were elaborated at the national conference:

- a. Fragility among rural communities, services and infrastructure
- b. Challenges faced by the farming community
- c. The role of entrepreneurs
- d. The potential for cooperation in farming and in the food chain
- e. Opportunities offered by heritage and tourism
- f. The role of municipalities
- g. The potential for LEADER
- h. Funding, and the reaction to IPARD.

These themes are described and illustrated below.



Museum of traditional costumes at Rezanovce



Meeting villagers at Rezanovce School

### Fragility among rural communities, services and infrastructure

Many rural communities in the country appear to be caught in a vicious cycle, which may be expressed as weak or narrowly based economies; lack of job opportunities; high levels of unemployment; outmigration of young people; falling population; non-viability of rural services; reduced quality of life; further outmigration ...

For example, Kruševo municipality reported 34% unemployment, and the continuing out-migration of young people (including many with high levels of education) because of lack of jobs. In the village of Logovardi (Bitola municipality), the village school now has only five or six new pupils each year, compared with 30 or 40 in the 1990s. Many villages lack essential services: for example, the village of Timjanik (Negotino municipality) has no kindergarten to serve the population of 500 households, which makes it difficult for young mothers to seek work. The infrastructure of roads, water supply, sewerage and electricity is also seriously inadequate in many areas. These weaknesses have damaging knock-on effect upon farms and rural enterprises.

One exception from this bleak situation is that most rural areas have good broadband services, to a greater extent than is found in many other rural areas in Europe. This is an important asset for future development of rural enterprises.

**Rezanovce Village.** In many parts of the European Union, local concern about the lack of services has led to direct initiative by village communities. A striking example from Rezanovce Village in Kumanovo Municipality proves that this kind of initiative can be taken in the former Yugoslav Republic of Macedonia. The people of this village, led by the voluntary village council, built an elementary school, using their own funds, the only village in the country to do so. The school, with 80 pupils, is now managed by the municipality. The teachers, who come from the town of Kumanovo, are financed by the Ministry of Education. Parents take part in school activities, and there is a parents' council with nine members. Teaching is of former Yugoslav

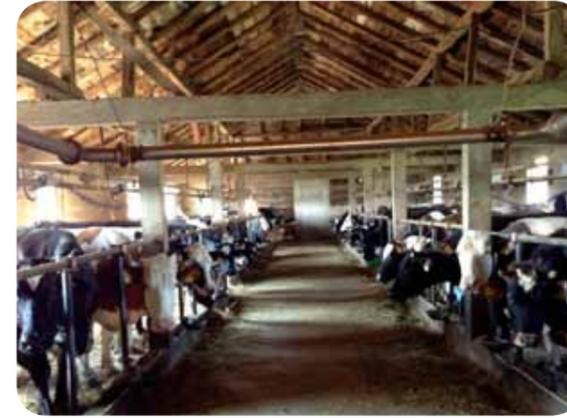
Republic of Macedonia and Albanian languages, and the school is involved in many multi-ethnic projects. The school provides a room for a mobile doctor, who comes once a week because there is no clinic in the village. There is no cultural centre, but the local community can use the school for whatever purposes they need. The school has become a social centre for the village, and is trusted and valued by the local population.

### Challenges faced by the farming community

The small family farms in the country face the same difficulties that small farms face in many parts of Europe – lack of land, lack of capital, weak bargaining position in the food chain, low incomes. Many of the smallest farms do not have registered status, and are therefore not eligible for some measures of support from national or EU funds. Many middle-sized, and even some larger, farms are constrained by inability to gain further land (partly because of uncertainty with the land registry), lack of capital, the cost of credit, poor infrastructure and other factors. Some are adversely affected by climate change, with increased temperature and reduced rainfall: this poses a challenge for irrigation and development of new cropping strategies. Some farmers are obliged to move away from tobacco monoculture. For these and other reasons, there



Sheep on an organic farm in Pehcevo municipality



Dairy farm at Staro Nagoricane



Skilled workers from Serbia producing vine grafts at company Agrokaletm, Timjanik

is a widespread need among farmers to diversify their products, and where possible to add value to them in order to get a fair income and gain competitiveness through cooperation.

**Two farms** in the village of Rezanovce Village, in Kumanovo Municipality illustrate the challenge faced by small or middle-sized farms. The first is an unregistered family farm of 4 ha, part owned and part leased. Most of the land is used to produce feed for 2 cows and pigs, and the milk is used to produce cheese and yoghurt, which is the only source of income for the family. They lack machinery, and are unable to secure extra land for leasing and irrigation. They do not cooperate with others, nor belong to associations. They receive limited state subsidies, plus advice from the extension service. They have not sought support from IPARD.

The second farm has 30 ha, of which 20 ha is leased from the state, and grows mainly cereals and forage. It has difficulty in securing prices for crops ahead of production, because market information is hard to get and prices hard to forecast. Transport costs are high, as is investment in machinery. Like the other farm, it receives state subsidies, and advice from the extension service. It has not sought support from IPARD, because of excessive documentation and retrospective payments, which (according to the farmer) "can take 2 years as opposed to the national programme which takes 2 months".

A **large family farm** in Staro Nagoricane municipality illustrates the attitude of farmers. It is a dairy farm, with 140 milking cows and 150 ha of land rented from private owners for production of fodder and corn. The farmer has two sons who hope to continue in farming: for this, he needs to double the size of his farm, but no land is currently available. He has no plans for diversification or adding value to his dairy products, but he needs to invest in more modern equipment, including improvement of hygiene standards. His farm's profitability depends on subsidies, but he expressed lack of trust in the government and has no communication with it apart from the subsidies. He sees no need for cooperation with the other farmers.

### The role of entrepreneurs

As in Serbia, there are impressive examples of entrepreneurs who have the courage and ability to launch an enterprise, using the human and natural resources available in the rural areas. By adding value to local products, they create precious jobs in the countryside, offer contracts to local producers and thus act as driving wheels for the local economies.

**Popova Kula** winery, hotel and restaurant in Demir Kapija municipality is a wholly private initiative, with significant investment, modern production methods and high-quality products.

It is centred on production of wine, using grapes purchased on contract from local farmers; and has diversified into a hotel and restaurant, with a total of 27 employees. It is discussing with other local wineries the potential for creating a wine trail in the sub-region, but does not appear to have grasped the opportunity for cooperation with a diversity of businesses to promote the area as a tourism destination. The owner simply commented that the municipality does not yet appear to be interested in developing tourism.

**Agrokaletm** is a farm-based family business in Timjanik Village, launched 15 years ago and specialising in grafting and production of vine plants. It is one of only 3 such businesses in the country, meeting the demand of wine producers for local vines and aiming at exports to the EU. Agrokaletm employs 40 people, including seasonal workers from Serbia with specialised skills in grafting. It operates on land leased from the state. The business has been built up carefully, with profits re-invested, plus bank loans and government grants: it has not sought to use EU funds or IPARD. It is well supported by the government's extension services, and by advice from the Faculty of Agriculture. The government pays for its quality registration and certification, and helps it to take part in trade fairs, including that in Munich, which is the largest fair for fresh foods. It sees the need for cooperation among wine and table grape producers, in order to deal with uncertainties in the future. Agrokaletm is a member of the Federation of Farmers, the largest association in the country.

## The potential for cooperation in farming and in the food chain

There is clearly scope for further enterprises of the kind described above, and for more widespread patterns of cooperation among producers and within food chains. Some of the difficulties experienced by small farmers can be addressed by cooperation between them, and by the creation of effective links within the 'food chain' of producers, processors and distributors. The government is supporting such cooperation and links, particularly in those industries which contribute to the country's exports of food products.

**Villa Dihovo Guesthouse**, in Dihovo Village (Bitola Municipality) is a successful 6-year-old family business, run by an individualistic entrepreneur (also a teacher) as "a home away from home".

It comprises a 4-room guesthouse and back-packer accommodation, with home-grown, home-cooked, pick-your-own organic food and drink, and outdoor activities in the adjoining national park. Additional accommodation is sourced in the village when needed. The facilities are self-built, rustic and constantly being improved and extended. The owner seeks to 'think as the visitor does, welcome everyone with a smile and make things clear, simple and practical'. The system is based on no set prices, rules or timetables. He has not sought public subsidies or grants, and never will do so. He attracts visitors from all over the world. The guesthouse is a member of the Slow Food movement, which supports local producers and organics; and has worked with other local producers to sell good food to visitors.



St George's Church, Staro Nagoricane – national heritage site

## Opportunities offered by heritage and tourism

The country has an outstanding heritage of landscape, wildlife, historic monuments, traditional crafts and other features. This heritage is potentially a major asset in building the collective identity of the people, attracting visitors and contributing to the development of tourism as a growing sector in the national and rural economy. Some municipalities are keen to develop tourism, but have not yet fully worked out how this is to be done and (crucially) how it will relate creatively to other sectors, such as locally-produced food and crafts. So, much of the initiative in these fields now lies with individuals or groups, without a strategic context.

Based in Kruševo municipality is the **Cvet women's craft association**, which supports artisans to continue and develop traditional handicrafts and local food, passing down knowledge from the older to the younger generation. Set up 15 years ago, the Association now has 60 workers, the largest single enterprise in the municipality. It received support from Swedish SIDA for product development and production. It has succeeded in exporting its products within Europe and the USA. The recent economic crisis has forced it to reduce its prices and payment to workers, who (however) comment that "It is better to work for nothing than not to work".

**St George's Church** in Staro Nagoricane, with its thousand-year history and elaborate frescoes, is recognized as a national heritage site and a potential tourism attraction. However, the local community is not oriented towards tourism, and the church authorities recognise that the church alone cannot bring tourism to the area. It needs to be part of a wider and richer tourism offer, complemented by other sites, within the framework of a local development strategy which could be initiated by the municipality.

The need for a strategic context, through which individual heritage sites might benefit from tourism, was the impulse behind an initiative in Slovenia, which might usefully be studied by Staro Nagoricane Municipality and St. George's Church. This was the creation in the 1990s of the Dolenjska – Bela Krajina Heritage Trail, which embraced over 30 individual heritage sites – each too small to generate a flow of tourists – and created a successful regional tourism product.



Products of the Serafim Association of Women Weavers, Berovo municipality

## The role of municipalities

Municipalities have the powers to take initiative in local development; can raise local taxes for this purpose; and can call upon government funds.

**Kruševo Municipality**, in a mountainous part of the south-west region, has a population of 9600, of which 40% is rural. The Municipal Council is striving to redeem the serious weakness of the local economy, shown by 34% unemployment, continuing out-migration of young and educated people, 70% reduction in traditional sheep production, lack of business development apart from textiles, and a high proportion of one-person businesses. The council perceives that local people are risk-averse, with a non-entrepreneurial, post-communist mentality, unwilling to work in partnership with others and with a propensity to drop out of projects after the planning stage, leaving implementation to the public sector. The tourism association, having been active for 2 years during a cross-border project, has lapsed, and tourist numbers are low.

To tackle these issues, the Municipality has developed a strategy focused on tourism, the creation of a zone for light industry, attracting foreign investors, business start-up training and support, and improvement of services and infrastructure (roads and water supply) in the surrounding 18 villages. Tourism is seen as the main growth area, because of the fine mountain landscapes and cultural assets. The area offers skiing, hiking, paragliding, health spa, conference facilities and cultural heritage. 560 guest beds are registered by the municipality, plus many private villas. In the last decade, € 2.5 million has been invested in tourist facilities: this includes € 1.5 million from the government towards skiing facilities, plus funding from US AID, UNDP, World Bank, EU cross-border programmes, and former residents. The Ministry of Agriculture, Forestry and Water Management thought that IPARD funding would be well suited to Kruševo, but the Municipality declined it as too complex to use.

## The potential for LEADER

As mentioned earlier, the Rural Development Network and the municipalities have done much to lay the foundations for the pursuit of a LEADER programme. Local development strategies have already been prepared in many municipalities, and local development groups have been formed. There are many capable people in the public, private and civil sectors who could take the lead in forming partnerships which are the central feature of the LEADER approach. These partnerships could then take the lead in the production of local development strategies, with a strong degree of participation of local people. Participative planning of this sort could have high importance in the country, where regional planning is centralised and does not seem to "touch" the local people and their problems. Local strategies could provide a coherent and integrated context for the use by local stakeholders of measures (subsidies, exports promotion, etc.), which now appear to be used in a fragmented way.

**Strumica**. Four municipalities in the south-east of the country – Strumica, Vasilevo, Bosilovo, Novo Selo – have set up a local action group, and are currently working with other stakeholders in the area with a view to setting up a LEADER-type LAG. There

is good cooperation between the four municipalities and other stakeholders, and the group is actively supported by the Rural Development Network and the Centre for Development of the South-East Planning Region, which is based in Strumica. The group is in process of producing a local development strategy. Three workshops have so far been held with local stakeholders to discuss the strategic document for setting up the LAG and to raise awareness among a wider group of local actors. A number of local NGOs are involved, for example ECO HORTI and Slow Food, which includes women and young people.

This south-east region has been losing young people through outmigration. It includes areas of intensive agriculture, but much of the cultivated land is divided into small plots, thus making the farms non-viable. Production has been focused on a limited range of crops, such as peppers, cabbage and tomatoes: these are now at risk because of climate change and loss of traditional markets, so crop diversification is needed. A recent climate change project showed the need for applied research, and for training of farmers in order to diversify crops and keep up with new developments. There is a need also to improve the quality and packaging of products: this might be linked to an application for PDO status. Benefits could come from cooperation between the farmers and with other enterprises in the region, such as food processors and tourism firms. There is a need for investment in infrastructure, such as electricity, water supply and roads.

## Funding, and the reaction to IPARD

The active stakeholders who were encountered by the traveling workshop groups included some who had depended wholly on their own resources, but also many who had made flexible use of funds from many different sources. The sources included bank loans, bilateral donors such as US Aid or the Swedish International Development Agency, foundations based in Turkey and elsewhere, the municipalities, national rural development funds through the Ministry of Agriculture, Forestry and Water management and other government sources such as the Ministry of Culture. Cross-border co-operation projects had been used (without EU funding) and were seen as useful in developing approaches, technology and markets.

Looking ahead, stakeholders offered a variety of views about the future financial climate – increased opportunities for export, but also increased competition from abroad; the likely gradual withdrawal of bilateral donors and foundations; the need to reduce the cost of credit; the need for increased government expenditure on infrastructure and rural services; the need for easy access to government support on realistic terms. The last of these points is well illustrated by the comments of stakeholders about IPARD. None of them had used this fund, because of their conceptions of an unacceptable level of bureaucracy, retrospective payments taking significant time to access, limitations on match-funding, and difficulty in the application process.

## Conclusions

**Integrated rural development.** Described earlier was the



National Conference in Skopje

vicious circle of weak rural economies, unemployment, outmigration, inadequate rural services, and poor infrastructure. The links between all these elements of weakness mean that the solution cannot be found in only one sector of action. If they are to stay in rural areas, young educated people need both jobs and rural services. Rural enterprises depend upon good basic services and infrastructure. For these reasons, the policies and actions for rural development must be integrated, and they must be suited to addressing the specific needs of each region or municipality. This implies the need for clear linkage and complementarity between the policies of central government and the local development strategies at municipal level.

**LEADER.** It is clear that the drive to strengthen the rural communities and rural economies of the former Yugoslav Republic of Macedonia must draw upon the resources and energies of the public sector, represented by government and municipalities; the private and commercial sector, represented by farmers and entrepreneurs; and the civil sector, represented by the people who live in the towns and villages. The LEADER approach to creating practical partnerships at sub-regional level, which has been widely used in Europe since it was first pioneered in 1991, has proved to be a powerful means of achieving this linking of energies. The LEADER concept has become familiar in the country, and local development groups and strategies are already in place as the building-blocks for a LEADER programme. The new family of strategies and programmes for the 2014-20 period, now being finalised by government, can provide the context for the launching of a full LEADER programme.

*The LEADER measure is part of the national programme for rural development and IPARD funding schemes in the period 2014-2020. There was progress in developing the necessary regulation, but there is a need for a greater pro-activeness by the Ministry of Agriculture, Forestry and Water Economy in making the LEADER measure operational. As soon as the accreditation and administrative procedures will be fulfilled, the Rural Development Network in cooperation with the Ministry should bring people together to exchange experience and knowledge, inform and promote LEADER approach actions. Petar Gjorgievski, Rural Development Network, the former Yugoslav Republic of Macedonia*

**IPARD.** The government and the European Commission, when shaping the IPARD 2 programme, would be well advised to analyse the reasons for the low take-up of IPARD 1 and to make changes accordingly. These changes may need to include better information, simplified application processes, reduced paperwork, advice to potential applicants in their own localities, more rapid payments, and greater clarity about the links between the IPARD programme and other national support systems.

**Co-operation and networking.** The strengthening of rural economies could be much assisted by a greater degree of cooperation and networking between enterprises than now exists. Such cooperation could strengthen the bargaining power of farmers and other enterprises; assist the process of adding value to rural products; provide the resources for effective marketing campaigns; and raise the voice of rural enterprises in dealings with government. Some leading entrepreneurs have well understood these benefits, and are actively promoting cooperation. But among the wider sector of farmers and enterprises there appears to be a strong



Rezanovce village, the former Yugoslav Republic of Macedonia

measure of individualism and distrust of working with others. This has a historical legacy, but also is a barrier to development under a market system. Some projects of co-operation have been provoked by external donors, but failed when their support ended.

A more long-lasting stimulus may be needed in order to address the cultural inhibitions and to gain the benefits of cooperation and networking. The stimulus could be provided by government incentives, such as support for the creation and work of producer groups; by advisory systems; and by publicity and support offered by municipalities and Local Action Groups. In a broader sense, a greater degree of networking is needed between all rural stakeholders in order to gain the benefit of exchange of information and good practice and to empower stakeholders as primary actors in rural development and as partners of government. The Rural Development Network is providing most valuable stimulus to such networking, and deserves the support of all rural stakeholders and of the government.

**Capacity building.** For reasons which have been described earlier, a high proportion of rural stakeholders in the former Yugoslav Republic of Macedonia are already facing, or may in future expect to face, the challenge of change. This challenge may come from climate change, modern technology, hygiene regulations, the search for new markets, the need to diversify crops, the demanding process of preparing and implementing local development strategies, and many other causes. The handling of change often demands courage and new skills. It is clear that there will be widespread need for advisory services, training and other aspects of capacity building. Leadership in this field should come from the government, the Rural Development Network, municipalities and Local Action Groups.

## chapter 5

# Rural reality check in Montenegro



The first traveling group sets off, led by Ratjo Bataković (right), President of the national Rural Development Network

Montenegro became independent in 2006. It applied in 2008 for EU membership, and was granted candidate status in 2010. Negotiations over accession started in June 2012. The process of harmonizing national systems with the EU *acquis communautaire* is ongoing.

## Population and economy

Montenegro is a predominantly rural country, but with a mainly (61%) urban population. Of the total population of about 620,000, a quarter live in the capital Podgorica. There are two levels of government - national and municipal. There are two urban municipalities, which are subdivisions of Podgorica; and 22 municipalities, each centred on a town in the rural regions, varying in population size between 5,000 and 60,000. The national economy is dominated by the service sector, which accounts for 72.4% of GDP. Industry, which is focused mainly on aluminium and steel production and food processing, accounts for 17.6%, and agriculture accounts for 7.4%, of GDP. Tourism, which is mainly focused on the coast and historic towns, is of great importance to the economy, with over one million visitors each year. Tourism, including specific rural tourism, is considered to be the backbone of future economic growth, and government spending on infrastructure is largely targeted towards that goal.

## Agriculture

Agriculture dominates the rural economy. Pastures and meadows occupy 90% of the farmland and the remaining 10% is mainly devoted to horticulture, vineyards and orchards. The structure of farming is dominated by small family farms, which provide all or most of their income for over 50,000 rural households, many of whom live at subsistence or semi-subsistence level. These farms have an average size of 5 ha, very often fragmented into a number of small plots, with little modern machinery and limited use of fertilizers and pesticides. A majority of farmers are in the older age group, with low levels of education. Food chains on local and regional level are weak, much feed and food is imported from former Yugoslavian countries.

## The future of agriculture

Looking ahead, the government sees the need for urgent strengthening of the agricultural sector in order to increase its viability and competitiveness and its ability to absorb the opportunities, which EU membership can provide. The aim is to be able to enter the EU without an 'earthquake' in the farming sector - the so-called 'soft landing'. There is a need to build on the strengths in the farming sector, which include available land, competitive prices for some products, good conditions for organic farming, and potential to add value to traditional products; and to exploit opportunities for increased export of wine, fruit, vegetables, lamb meat and other products and for strengthening the links between the farming and food industries and the tourism industry.

*The Minister of Agriculture and Rural Development, Prof. Dr. Petar Ivanović, speaking at the Concluding Conference, saw the need for a change in the mindset of farmers towards agribusiness, to be more responsible for their own prosperity and their contribution to society. "Farmers need to move towards new ideas. The government will offer seminars and roundtables for rural families in the younger generation. Government support will be targeted towards farms which can be competitive: we cannot help everybody. Farmers should work hard and be better organised: they should recognize that 'we can do it, even if we are very small!'"*

## National policies

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. 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.

## IPARD

As a candidate country, Montenegro is eligible for assistance through IPARD. Work on the IPARD programme started in 2010, and 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.

## Government's contact with stakeholders

Speaking at the Concluding Conference, the Minister of Agriculture and Rural Development expressed support for the bottom-up principle. He said that 1600 agricultural producers had taken part in the consultation on the new budget for agricultural support. The government is keen to work with associations: it uses money from gaming taxes to support the establishment of NGOs, including associations of producers. The government expects that local NGOs should be funded partly from their members' fees and partly by support from municipalities. It is not clear whether municipalities take the same view.

## Rural Development Network

The Rural Development Network of Montenegro plays an important role in mobilising rural civil society and promoting the concept of rural development. It was set up in 2012, with aim to promote rural development through exchange of

information, ideas and best practice; and to promote partnership between, and strengthen the capacity of, all its members. Its vision is that rural people will actively participate in the social, economic and cultural development, and in the preservation and protection of heritage, of the areas in which they live. At present, the Network has 18 NGOs in formal membership, each based in an individual town, plus a number of expert advisers who provide contact with several further towns. Most of the member NGOs are interested mainly in environmental protection, promotion of the cultural and historical heritage, education and social issues. The Network is seeking to expand its NGO membership step by step, with a view to aiming at full geographic coverage of rural areas in the country and being able in due course to claim that it can speak for a large part of the rural population. It is planning a workshop on transfer of knowledge on rural development techniques gained by Local Action Groups; and a conference on family farms.

The Network co-organised in 2012 the first international conference on 'The role of civil society and rural development in the Western Balkans', attended by 40 people from six countries in the region. In 2013, The Network secured two significant agreements which strengthen its hand. First, it agreed with the Rural Development Networks in Serbia and the former Yugoslav Republic of Macedonia to form the Balkan Rural Development Network, which is supported by the Standing Working Group. Second, it signed a protocol of cooperation with the Ministry of Agriculture and Rural Development: this provides for mutual support and cooperation, while respecting the autonomy of the Network. In addition, many of the member NGOs of the network have good links with municipalities: key members of some of the NGOs work as staff or consultants to the municipalities. The Network has launched the first comprehensive Web portal in the field of agriculture and rural development - [www.ruralportal.me](http://www.ruralportal.me).

## Traveling workshops

The two traveling workshop groups both visited Podgorica and then each went to a further three municipalities - Danilovgrad, Nikšić and Virpazar (Municipality of Bar), which are relatively

near the capital; and Cetinje, Kolašin and Tomaševo (municipality of Bijelo Polje), more distant from Podgorica. This difference appears to be significant in terms of the ease or difficulty of selling farm products to the urban population. In total, the groups met 14 enterprises, all connected with production of different types of food, including beef, milk, cheese, apples, cornel-berries, mushrooms, herbs, wine, vegetables and honey.



Hill farming landscape near Žabljak, Montenegro

## Key themes

The following key themes emerged during the traveling workshops and were elaborated at the national conference:

- The role of dynamic entrepreneurs
- The value of cooperatives and associations
- The value of support from government
- The potential offered by tourism
- The wider scope of rural development
- The role of municipalities
- The need to strengthen institutional capacities.

These themes are described below.

## The role of dynamic entrepreneurs

The traveling groups were impressed by many of the entrepreneurs whom they met, most of them running family-based enterprises with a strong “we can do it” spirit, using the human and natural resources available in the rural areas. Some of them focused on traditional products, some - on innovation, but all in different ways were building viable enterprises, finding markets, creating rural jobs, and in some cases bringing together groups of small producers and offering them contracts which bring stability within the rural economy.

**Dragice Mirjačić** runs a small innovative enterprise, based in the village of Bršno near Nikšić. She and her husband have an orchard of plum, apple and pear trees, from the fruit of which he makes a variety of spirits (*slivović*), mainly for personal use. She has set up a lively business making juice, liquor and jam from the berries of the cornel tree (*drenjina*: Latin name, *cornus mas*). She is marketing this successfully in and beyond Montenegro, through contacts with tourism organisations, regional fairs and NGOs in Austria, Croatia and Bosnia and Herzegovina. She says, no-one else in the village is interested in this, nor enterprising in other ways; but some people in other villages have noted the potential of the cornel berry and are trying to make similar products.

**JSC Plantaze.** On a very different scale is the wine company ‘JSC Plantaze’, which produces 17 million bottles of wine each year and exports wine to 40 countries. It is the biggest export company in Montenegro, and has won 800 awards at international fairs. It has 700 employees, plus 2000 migrant seasonal workers who harvest grapes from its 2314 ha of vineyard; it also buys grapes from small producers in the region.



The cellar of wine company ‘JSC Plantaze’, which exports wine to 40 countries



The cheese factory ‘Cevo Katunjanka’ in Danilovgrad

## The value of cooperatives and associations

In some parts of the rural economy, small enterprises are gaining the advantage of working together. Cooperatives and associations can offer greater strength in the market than individual producers can have, and are better placed to exercise influence on the policies of municipalities or of the government. The Minister of Agriculture and Rural Development said that he is bringing forward the new law on cooperatives. He stressed the role of associations in helping their members to understand how the market works: the government would support associations in doing this.

**Vlado Vukotić** runs a cheese factory ‘Cevo Katunjanka’ in Danilovgrad municipality. This is a family company, with seven full-time employees, using milk supplied on contract by 40 local producers. The company belongs to a cluster of cheese producers in South Montenegro who have formed a cooperative marketing group. Mr. Vukotić has benefited from attendance at seminars and information meetings organised by the Ministry of Agriculture, and is kept well informed by the Ministry and the Chamber of Trade. He would like to be able to draw on a wider supply of good-quality milk, and to see the dairy farmers organised into an association.

**Marjan Plantak** is a pioneer in the field of beekeeping, being the first certified producer of organic honey. He is an active member of the national beekeepers’ association, which has 2000 members. This association has been trusted by government to deliver a scheme, under the MIDAS programme, to support beekeepers in purchasing modern equipment and to monitor the proper installation and use of this equipment.



Marjan Plantak, pioneer in organic honey production

## The value of support from the government

Many of the entrepreneurs expressed appreciation of the information, advice and financial support provided by the Ministry and the extension services. The government has supported the creation of associations, such as ‘Organic Montenegro’, which is a national association of the organic producers and now has 30 members.

**The Pantović family**, led by a young farmer who originated from Canada, is producing milk and meat. They have benefited from taking part in information meetings run by the Ministry of Agriculture and Rural Development. They received a grant through the national MIDAS programme towards construction of a new stable. They are members of the beef producers’ association.

**The Bogdanović family** near Podgorica gained support from the MIDAS programme for expansion of their mushroom producing business. This supports five year-round and two seasonal workers. Mushrooms are sold at the market and to shops and restaurants. The family sees the need for investment in better equipment in order to cope with oscillating demand.

**Veselin Jovović** runs a family farm, with 15 ha of open field production and 11,000 square metres of greenhouses, producing vegetables and herbs. He has 10 to 15 full-time employees, depending on the season, and is a national player on the direct-sales market. He gained much of his technical expertise through attendance at seminars organised by the government, and has been helped also by the University. He used a loan through a national programme to build the heating system in his greenhouse.



Veselin Jovović shows his greenhouse production of herbs and vegetables



The Rajković brothers on their small vineyard at Kući

## The potential offered by tourism

At present, tourism in Montenegro is focused along its Mediterranean coast, including the mass tourism centres of Herceg-novi, Bar and Budva; and upon historic towns, notably the World Heritage city of Kotor, which are also in the coastal region. The coastal tourism offers potentially a huge market for food, crafts, building materials and other products from the rest of Montenegro. However, poor road systems and relatively undeveloped food chains have brought little benefit from this market to the hilly and mountainous areas of northern Montenegro. There is clearly a potential for greater trade within the country in this respect. In addition, the Ministry of Agriculture and Rural Development sees the potential for development of rural tourism in the northern regions, as a means of diversifying the rural economy and increasing the market for direct sales of the region's food and other products.

This idea is already in the mind of some entrepreneurs.

**The two Rajković brothers** combine wine production with tourism on their small farm at Kući. They cultivate only 1 ha at present, and hope to expand this to 3 ha. They received a grant for their investment through the MIDAS programme. They are active in the national vine-growers association, exhibit their wine at fairs, and are able to benefit from strong branding and direct sales.

**Lidija Martinović** is the third generation of farmers and honey producers in Cetinje municipality. She has already diversified her products related to food, therapy and cosmetics. She uses only direct sale, in cooperation with tourist agencies and with six other honey producers in a small beekeepers' associations. She hopes to expand her business and to invest in tourist facilities in order to sell products to visitors to her farm.



Food, therapy and cosmetic products made by Lidija Martinović

## The wider scope of rural development

In recent years, the government has devoted most of its effort and funds in the field of agriculture and rural development to boosting the competitiveness of the larger or more enterprising farms and food-processing companies. This is wholly understandable, in view of the need to expand the national economy, the contribution which farming and food industries make to the national GDP, and the need to prepare these industries for the competition which will affect them when Montenegro accedes to the EU. But these priorities bring little benefit to the very small family farms in the hilly and mountainous parts of the country, where the average farm size is less than 2 ha, and nearly half of the farmers are older than 55 years. The government appears to be content that many of these farm units should gradually wither or be amalgamated, causing a loss of total employment on the land and placing further pressure on the viability of communities in these areas. It has also not yet focused attention on the potential for added value to timber and other products from the very large areas of state or private forestry – mainly beech and pine – in the mountains. There is need, particularly, but not only in these upland areas, to focus more widely on the strengthening of rural economies, and on sustaining the services and infrastructure which are needed by rural communities.

## The role of municipalities

Municipalities have the ability to raise local taxes and to put money into local development. The Ministry of Agriculture is encouraging municipalities to prepare their own local development strategies. Among municipalities, only Pljevlja has yet completed such a strategy. Other municipalities, such as Budva, Nikšić and Žabljak, are in process of doing so, including public consultation. However, it is not yet clear to stakeholders how the municipal strategies will relate to the government's action in this field. Officers in the two large municipalities of Nikšić and Pljevlja, which together cover 60% of the country and are mainly mountainous, are extremely concerned about the prospects for the rural areas in their municipalities. They see the rural population, and the farming economy, shrinking. They are trying to help the farming community to diversify and modernise, and to keep young people in the villages, but they have very limited funds for rural development – €120,000 per year for Pljevlja municipality.

*"The government, local authorities and local people must work together in a constructive triangle. The days are gone when the government had the full responsibility. Now we must look to the people taking their own initiative. There is scope for leadership at the village level, by someone who deserves the trust of the local people and who can negotiate and present proposals to the municipalities. The municipalities can teach people about procedures, and remove the naivety which leads some people to suppose that the government will produce 100% of the money. People must be willing, and enabled, to work together."*  
Prof Dr. Petar Ivanović, Minister of Agriculture and Rural Development.

## The need to strengthen institutional capacities

The government's recognition of the need to strengthen its own capabilities in the management of rural development programmes is reflected to a significant degree in other sectors of national life. There is no current mechanism for coordinating the activities of different ministries and government agencies related to actions in rural areas. Education systems offer no curricula related to local development, and there is a severe lack of trained personnel at all levels and also a shortage of systematic information in this field. No serious progress has yet been made towards the adoption of the LEADER approach, apart from the formation of the Regional Development Agency for Komovo and Bjelasica, and the Foundation for Development of the North focused on the municipalities of Nikšić and Pljevlja. For all these reasons, there is an urgent need for strengthening the institutional framework and for capacity-building and training.

## Conclusions

Montenegro's achievements are already significant in the field of rural development, with a major focus on promoting competitiveness in agriculture and the food industry. The government realizes that it must continue urgently the process of developing the full institutional basis that is needed in order to pursue a comprehensive approach to rural development, including the building of a closer and fuller partnership between government and rural stakeholders. Major elements in the institutional framework must clearly include:

- An updated National Strategy for Agriculture and Rural Development, supported by an IPARD 2 programme agreed with the European Commission and run on the basis of decentralised management.
- A phased programme for the introduction of the LEADER approach, building upon the initiatives already taken by the National Rural Development Network and upon the interest of municipalities, trade associations and NGOs in rural development.

- The completion by municipalities, or (as they come on stream) by LEADER-type sub-regional partnerships, of local development strategies for the main rural regions.
- The shaping of a clear and transparent relationship between (on the one hand) the national rural development and IPARD 2 programmes and (on the other hand) the local development strategies prepared by municipalities or sub-regional partnerships.
- The progressive strengthening of the family of NGOs concerned with rural affairs, and of the National Rural Development Network as the focal point of this NGO family.
- Continuation of the government's extension services and active information systems, with a focus which increasingly embraces not only farming and food processing, but also wider aspects of the rural economy and rural life.
- Creation of a structured basis for links between government and organisations representing rural stakeholders, in order to progressively build trust between the two sides and to build participation and partnership in the rural development process.
- A programme of education, training and capacity building, to be made available to all key sectors, in order to address the current shortfalls in skills and expertise which may otherwise impede the pursuit of the crucial development process. This programme might be jointly initiated by government, universities and the National Rural Development Network.

*We must develop our human capital. We should encourage people in our diaspora to come back to Montenegro. We should involve women and children in the contracts which are signed between government and farmers. We should have scholarships for young rural people, and persuade them to come back to their home areas when they finish their studies. We should create a film to display successful entrepreneurs, to share the pride of farmers in being rich.* Prof Dr. Petar Ivanović, Minister of Agriculture and Rural Development



The group enjoys a wealth of local products

## chapter 6

# Experience in four countries



Taking part in the traveling workshops in Serbia, the former Yugoslav Republic of Macedonia and Montenegro were a number of officials and NGO representatives from four other countries – Albania, Bosnia and Herzegovina, Kosovo and Turkey. Ministers or their representatives from these countries attended the Concluding Conference in Brussels on 8 April 2014.

This chapter draws on the reaction of those participants, and the statements of Ministers, in order to summarise for each country the challenge of rural development; the processes being pursued by government; the rural stakeholders; the means by which rural stakeholders can take part in shaping and implementing rural development programmes; and prospects for the future relationship between rural stakeholders and administrations.

## Albania

Albania voted for its first democratically elected government in April 1992. Along with other Western Balkans countries, it was identified as a potential candidate for EU membership during the Thessaloniki European Council summit in June 2003. Based on a recommendation by the European Commission, the European Council granted EU candidate status to Albania in June 2014.

**Economy.** In 1992, the new government launched an ambitious reform programme to halt economic deterioration and launch Albania towards a market economy. The country is rich in natural resources, including oil, farm products, timber, minerals and hydro power. The economy is based on these resources, plus tourism and the textile industry. Before 2008, Albania had one of the fastest-growing economies in Europe. The financial crisis affected it severely. The level of poverty has grown to 14.3%, and unemployment to 16.9% in 2013. Albania's labour market has seen a dramatic shift away from agriculture and towards industry, tourism and other services. Of its total population of 3.1 million, less than half now live in rural areas.

**Agriculture.** Despite this shift, agriculture remains one of the largest and most important sectors in Albania. It provides about half of total employment, and about 20% of national GDP. The main farm products are wheat, maize, potatoes, vegetables, fruit, sugar beets, grapes, meat and dairy products. The agricultural sector continues to face a number of challenges, including small farm size and land fragmentation, poor infrastructure, market limitations, limited access to credit and grants, inadequate rural institutions, vulnerability to climate change and the need for improved management of water resources.

**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*. Relevant to the present report, it states that:

*"Albania made some further progress towards becoming a functional market economy, and should be able to cope with competitive pressures and market forces within the Union in the medium term, provided that it accelerates structural reforms...."*

*"The adoption of the 2014-20 strategy for agriculture and rural development is pending. Preparations to manage and control rural development funds under IPARD have continued. The first call for proposals under an IPARD-like scheme took place from December 2012, followed by a second call in April 2013."*

*"There has been limited progress in the area of agriculture and rural development. The agricultural statistics have been improved. While the administrative structure to implement the IPARD scheme has been established, all involved elements of the management and control system need to be substantially*

*strengthened in order to carry out their respective functions. Overall, preparations in this area are not very advanced."*

*"In the area of placing on the market of food, feed and animal by-products, the pace of progress is slow, with the exception of the updating and validation of the food establishments database ... which now records 17,800 units."*

**The Government's view.** Edmond Panariti, Albanian Minister for Agriculture, Rural Development and Water Administration, speaking at the Concluding Conference in Brussels, expressed a strong support for the bottom-up approach to rural development and the achievement of increased productivity. He said that the change in his country from centralised government to democracy had forced farmers into a change of mentality. Government support to them was no longer an issue of social welfare, but was focused on stimulating them to create effective businesses and contribute to the growth of the economy. Before he established his current policies, he consulted producer groups and other stakeholders, and was surprised by the positive feedback. The producer groups asked for support towards their collective activity, for example in building facilities for storage and refrigeration. They wanted new technology, focused on improved production. This response was found even among mountain farmers, who would clearly benefit from more generalised individual support. His policies include subsidy to registered farmers, and the use of fiscal measures. To throw light on policy issues, the Minister uses *ad hoc* committees, with stakeholders involved: he sees these as rather like 'black belt judo teams', able to tackle issues effectively. "If you only work top down, you can miss tricks".

**Advocacy for LEADER.** The Institute for Democracy and Mediation (IDM), based in Tirana, is actively involved rural issues in Albania. In October 2013, PREPARE and IDM co-organised a Conference under the title 'Community Led Local Development in Albania'. More than 100 participants from all parts of Albania were present, mainly from the civil sector and local government, but also including the Deputy Minister of Agriculture, Rural Development and Water Administration. The mass media were well represented, and the event attracted much press coverage.

The conference focused upon the challenges facing civil society with regard to local development in Albania. It was 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 these challenges and in achieving social equality, sustainable economic development, and the growth of social capital. In February 2014, at a roundtable held in Tirana on the initiative of the NGO Quodev, it was agreed to establish a network of Local Action Groups.

Speaking at the Western Balkan Concluding Conference in Brussels, Ms. Anila Vendresha, Executive Director of the NGO Quodev, argued strongly for the creation and support of LEADER-type Local Action Groups in Albania. She said, the appetite of rural stakeholders for participation is quite good, and 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. They can encourage innovation, risk-taking and investment, which are much needed in Albania: people can be frightened to take risks, and LAGs can provide some measure of safety net. Local authorities in Albania are not yet experienced in local development, and the 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. She would welcome support from PREPARE and ELARD for building capacities in Albania.

*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 areas. Initially Oxfam repaired irrigation channels, drinking water supplies, mills, and bridges, and helped small farmers with new farming techniques. More recently, it focused on creating sustainable livelihoods by working with small producers throughout the supply chain from farm to market. It has supported farming associations and cooperatives to produce a range of marketable local products.*

*Quodev's aims are to build capacities, resources and partnership to foster sustainable local development; to implement rural development projects; and to pursue research and advocacy on sustainable rural development. It seeks to develop local development partnerships on the EU model, with an emphasis on the role of women. It has taken the lead in networking between LEADER-type Local Action Groups in Albania. In February 2014, as a follow up of an earlier LAG Conference held in Razem, it hosted in Tirana a roundtable with partners and LAG members. The participants agreed on a programme for enhancing capacities and exchanging information. LAG members will meet twice a year. Quodev will coordinate the network and ensure that LAGs become known and active among governmental agencies and civil society.*

### Bosnia and Herzegovina

Bosnia and Herzegovina has a bicameral legislature and a three-member Presidency composed of a member of each major ethnic group. However, the central government's power is highly limited, as the country is largely decentralised and comprises two autonomous entities – the Federation of Bosnia and Herzegovina, and Republic of Srpska; a third region, the Brčko District, is governed under local government. The Federation of Bosnia and Herzegovina is itself complex and consists of 10 federal cantons. A final level of governance is represented by municipalities, of which there are 79 in Federation of Bosnia and Herzegovina, and 63 in Republic of Srpska.

**Population and economy.** The Yugoslav wars in the 1990s caused large movements of population within, and out of, the country. The 2013 census found a total population of 3.8 million, as compared with 4.4 million in 1991. About 60% of the current population lives in rural areas. Bosnia and Herzegovina has faced the dual-problem of rebuilding a war-torn country and introducing liberal market reforms to its formerly mixed economy, which included significant heavy industry and agriculture based largely on private farms. The country's physical infrastructure suffered severe damage during the wars, and there are still very high levels of unemployment.

*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. Ivica Sivric, REDAH development agency, BiH*

**Agriculture.** Agriculture is still a very important part of the national economy, providing food security for its population and accounting for about 10% of national GDP (13% in Republic of Srpska, 6% in BiH). The agri-food industry accounts for a further 8% and its share is growing. Farmland comprises 47% of the national territory. About one-fifth of this is suited to intensive farming, and the production of vegetables, maize, potatoes and other crops from this land accounts for about two thirds of the value of all farm products. About 100,000 ha are devoted to orchards and vineyards. The remaining farmland is mainly in grassland and mountain pasture, suited to livestock and dairy products. The majority of holdings are small family farms, of which about half are less than 2 ha in size, many operating at subsistence level.

**Assistance 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.

*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.*

**The Government's view.** At the Concluding Conference on 8 April 2014, Ms. Jelena Prorok of the Ministry of Foreign Trade and Economy described the complex structure of responsibilities for agriculture and rural development. Each of the 156 public authorities – the central government, the 3 entities, the 10 cantons, and the 142 municipalities – 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, and LEADER. Each of these sub-groups has representatives of relevant stakeholders, for example agricultural cooperatives, associations, chambers of commerce and university faculties. The LEADER sub-group includes nine Local Action Groups.

*Rural stakeholders in Republic of Srpska can participate in shaping of rural development programmes by giving their suggestions and proposals during the creation of the Rulebook. We can improve participation of rural stakeholders in this work by improving information and promotion of support programmes and procedures; strengthening the partnership between public, private and civil sectors; support to rural networking; greater integration of plans, funds and stakeholders; and promoting the LEADER approach. As a civil servant, employed in the Ministry of Agriculture, Forestry and Water Management, I will suggest these activities to my superiors. Ostoja Šinik, Republic of Srpska, reflecting on the experience of the traveling workshop in the former Yugoslav Republic of Macedonia.*

**Development agency.** Ivica Sivric, representing the REDAH development agency, said that working in Bosnia and Herzegovina is a bit like struggling to solve a Rubik's cube. His agency was set up in 2003. It is based on the LEADER approach, and is structured as a partnership between 23 municipalities, two NGOs, two chambers of commerce and three individual companies. Its area contains 450,000 people, stretching across the internal border, with 16 partner municipalities in the Federation area and 7 in Republic of Srpska. It is focused on regional development, cross-border cooperation, support to small and medium-sized enterprises, and general promotion for agriculture and rural development. Through its Centre for Rural Development and Agriculture, it 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.

**National Rural Network.** REDAH has also been working with other NGOs towards the creation of a Rural Development Network for Bosnia and Herzegovina, parallel to those in Serbia, the former Yugoslav Republic of Macedonia and Montenegro which were described in earlier chapters. Leadership in this process has been given by REDAH and another NGO, the Agency for Cooperation, Education and Development (ACED), with 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. In July 2012, ACED organised, with PREPARE's support, a workshop in Banja Luka with the title 'Rural Development of Bosnia and Herzegovina'. This led to cooperation between ACED, REDAH and two Local Action Groups, who between them accepted PREPARE's invitation to organise in September 2013 a multi-national PREPARE Gathering at Jalonica, with traveling workshops in different parts of Bosnia and Herzegovina. This event also had support from ELARD, as part of the ACORD project (co-funded by the European Commission) on which they were working with ACED and REDAH. A third key event, organised by the same set of partners, was a meeting of 15 NGOs in Sarajevo in April 2014, at which the decision was taken to form a National Rural Network. This Network, which expects to hold a Rural Parliament later this year, aims to be a prime mover in stimulating rural stakeholders to be active in rural development.

*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. What they should do is to organise discussions, round tables, workshops, in order to realize the real field situation, and then adapt a programme. They should develop contacts at the local level, and strengthen the capacities of municipalities, NGOs and the private sector. This will spread the network of participants who are of similar opinions and who can bring ideas to the government. REDAH has been doing exactly this for some*

*years, connecting participants through project activities, presenting them with possibilities and methods for solving particular problems. Our activities respect real field needs, assist in finding partners, develop the network of participants, help in finding resources, practice joint implementation, monitoring, evaluation, etc. The 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. Ivica Sivric, REDAH development agency, BiH*

### Kosovo

**Political status.** The political status of Kosovo is the subject of a long-running political and territorial dispute between the Serbian (and previously, the Yugoslav) government and Kosovo's largely ethnic-Albanian population. In 1999, the administration of the province was handed on an interim basis to the United Nations under the terms of UNSCR 1244. That resolution reaffirmed the sovereignty of Serbia over Kosovo, but required the UN administration to promote the establishment of 'substantial autonomy and self-government' for Kosovo, pending a 'final settlement' for negotiation between the parties. This settlement is still awaited.

**Population.** Of Kosovo's population of 1.7 million in 2011, 63.2% live in rural areas.

**Support from the European Union.** The political uncertainty mentioned above 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 on Kosovo's Rural Grant Scheme, which was part-funded by the EU:

*"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*



Local products on sale near Mostar, Bosnia and Herzegovina

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.”

**IPARD.** Although eligible for help through IPA, Kosovo does not yet have the capacity to implement the IPARD programme. It aims to become qualified for IPARD 2, and (to that end) is building up its human and technical capacity.

**The Government's view.** Blerand Stavileci, Minister of Agriculture, Forestry and Rural Development, speaking at the concluding conference, said that Kosovo is committed to securing long-term sustainable growth. He is preparing a rural development programme for 2014–20, with a focus 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. In November 2012, he held 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. A first draft of the development programme was submitted to a second national conference in June 2013, which discussed priorities and detailed measures and was followed by further information to stakeholders. A third national conference was held in December 2013, with an even broader group of stakeholders, in order to gain their comments on the design of measures.

The Minister believes that this sequence of intensive discussions with stakeholders has done much to empower them and to build their capacity to contribute to the rural development programme. He is optimistic about the future, and wishes to build a stronger relationship with stakeholders both within the territory and across borders. He supports the Standing Working Group, and its Area-Based Development programme, and is committed to the economic development of the wider region.

Zenel Bujaka, Director of the NGO 'Initiative for Agriculture Development' (who had attended the traveling workshop in Montenegro), said that his stakeholder organisation was satisfied by the cooperation with the government. The dialogue between stakeholders in the working group had been helped by the Ministry. Some of his members were relatively weak, as compared with certain strong lobbying organisations, but were able to express their interests through involvement in the working groups and the information supplied by government, which they could take to their own members. Some parts of the rural population, for example those who live in the mountainous areas which have suffered severe out-migration, have not yet been involved in stakeholder groups, and there is a need for further effort to involve them. There is a continuing need to build trust among 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, and very few of them have been able to distribute grants: there is a great need to build up their capacity.

## 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.

**Population and economy.** In the last three or four decades, there has been a massive movement of population from rural areas into the cities. But more than a quarter of the population, 20 million people, still live in rural regions, and a large proportion of them depend on agriculture or other locally-based industries. In 2010, the agricultural sector provided 9% of GDP, while the industrial sector provided 26% and the services sector 65%. However, agriculture still accounted for a quarter of all jobs.

**Governance.** There are three main levels of administration in Turkey – national government, provinces and 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' and other districts – 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 bottom end, each quarter of a municipality, and some villages, have elected *muhtars* who take care of specific administrative matters, which may vary according to the locality.

**National policies.** Turkey's Tenth Development Plan (2014–2018) includes a general framework of rural policy, which consists of 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 to 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. It states strategic objectives, including developing the rural economy and increasing jobs; improving the rural environment and securing sustainable use of natural resources; developing the social and physical infrastructure of rural settlements; developing human capital in rural society and alleviating poverty; and enhancing institutional capacity for local development

**Turkey and the EU.** 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 has included substantial increase in the country's participation in EU programmes, including IPARD which is 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.

**IPARD.** 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. So, it has become operative by stages, with the first calls for proposals issued in 2011 and the full process in place 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.

The number of projects submitted for IPARD support has been growing at a rapid rate, from 1,100 projects in response to the first eight calls in 2011–12 to 5,800 in response to a single call in November 2013. The range of types of projects supported by the programme has gradually increased, and in 2013 the Commission invited Turkish authorities to reflect on targeting the funding on certain groups of stakeholders, including smaller farms and SMEs involved in processing and marketing. The government has carried out consultations with people in the different sectors, and officers visit IPARD beneficiaries in order to benefit from their experiences: if necessary, the IPARD measures are then modified in the light of these experiences. By the end of the programme period, it is expected that at least €300 million will have been spent. The Ministry of Agriculture is currently preparing its application for IPARD 2 funds 2014 to 2020, which will have a scope similar to IPARD 1.

**Regional development projects.** The government has pursued a variety of regional development projects, using national and external finance, in order to improve the economic and social status of people living in rural regions. Examples include the Çoruh River Basin Rehabilitation Project; the Project for Improvement of Livelihood for Small-scale Farmers in Eastern Black Sea Region; and the Southeastern Anatolia Project, which is implemented in 9 provinces; and the Ministry of Development's social support programmes entitled SODES. These projects include: involvement of rural stakeholders and training for local people jointly organised by the government and NGOs.

**LEADER.** The Ministry of Agriculture is promoting the LEADER approach in Turkey. Capacity building for this purpose has recently started, and two pilot areas have been chosen in different

parts of the country. The Ministry has engaged experts who are familiar with LEADER and who will help with the training of animators; some strong NGOs are being involved; and the aim is to consult all stakeholders in the area. The proposed Local Action Groups, when they are formed, will be registered under the Law of Civil Associations, in consultation with the Ministry of Interior.

**NGOs and Foundations.** 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 offered to help 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. Attempts are being made to bring the two sides together. Heinrich Böll Foundation, from its base in Istanbul, organised in November 2012 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 farmers, rural development and related gender issues; and it received a report on activities in these fields within the European Union. In 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.

*The experience showed me that a successful and sustainable rural development can be realised through strong dialogue, cooperation and networking between local stakeholders, including public and private bodies, private enterprises and local people. Planning of rural development programmes should be carried out through active consultation processes among these local stakeholders in dialogue with the national bodies, and national rural development policies should be defined through extracting main elements from the local programmes and experiences. But building such networking and cooperation at local level needs some external facilitators in our countries in which cooperative action, traditions and habits are weak. Also our traditions are based on strong centralized government structures, and to establish and strengthen partnership between governments and stakeholders also needs a mediation role to be played by NGOs or others. Ibrahim Tuğrul, Development Foundation of Turkey, reflecting on the traveling workshop in Serbia*



Orchards near Konya, Central Anatolia, Turkey

# Challenge – the present state of relations between stakeholders and governments

The traveling workshops in Serbia, the former Yugoslav Republic of Macedonia and Montenegro provided a rich set of impressions and ideas. The candid responses of local people, enterprises and authorities provided a true 'reality check'. The presence on the traveling workshops of both government officials and stakeholders from the host countries, and outsiders from other West Balkan countries and Turkey and from the European Union, enriched the insights that were gained. Those insights were then subjected to further discussion at the three national conferences and at the concluding conference in Brussels.

*The traveling workshop was very useful for the future work and programming of IPARD. The conclusions will be presented in the IPARD Programme as part of communication process, since it gave good insight into the situation in the field and showed possibilities for the rural development programmes. For me, it was the first visit to that area and, considering the difference between regions, it was very informative. We understood the expectations of beneficiaries and their possibilities, and got good ideas about information gathering and the work of extension services. Also, it was good to hear the opinion and actions of the municipalities. Some stakeholders demonstrated good knowledge in rural development policy and have valuable information about policy design: so, we already arranged for their inclusion in communication process of future measures. Aleksandar Bogunović, Serbian Ministry of Agriculture*

What have we learnt about the present state of relations between stakeholders and governments in the seven countries? The most salient conclusions seem to be the following:

- 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
- However, 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
- Valuable networks have been created.

These key points are described below.

## Rural development is both top-down and bottom-up

From a bottom-up perspective, the field visits in Serbia, the former Yugoslav Republic of Macedonia and Montenegro showed that rural entrepreneurs, and some rural communities, can make good things happen, and that in some cases they do so without much help from government. However, it was also clear that farmers generally depend upon financial support from government and advisory services; that many enterprises would like help from government; and that rural communities depend upon infrastructure and services provided by public authorities. Far-sighted stakeholders, looking ahead to the hoped-for accession to the European Union, realise that national systems must be reformed in order to create a workable climate for the long-term social and economic viability of their country.

From a top-down perspective, the field trips showed that government action is essential in order to provide infrastructure and services, to ensure fair play and cohesion and to create and pursue strategies for development. However, it was also clear that governments realise that much of the action lies with farmers, entrepreneurs, village communities and non-government organisations.

So, bottom-up and top-down are both essential.

*We must ensure that local people take part in deciding what should be done, because they know best the problems and how to address them. They must gain co-ownership of the policies. I am happy that the Managing Authorities and NGOs represented here appear to agree on these crucial points. Dirk Ahner, Moderator of the Concluding Conference*

## Connecting stakeholders and government

There was general acceptance, among participants in the traveling workshops and conferences, that the two sides – government and stakeholders – must connect if effective development is to be achieved. Government policies must reflect the true realities of rural resources and needs. Rural actors must understand the help they can gain from government and be enabled to seek that help in workable ways.

This is not an issue simply of connecting governments and people, or ensuring the take-up of grant programmes. It is an issue of democracy, of what President Lincoln in his Gettysburg address called "government of the people by the people for the people". The democratic challenge is to move beyond information and consultation into the field of participation of stakeholders in the shaping and implementing of policies ... and beyond that into partnership between government and stakeholders.

*We need new methods, new ideas, new tools to empower citizens, to create solid trust between stakeholders and governments. Farmers, entrepreneurs, NGOs, village communities need to participate, allowing decision makers to have a clear view of realities and needs on the ground. Sustainable development can be achieved only if everyone is on board. Dacian Cioloș, Commissioner for Agriculture and Rural Development*

Partnership is not an easy concept, because of the imbalance of power between people and governments ... and that is why this event focuses on empowering rural stakeholders. What do we mean by stakeholders? We mean all the people, enterprises and organisations who can contribute to, or are effected by, rural development. Truly, this involves everybody in rural areas, because the quality of their lives is at stake.

## Bottom-up growth points

In all three countries, we had the privilege to meet lively initiatives, active and successful leaders, both men and women, often people who had gained experience abroad and then returned.

These people show the native entrepreneurial flair of the Western Balkans. They use, or choose not to use, help from bilateral, multilateral, charitable and government sources. They use local physical resources, such as milk, fruit and clay. They provide employment, and bring money into the local economy, providing dependable income to local suppliers. They find ways to strengthen local communities. Some of them have been elected to municipalities, and act as managers of municipal development programmes, thus forming a personal connection between top-down and bottom-up.

*I can see a lot of similarities between the situation of Western Balkans (or at least Serbia) today and that of Poland in the early 1990s, at the start of the transition. The civil society is perhaps not very well organised, but it is learning very quickly and has a number of potential leaders, committed, open-minded and with a strong public spirit. In this sense it is possibly more ready for accession (or at least for operating in a context similar to the EU) than the public authorities, who are overly concerned with the perspective of EU funding and struggling with the administrative processes related to the management and control of this funding. Urszula Budzich-Tabor, Polish Rural Forum*

These are crucial growth points in the emerging rural development campaign. These individuals may have key roles in future partnerships, associations or LEADER groups. That raises the key issue of replicability ... how do we find and encourage more such lively people? What climates of policy, funding, regulation, credit etc. are needed in order to stimulate initiative?

## The broader mass of rural people

Many rural regions in the seven countries have narrowly-based rural economies, typically containing farming, forestry, mining, limited industry, some tourism. They have low average incomes, unemployment, under-employment, seasonal labour, out-migration of young people, high average age among those who remain. They suffer from poverty, and often from some social exclusion, particularly among minorities; they may have weak infrastructure, and gaps in social services



Crucially, in both the Western Balkans and Turkey, there are hundreds of thousands of small farms, disadvantaged by limited size, lack of capital, weak bargaining power, limited markets. They can feel power-less. It is perhaps inevitable that the number of such farms will fall drastically, in order that the remaining ones can increase in size. This will cause grave weakening of rural economies and communities, unless we find ways to enable those economies to grow and to diversify. We should strive to achieve this before the economies of these countries are open to the full shock of EU competition. The next chapter suggests how this issue may be addressed.

## The scope of development

The context of our discussion was provided by the pre-accession support offered to these countries by the European Union, and particularly by the measures which may be available (at least in five of the countries) through the IPARD programme. However, discussion during the traveling workshops showed that rural stakeholders were concerned about a far wider range of elements of development – such as roads, electricity, water supplies, schools and higher education – which may lie outside the scope of IPARD or of national rural development programmes.

This is a familiar issue for governments within the European Union. In Finland, for example, the government distinguishes between 'narrow rural development', like the measures funded by the European Agricultural Fund for Rural Development, from 'broad rural development' which embraces the policies and expenditure of government on roads, transport systems, water supply, education, health, social services, electricity, telecommunications and much else. The Rural Policy Committee in Finland brings together the nine ministries or government agencies which are responsible for different major aspects of public policy which affect rural areas, plus leading non-government bodies representing rural stakeholders, in order to promote liaison between them. The published National Rural Policy embraces the full range of both narrow and broad rural development.

Spending on broad rural development, as defined above, is on a much larger cumulative scale than narrow rural development and can have a vital impact on rural communities and economies. For example, the closure of a secondary school may do more damage to a rural community than five years of narrow rural development can make good: conversely, the opening of a new cottage hospital in a small town may do more good than five years of narrow rural development. So, governments, when planning and pursuing their programmes in the broader field, need to be alert to the needs of rural communities. Indeed, all relevant policies and programmes may need to be 'rural-proofed'. i.e. subjected to assessment of their potential impact on the well-being of rural communities.

## Rural development policies and programmes

Focusing mainly on narrow rural development, the Concluding Conference noted, from statements by Ministers or their representatives, the progress so far made with national rural development programmes and with IPARD. Governments have been pursuing rural development programmes, with a strong emphasis upon support to farmers and the upgrading of farming and food processing systems. Currently, they are in the process of preparing or finalising strategies and programmes for agriculture and rural development for the period 2014 to 2020, in line with the policies and programmes of the EU. In parallel with these national strategies, five of the countries are preparing proposals for the use of IPARD 2. Managing authorities, paying agencies and delivery systems are being strengthened. The Western Balkan governments are cooperating through the Standing Working Group.

IPARD 1, which was launched in 2007, applies only (among the countries involved in this event) to the former Yugoslav Republic of Macedonia, which has had delegated management of that programme since 2008 and has experienced slow, but gradually increasing uptake of the funds; and to Turkey, where the programme has operated since 2011 and has attracted many applications, now accelerating in number. Applications for funding under IPARD 2 are expected from the former Yugoslav Republic of Macedonia, Turkey, Serbia, Montenegro and Albania. In these countries, the IPARD programme will be built upon, and run alongside, the national strategies and programmes for rural development, the funds of Ministries of Regional Development, the activities of municipalities, and the funds and other support provided by bilateral and multilateral agencies and foundations.

This array of agencies, programmes and funds poses a major challenge of achieving complementarity, clarity about who is doing what, the search for simplicity in the ground rules for funds, and high-quality systems of information. Discussions in the former Yugoslav Republic of Macedonia showed that many stakeholders there do not apply for IPARD funds because of the complex paperwork, the demand for 50% match-funding, and delays in making retrospective payments. The Director General for Enlargement recognised that there is room for improvement, and Commissioner Ciolos commented that the instruments may need to be adapted to take into account the needs of stakeholders.

*I expected, as a representative of a country (Republica Srpska, BiH) which still cannot use IPARD funds, that we would see (in the Former Yugoslav Republic of Macedonia) positive examples of using EU funds. However, during two days of the tour, we did not visit a single agriculture holding, processing capacity or association, which uses EU funds for rural development. It was obvious that national rural development funds are favoured over IPARD due to complexity of using IPARD. This has left the biggest impression on me. Ostoja Šinik, Republic of Srpska on traveling workshop in the former Yugoslav Republic of Macedonia*

## Levels of governance

In the Western Balkan countries – each with a population of a few million people – government is effectively at two levels, national and municipal. Each of these two levels can act in the field of rural development. This two-tier system has great potential value in that relevant aspects of public action and funding (including some, such as transport or education, which fall within 'broad' rural development) can be flexed by municipalities to the specific needs of their populations; and also that municipalities are closer to the people, and thus more accessible to rural stakeholders, than central government.

**The role of municipalities.** However, participants in the traveling workshop were unable to gain a clear impression of the complementarity between the central government and the municipalities in the rural development work. A presentation about rural development policy by the Serbian Ministry of Agriculture and Environmental Protection contained no mention of the role of municipalities. Later, we were told that local development strategies prepared by the municipalities are subject to approval by central government; and that some nationally-funded services, such as the extension services, are delivered by municipalities. But stakeholders cannot readily understand the structure.

Moreover, in all three countries which hosted traveling workshops, there appears to be a wide variation in the levels of action, or lack of action, by municipalities. Some municipalities are giving impressive leadership and variegated support to stakeholders, or have laid the groundwork for integrated local development through production of strategies and creation of potential LEADER-like partnerships. Others are completely inactive. Some municipalities clearly feel that they are disregarded by government or severely under-funded. In some places, there is a strong degree of frustration and mistrust among stakeholders about the municipalities. In short, there is a need for significant further progress in turning the two-tier system of government into a really effective and publicly understood alliance to achieve integrated rural development.

**The village level.** However, this two-tier system may not be enough to meet the needs of rural people in the Western Balkans. Many municipalities have significant population, as much as 100,000 in some cases, and cover large territories. These territories contain many villages, which are the main theatre of people's lives. People in the villages depend upon services – such as schools, shops, post offices, clinics, day-centres for old people – located within the village. Such services are not always present, and in some regions have been declining. This suggests that municipal action is not enough, and that initiative and the demand for action must come from village level.

*There has been much use of the word "we" in this conference. We also need "I". I take responsibility, I will invest in my community. The traveling workshops gave us good examples of people who do take responsibility for entrepreneurship, or for protecting the heritage: but we need also individuals who will focus on action in their own communities. Anneli Kana, Kodukant, Estonia*

Given leadership, villages can themselves take communal action to sustain or create services or can press higher authorities to do so. In Turkey, such leadership can come from the village *muhtar*, the equivalent of the mayor in a typical French village: they are representatives of elective democracy. Other European countries have no village-level equivalent of the mayor, and this has prompted in many places – for example in about 5,000 villages in Sweden – the formation of Local Action Groups at village level, an expression of participative democracy. We saw some evidence of a similar impulse in villages in Serbia and the former Yugoslav Republic of Macedonia. The nurturing of such initiatives in the rural areas of the Western Balkans could make a powerful contribution to the genuine empowerment of rural stakeholders.

## Involvement of stakeholders

*I am optimistic about the future, and wish to build a stronger relationship with stakeholders both within the territory and across borders. Blerand Stavileci, Minister of Agriculture, Forestry and Rural Development, Kosovo*

The governments in the seven countries have all, to varying degree, sought to involve stakeholders in the process of preparing strategies and programmes for agriculture and rural development. The main focus has been upon information and consultation (which are the classic first steps in a government's relation with citizens), by means such as conferences, seminars and invitations to the general public to comment. Some groundwork has been laid for the movement onwards into participation, for example the activity of working groups, including stakeholder representatives, in helping to draft policies; and even partnership, for example the invitation by the Ministry of Agriculture in Montenegro to the national Beekeepers' Association to deliver and monitor government support to beekeepers.

These are significant first steps in the process of building cooperation and trust between government and stakeholders, which will take time and will be crucial for the success of development processes. At present, the opportunity to be involved is taken up by those stakeholders who are organised into groups, associations, chambers or other structures. This is perhaps inevitable, because the government cannot invite 50,000 farmers to a conference. But it means that large numbers of stakeholders do not now have means of connecting to policy-making processes. If we are truly to empower rural stakeholders, and to build genuine partnership between government and people in the processes of rural development, we need to develop tools which enable government to stretch outwards and downward among the stakeholders, and the stakeholders to stretch outwards and upward towards government.

*The fact is that so far public administration in Serbia reached relatively limited results in bringing EU rural development support closer to the rural civil society organisations and citizens of Serbia. One reason for this is the weak support of civil sector and experts, and the low level of cooperation and involvement of citizens as a whole. Even though the national administration has*

*prepared major documents about LEADER and papers about IPARD, there was not enough support, nor pressure from experts, from civil society and from potential beneficiaries. As a result, those documents did not become actual programmes, and did not receive funding or staff support from government. Rural development in Serbia is now at a critical stage. The lack of human resources, and of inter-sectoral cooperation at all administrative levels is preventing rural Serbia from using IPARD funds. On the other hand, at the local/regional level, 20+ potential Local Action Groups have been formed, with 605 rural stakeholders, local development strategies in place, and both will and desire for positive action towards approaching EU standards and quality of rural life. Ivana Stefanović Ristin, LEADER Association, Serbia*

## Partnership, and LEADER

In some of the countries, significant steps have been taken towards introducing concepts of partnership and the LEADER approach. This approach is focused upon the creation, at sub-regional level, of partnerships between public bodies and private or non-governmental interests; and the production by those partnerships of local development strategies for their sub-regions. Governments, the EU and some bilateral agencies have encouraged and supported processes of information about the LEADER approach, the formation of embryo partnerships, training and capacity building, and the production of local development strategies. In some of the countries, there is now a network of informal or formal partnerships, or Potential Local Action Groups, created on the initiative of municipalities, local leaders or national Rural Development Networks. Some of these partnerships have been able to fund a first set of projects.

So, the groundwork exists for the phased introduction of LEADER as a significant element in future rural development programmes, and as one leading mechanism for cooperation between government and stakeholders. The regulations for IPARD 2 enable governments to include measures for this purpose. The next chapter explores how the potential of LEADER might be realised.

## Networks

A crucial asset for the forward march into effective local development in the Western Balkans is the family of Rural Development Networks in at least four of the countries. These networks, independent from, but recognised by governments, already have a significant and positive role in the pursuit of local development in the former Yugoslav Republic of Macedonia and Serbia. They are gaining strength in Montenegro and in Bosnia and Herzegovina. They provide crucial points of contact and collaboration between municipalities and non-government organisations, and are able to relate directly to stakeholders and to encourage the creation of groups, cooperatives or associations which strengthen the hand of stakeholders. They can promote action at village level, and provide support for village leaders. They are a vital part of the 'architecture' of future development structures in these countries.

Moreover, these Rural Development Networks are federated within the Balkan Rural Development Network. They work closely with the Standing Working Group, and thus provide a crucial connection between civil society and governments. They have strong links to the PREPARE Partnership for Rural Europe.



Meeting the Strumica Local Action Group in South-east Planning Region, the former Yugoslav Republic of Macedonia

# Opportunity – the road to empowerment of stakeholders and to partnership between stakeholders and governments



Dirk Ahner, Conference Chairman, and Michael Dower, Rapporteur General at the closing session

The previous chapters describe the key elements in the existing structure of actors in the field of rural development, and the commitments and concerns expressed by the key players. In summary, policies and programmes for development are being shaped and pursued by national governments and (to variable degrees) by municipalities. The role of different levels of governance is not fully clear. Action at village level is very limited. Mechanisms for connecting governments and stakeholders are emerging. Governments are committed to the further involvement of stakeholders. The groundwork for LEADER-type partnerships is being laid. Rural development networks are in place or emerging. There are many growth points for action by stakeholders. But the broader mass of rural people are still ill-connected to development processes; and many stakeholders feel that their interests and concerns are not being understood or met.

*If we are truly to empower rural stakeholders, and to build genuine partnership between government and people in the processes of rural development, we need to develop tools which enable government to stretch outwards and downward among the stakeholders, and the stakeholders to stretch outwards and upward towards government.*

*This is a two-way process, demanding deliberate effort from both sides.*

*If we are to judge from the Polish experience, the only way forward is slowly building up the civil society organisations and ensuring they have some permanence and stability, as well as some degree of independence from the public sector (if not in terms of funding, then at least in access to information, the possibility of forging partnerships with similar organisations from other countries, etc.). In parallel, it is important to build the capacity of the public sector at all levels, train and motivate officials and decision-makers. Urszula Budzich-Tabor, Polish Rural Forum*

## What tools do we need ?

Our discussions suggest the following main elements:

- Clarity about the role of different levels of governance
- Integrated approaches to development
- Support to marginal areas and small-farming communities
- Clear and open processes of information, consultation and participation
- Review of systems and programmes where necessary
- Versatile extension services
- Collective action by stakeholders
- Village leadership
- Expansion of the LEADER approach
- Continued and strengthened networking at all levels
- Capacity-building
- Time, and persistence!

These points are described below.

## Clarity about the role of different levels of governance

Citizens should be able to find out easily which arm of government is doing what in the field of regional, rural or local development, and at what level – central, municipal or local. This is a straightforward issue, to be addressed by government information services, working closely with municipalities and their associations. It should embrace all aspects of development – both ‘narrow’ and ‘broad’, as earlier defined. Since many aspects of broad development apply as much to urban as to rural areas, the information base should relate to the whole national territory. The information should be available to all citizens, in accessible forms suited to the different levels of equipment and mobility which people have. This implies access to information not only through websites and telephone directories and services, but also through face-to-face services wherever possible – for example municipal offices and extension services. Assembling and producing this information will oblige governments, where they have not done so already, to clarify who does what. It may also point to gaps in service, for example, those municipalities which do not currently contribute to rural development; and this may prompt the progressive filling of those gaps.

## Integrated approaches to development

The new generation of strategies and programmes for agriculture and rural development, now being prepared or finalised, give governments the opportunity to review the scope of their intended action in the field of ‘narrow’ rural development. This action will need increasingly to focus both on the needs of farmers and on the diversifying of rural economies and the strengthening of rural services. Governments may also wish to review the links between these programmes and those which are deployed by other ministries or agencies in the fields of transport, water supply, electricity and other services which are of crucial importance to rural enterprises and communities. There may be scope in each country for the establishment of a Rural Policy Committees, like that in Finland, for the production of a broad National Rural Policy, and the introduction of processes for ‘rural-proofing’ of policies and programmes which lie outside the scope of the Ministries directly responsible for rural development.

*The National Rural Development Council in Serbia has a membership similar to the public-sector side of the Rural Policy Committee in Finland. It includes representatives of nine different Ministries responsible variously for agriculture, economy and regional development, environment, labour and social policy, education, infrastructure, youth and sport, public administration and local government, plus the European integration office and the office for sustainable management of marginal areas. For the purposes of the IPARD monitoring committee, this group will be enlarged with representatives of civil and non-government sectors. Aleksandar Bogunović, Ministry of Agriculture and Environmental Protection, Serbia*

An integrated approach should also apply to the rural development activity of municipalities, who may have duties in fields such as transport or education, in addition to their powers related to local development. They have the opportunity at municipal level to link the action in different fields, and to state in their rural development strategies how they expect to apply their different duties and powers in the rural areas. Those strategies may also make plain how their activities will complement, or help to deliver, the actions of central government and of local partnerships and LEADER groups.

*The experience showed me that a successful and sustainable rural development can be realised through strong dialogue, cooperation and networking between local stakeholders, including public and private bodies, private enterprises and local people. Planning of rural development programmes should be carried out through active consultation processes among these local stakeholders in a dialogue with the national bodies, and national rural development policies should be defined through extracting main elements from the local programmes and experiences. Ibrahim Tuğrul, Development Foundation of Turkey, reflecting on the traveling workshop in Serbia*

## Support to marginal areas and small-farming communities

The previous chapters described the grave social and economic weakness of many rural regions in the seven countries, with continuing outmigration of young people and the further weakening of rural economies and communities. In most of these regions, the economy is based mainly on small family farms, which are disadvantaged by limited size, lack of capital, weak bargaining power and limited markets. They can feel power-less, and marginalised at a time when the attention of government is focused on the reform of national systems towards accession to the European Union, and there is strong emphasis on economic growth and commercial competitiveness.

*Some parts of the rural population, for example those who live in the mountainous areas which have suffered severe out-migration, have not yet been involved in stakeholder groups, and there is a need for further effort to involve them. Zenel Bujaka, NGO ‘Initiative for Agriculture Development’, Kosovo*

These marginal areas and small farming communities deserve urgent government attention. They are still home to hundreds of thousands of people. If a spiral of decline is allowed to continue, the quality of life of these people will deteriorate. These areas contribute food, timber, minerals and other resources to the economy of their countries. They contain ecosystems, land-

scapes and cultural heritage which need effective stewardship, and which can be the basis for a burgeoning of national pride and of tourism. For these reasons, governments should focus their efforts in an integrated way on guiding the necessary change in farming structures in these areas, diversifying their economies in order to replace the loss of agricultural jobs, and sustaining the vitality of the communities.

*Agriculture is on the move. It will involve restructuring. The challenge is how we ensure enough development in rural areas, so we do not get massive out-migration from the rural areas. Local development is part of the answer. Dirk Ahner, Convenor of the Concluding Conference*

We saw examples of private or commercial initiatives which will contribute to this challenge to strengthen and diversify the economy in these areas. But something far more widespread is needed, notably a package of government measures including support for producer groups, associations and cooperatives, for diversification of farm enterprises, for retirement of older farmers, and for young farmers wishing to enter the industry. We need to reduce the cost of credit, to support the upgrading of farm and processing equipment, and to use reasonable flexibility in hygiene and phyto-sanitary regulations. We need to strengthen the non-agricultural elements in the rural economies, such as manufacturing, crafts, tourism and other services.

Some of these measures are already in place, notably in the regions covered by the Area-Based Development initiative of the Standing Working Group. But other measures are not even at the planning stage. Moreover, it is clear that many rural people are not connecting effectively to the measures. This implies the need for good accessible systems of information, advice and extension services, delivered with a human face ... and we should remember that the most crucial ingredient of all is trust between stakeholders, and between stakeholders and government. At present, this trust is often missing and needs to be painfully rebuilt.

## Information, consultation and participation

Governments at central and municipal level should focus on clear and open processes of information and public consultation related to their activities in local development. These processes should be handled in an active way and using all relevant means, including the press, radio, television, websites, social media, printed material, meetings, road shows and the like. Rural development networks, regional associations and Local Action Groups can assist the public agencies in this process.

*Our rural portal is an important tool, informing people and the media. It attracts many visitors. Minister Ivanović organised a working lunch with the media, and drew their attention to the portal. Ratko Bataković, President Rural Development Network of Montenegro*

Governments should then move progressively beyond consultation and encourage participation of stakeholders in the shaping, implementing and monitoring of policies and programmes. This may involve the creation and work of advisory committees,

working groups, formal monitoring committees etc., upon which should sit representatives of major categories of rural stakeholders.

In order to be equitable among the different stakeholders, including the less powerful ones, such as small farmers or ethnic minorities, the government should encourage the formation of associations and non-government organisations, the creation and strengthening of village level democracy (whether elected or participative), and the formation and activity of regional and national networks, such as those already existing in some of the Western Balkan countries.

Municipalities also should involve stakeholders in shaping their policies and programmes, and make themselves open and accessible to partnership with stakeholders.

## Review of systems and programmes, where necessary

Processes of consultation and participation should be real, not notional. Both sides – governments and stakeholders – should be genuinely listening and seeking to reconcile differences and find practical solutions to problems which emerge. This implies that, when necessary, systems and programmes should be reviewed. Formal opportunities to do this will occur during the preparation of strategies and programmes for 2014-20, and also at the Mid-Term Review. The IPARD Programme Monitoring Committees have the ability to propose changes in programmes if these are clearly needed. Governments should be ready to adapt systems of delivery in mid-programme where this is justified by experience.

*From the beginning of preparing for IPARD, the ... administration should consult on the content of draft programmes with relevant stakeholders ... through means such as working meetings on specific topics or broader public hearings. The results of these consultations are a mandatory chapter in the IPARD programme. Once the programme is adopted, the IPARD Monitoring Committee is established. It includes representatives of the Ministry of Agriculture and other relevant Ministries, and of producers' associations, academics, rural networks, NGOs etc. The number of non-governmental members shall at least be equal to those from the government side. The Committee monitors the implementation, but also has the right to propose and to adopt programme modifications. Anna Nowak, DG Agriculture and Rural Development*

One major programme which clearly merits review is IPARD. The European Commission is well aware of the low uptake of the assistance offered through IPARD 1 in the former Yugoslav Republic of Macedonia. Chapter 4 provided clear indications of why stakeholders had not applied for that assistance. The Commission and the five governments, when shaping the IPARD 2 programme, would be well advised to analyse the reasons for the low take-up of IPARD 1 and to make changes accordingly. These changes may need to include better information, simplified application processes, reduced paperwork, advice to potential applicants in their own localities, more rapid payments, flexibility in match funding, and greater clarity about the links between the

IPARD programme and other national support systems. Such changes must be done in a way that maintains proper accountability in the use of public funds; but governments also know that they are accountable to all their citizens for the open, equitable and transparent use of the funds at their disposal.

## Versatile extension services

Extension services are a crucial intermediary between governments and stakeholders. They provide farmers and entrepreneurs with technical advice and information about the financial and other support that is available to them. They will have a key place in the collective process of modernising and adapting the agricultural and rural economies of the Western Balkans and Turkey. In order to play that role effectively, they will themselves need to keep pace with changes in markets, supply chains, regulations and the like; and also progressively to extend their scope to embrace other forms of economic activity in the rural areas, and innovation in all economic fields. They should continue and strengthen their links to other institutions and organisations which offer skills in research and development, training, education and capacity building.

*Important, especially for small countries like ours which are new to the values and modern systems of Western Europe, is to be informed (through promotions, publications, website, TV shows etc.); to be educated, advised and trained on site; and, of course, to be involved in exchange of experiences and learn about best practices (for example through conducted study visits to successful farmers). This all applies particularly to those engaged in agro-tourism because we are small producers with limited capacities, money and experience. Vesna Đukić, Executive Director, Olive Producers Association 'Boka', Montenegro*

## Action by stakeholders

On their side, rural stakeholders should not stand back and expect government to take the whole lead in connecting with them. They should be assertive, willing to work with each other, ready to join or form associations. Individually or collectively, they should press for opportunities to take part in shaping, implementing and monitoring policies, and respond to those opportunities.

*You are the actors of your own development. You must gain the capacity to manage your own local development. Dacian Cioloş, Commissioner for Agriculture and Rural Development*

The Western Balkan countries offer many examples of enterprising individuals and families who have the courage, flair and willingness to take risks which are needed to launch or expand significant enterprises, and who in the process can bring benefits to other people in their areas. Very many others, including many tens of thousands of small farmers, are more constrained in circumstances, more fearful of failure, less inclined to take risks. But if they remain passive, they are in truth at great risk in a changing world, and may come under particular pressure when the countries join the European Union.

For that reason, governments should look to ways of promoting and assisting the essential changes that may be needed. But government cannot achieve those changes alone: the stakeholders must be willing to respond. Part of that response is likely to be a willingness to cooperate with others, for example in producer groups, machinery syndicates, associations and other ways to work together. Good examples of this were seen in the traveling workshops. There is a need to nurture the courage of stakeholders, and the building of trust among them and between them and public agencies at all levels.

## Village leadership

The traveling workshops revealed two striking examples, from Zlakusa in Serbia and Rezanovce in the former Yugoslav Republic of Macedonia, of village leaders who have taken initiative, and sparked the collective energy and action of local people, in ways which transformed the quality of life and the social and economic opportunities of their village communities. It is clear that the Balkan countries could benefit enormously from further initiatives of this kind. Many villages in Turkey have *muhtars*, who can make good things happen: villages in the Western Balkan counties have no equivalent figures, but they can elect leaders if they wish. The governments, and the municipalities, in those countries should consider how they could stimulate the emergence of village leaders, and support the activities which these leaders may generate to serve the social and economic well-being of their communities. This field of village-level action is one which might attract the support of bilateral and multilateral donors, and might draw upon the experience of thousands of village-level action groups in Sweden, Finland, Estonia and elsewhere.

*The EU programmes in the accession countries, and through the European Neighbourhood Programme for Agriculture and Rural Development for south Eastern Europe and the Southern Mediterranean, will include rural development. Strengthening civil society is a vital part of that work. PREPARE can help to ensure that the people themselves are active: someone has to do the work on the spot. Commissioner Dacian Cioloş, at the launch in July 2013 of PREPARE's book 'Community Spirit Wins'*

## Expansion of the LEADER approach

LEADER can be a powerful tool for linking different sectors at sub-regional level, and for creating active partnership between these sectors. It can harness the policies and funds of the public sector, the entrepreneurial skills and resources of the private sector, and the voluntary energy and social commitment of the civil sector. Through the local development strategies prepared by the Local Action Groups, it can achieve an integrated and inclusive approach to local development. It can make the development process visible and accessible to stakeholders, and can build the capacity of stakeholders to grasp opportunities for development.

*LEADER is a successful approach. It mobilises local expertise. It provides most of the examples of integrated rural development. But do not depend on LEADER alone. Local development must be embedded into broader strategies.*

*And the LEADER idea can now be extended into regional policy through the Community-Led Local Development approach: we can apply the resources of the European Regional Development Fund and the European Social Fund in order to achieve good solid rural development ... but we need people on the ground to make good things happen. Dirk Ahner, Moderator of the Concluding Conference*

So, there is good reason for governments to allocate resources, through their national rural development programmes or the IPARD programme, for the creation of LEADER-type partnerships in rural sub-regions. This can build upon the work which has already been done to publicise the LEADER approach, to build capacity and to create local partnerships and potential Local Action Groups. Government support for LEADER should be handled in a way that allows partnerships and local development strategies to emerge and evolve from the bottom-up, with true equality between the public, private and civil sectors.

*The experience of Strumica (see chapter 4) confirms the three prerequisites for strengthening and mainstreaming LEADER. First, capacity building, which is top priority for the local stakeholders who would become the members of the Local Action Group, and should include training and advice. Second, animation, which is equally important: without the animation provided by the Rural Development Network, the experiment of Strumitsa might not have got off the ground. Third, transfer of best practice: "seeing is believing": getting to know the experience of LEADER-promoted rural development in EU countries offers models and solutions that can then be adapted to local conditions. Fouli Papageorgiou, rapporteur of traveling workshop in the former Yugoslav Republic of Macedonia*

## Continued and strengthened networking at all levels

The traveling workshops and conferences were exercises in networking. They were highly stimulating for the participants, as much for those from Western Europe as for those from South-Eastern Europe. They showed that we are all learners; we are all teachers; we can help each other. The challenges faced by farmers, by rural entrepreneurs and communities, have parallels in many parts of Europe. We can share with each other the practical ideas for addressing these challenges. There is powerful reason for continued networking at this transnational level, so that we can gain from each other's experiences and contribute indeed to the empowerment of stakeholders, and the partnership between government and stakeholders, everywhere. But networking is needed at all levels, both between and within countries.

**Governments.** Networking and cooperation between governments is needed, in order to exchange experience in development processes and to achieve cross-border cooperation where this is beneficial. In the Western Balkans, this cooperation already includes the effective activity of the Standing Working Group, including its cross-border initiatives in the Area-Based Development programme.

**Stakeholder categories.** Within each country, networking can have considerable value in strengthening different groups or categories of rural stakeholders, and bringing the people or organisations within them into the fields of dialogue and action in local development. Effective networking can enable:

- Economic sectors to share expertise and to increase their collective influence in the field of commerce and vis-à-vis government - we saw the examples of beekeepers' associations in Montenegro, cattle breeders' association in Serbia, food and tourism chains in the former Yugoslav Republic of Macedonia.
- Municipalities to share experience and to enhance their ability to play a leading role in local development.
- Village communities to share experience of practical local action and to raise the rural voice at municipal, regional and national level.
- LEADER groups and other sub-regional partnerships to exchange experience and to exercise their collective influence on the whole development process. Such networking is supported at European level by the European Network for Rural Development and by the European LEADER Association for Rural Development (ELARD).
- Non-government organisations to raise the profile and enhance the capability of civil society in social and environmental fields. NGOs, who themselves are an expression of the 'can do' spirit of citizens, can make a progressively increasing contribution to the social, economic and environmental well-being of these countries. Already, many NGOs are committed to sustaining traditional crafts, protecting cultural monuments and valuable ecosystems, stimulating young to remain living in the villages, providing social welfare services, caring for vulnerable and marginalised people.

**National Rural Development Networks.** Some of the categories of stakeholders described above are already represented, directly or indirectly, within the National Rural Development Networks operating in the former Yugoslav Republic of Macedonia, Serbia, Montenegro and Bosnia and Herzegovina. These networks already play a significant role in promoting partnership-based local development in these countries, and are likely to have growing importance in stimulating awareness, networking and active participation among all categories of stakeholder. Governments would do well to recognise the high value of these Rural Development Networks, which as independent non-government organisations can act as expert and objective intermediaries between government and all stakeholders. The Networks merit government support, provided that the support does not threaten their independent status. This support may take the form of contribution towards core costs, whether in money or in kind, or (for example) allocation to the Networks of elements of government activity, such as promotion of the LEADER approach or the management of information and consultation processes, with the appropriate resources.

There is provision in the IPARD measures for the creation by governments of more formal National Rural Networks (NRNs), of a kind which are an integral part of EU-funded rural development programmes in EU countries. Finance under the Technical Assistance measure in IPARD can be used for the NRN activities, including costs of participation in the European Network for Rural Development. This NRN concept, which is new in the Western Balkan countries and Turkey, is significantly different from the independent, non-governmental Rural Development Networks described above. The NRNs are conceived as 'round-tables' of all the main categories of stakeholders in the field of rural development, brought together and chaired by the Managing Authorities. This model may, in due course, prove to have value in the IPARD countries, as a means of ensuring that all stakeholders are kept informed and consulted as the rural development programmes are implemented in coming years. But experience in the European Union suggests that the NRNs have greatest value where there is already a well-established pattern of stakeholder organisations and a substantial degree of trust between these organisations and government. For that reason, the governments of the IPARD countries may wish to place priority on the progressive building up of workable relationships between themselves and a wide range of stakeholder organisations, with help from the non-governmental Rural Development Networks, before considering the formation of formal National Rural Networks.

## Capacity-building

*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. Ivica Sivric, REDAH development agency, BiH*

Rural development is about necessary change. The changes may be in economic activity, in social structures, in government systems, in patterns of partnership, in methods of stakeholder involvement, and in other walks of life. The Western Balkan countries have already had to cope with radical changes since the breakup of the Yugoslav federation. Now, the process of preparing for accession to the European Union is pushing them into accelerated change in many systems.

*Rural people are not the only stakeholders. We are all, whether we live in town or countryside, citizens and Europeans. The Western Balkans should be seen as a region, with aspirations for its people. We wish to join the European Union, not because of the funds they can bring to us, but because we wish to thrive, we want our farmers to survive, we want the rule of law and economic growth. To achieve these things, we need to be self-focused, even selfish: we need to take responsibility. IPARD is not only a tool, it is a training in how the European Union works. It may be difficult, but we have to use it in order to learn the European way. Boban Ilic, Secretary General, Standing Working Group*

Change demands personal adaptation for all those who are involved in it – farmers, entrepreneurs, village communities, public officials. Adaptation is not easy: it demands new attitudes, new skills, new resources ... and that is why the empowerment of rural

stakeholders depends not only on necessary changes in systems but also on strengthening the capacity of people and organisations to react to change. Governments can take the lead in this field by offering not only advisory systems and extension services, but also by formal initiatives in training, capacity building, vocational education. Such services can be offered also by non-government organisations, regional associations, the national Rural Development Networks, LEADER groups and others.

*Do not copy-paste models from other countries. Focus on your own resources. Work with, not against, your human capital, and enhance it by training. Focus on quality products, focus on what is specific for you, work together to commercialise, keep the added value locally. Dacian Ciolos, Commissioner for Agriculture and Rural Development*

The need for such capacity building is not found only among the stakeholders: it applies equally to the public officials at central and municipal level, and to those who lead associations, networks and action groups. Very striking was the reaction of some civil servants who took part in the traveling workshops: for them, this was indeed a reality check, helping them to understand things that they had not grasped by sitting behind a desk.

*I've been working in the rural sector in Serbia for the last 6 years and find myself familiar with the situation. So, there was nothing new to see. Still, this excursion was a good chance to meet people from other EU countries and see their perspective on our road to development and towards EU integration. I notice that some of them were impressed (mostly positively) with what they saw. I think that we need much stronger Rural Network at national level which will act as an umbrella for local rural stakeholders and amplify their voices in Belgrade. On the other hand, I think that colleagues working in Ministry of Agriculture and in Government should have similar travelling workshop in EU countries and notice how in those countries local people participate in policy making. Aleksandar Damjanovic, Serbia*

*What about formalising the Travelling Workshop Approach to bolster the work of the Monitoring Committees? Ryan Howard, Manager, South East Cork and District LAG, Ireland*

## Time, and persistence!

Creation of close working relationships between stakeholders and governments cannot be achieved overnight. It will take time, patience and persistence to create workable systems, to build trust, to develop personal contacts and working relationships. This is not a reason to delay in taking the next crucial steps. But we should see this as a continuing process, to be pursued over the coming years.

*Partnership needs energy and time. It will take time to achieve integration – social, economic and political. The process will be a long one: therefore we should start early. Politicians have to listen, to give time to the people. Dacian Ciolos, Commissioner for Agriculture and Rural Development*

*We need more trust. The history and culture of countries can make it difficult for people to trust each other. People can be so afraid of failure that they do not summon the courage to trust each other. So, there is a challenge of building trust, as a vital basis for cooperation. This implies that we need time to lay the basis for action. Give yourself time. Do not feel pushed to act before you are ready, in order to spend the money. Hannes Lorenzen, PREPARE Partnership for Rural Europe*

*Rural development is a process, a life, not simply a bundle of measures. We must support the process over time, otherwise it may fail. Dragan Roganovic, Rural Development Network of Serbia*

## **Conclusion**

**This event should be seen not as an end, but as the beginning of a process of empowerment of rural stakeholders, and the strengthening of the partnership between them and governments. The action lies with the people of these remarkable countries, the main groups and sectors of stakeholders, the village leaders and local authorities, the non-government organisations, and the national governments. Continued leadership will be needed from the national Rural Development Networks, the Standing Working Group, PREPARE Partnership for Rural Europe, the governments and the European institutions.**

## Annexe 1

# Programmes of the Western Balkan events

## Serbian Traveling Workshops 31 March and 1 April 2014

### First Traveling Workshop

Moderator Dragan Roganovic *Rapporteur* Ryan Howard

#### 31 March

09.00	Briefing
09.30-12.30	Travel to Miroslajci Village
12.30-12.50	Presentation of Arilje Municipality
12.50-14.00	Visit to berry project (blueberry, raspberry)
14.00-14.30	Travel to Prilike Village
14.30-15.15	Lunch in Prilike Village
15.15-16.15	Presentation of Ivanjica Municipality and visit to wild strawberry cooperative
16.15-17.15	Visit to traditional Serbian farm in highland area
17.15-18.15	Workshop with local stakeholders
18.15-19.15	Travel to Zlatibor
19.30-20.30	Group discussion on the field trip findings Overnight in Zlatibor

#### 1 April

07.00-08.00	Travel to Nova Varosh
08.00-08.30	Meeting with Mayor of Nova Varosh
08.30-09.00	Travel to Bozetici Village
09.00-09.15	Presentation of Association of Stock breeders 'Uvačka reka mleka' and its role in rural development

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09.15-10.15	Visit to family farm producing of Zlatar cheese, with Protected Designation of Origin (PDO)
10.15-10.45	Travel to Radetići Village
10.45-11.45	Visit to producers and processors of buckwheat
11.45-13.30	Visit rural tourism enterprise in Zlatar mountain, and discuss synergy with other initiatives
13.30-14.30	Lunch break
14.30-15.30	Workshop with local stakeholders, and presentation of Women's Association 'Old handicraft for a new era'
15.30-18.15	Travel to Belgrade

### Second traveling workshop

Moderator Marko Koščak *Rapporteur* Urszula Budzich Tabor

#### 31 March

09.00	Briefing
09.30-12.15	Travel to Zlakusa village, including coffee break at Srpska Magaza roadside shop
12.15-12.45	Presentation of local development in Zlakusa village
12.45-14.00	Visit to Potpec cave as example of using natural heritage and people's beliefs for rural development
14.00-14.30	Visit to fishpond
14.30-15.30	Lunch break in Ethno-centre 'Terzic avlija'
15.30-16.30	Visit to pottery, and presentation of pottery as a tool for rural development
16.30-17.15	Visit to Ethno-centre 'Terzic avlija', and display of traditional music and dance
17.15-18.00	Workshop with local stakeholders
18.00-19.30	Travel to Kraljevo
20.00-21.00	Group discussion on the field trip findings Overnight in Kraljevo

#### 1 April

07.00-07.30	Travel to Obrva Village
07.30-08.30	Visit to processing unit of Kraljevo <i>kajmak</i> (traditional Serbian milk product)
08.30-09.00	Travel to Kraljevo
09.00-09.30	Presentation by the City of Kraljevo
09.30-10.00	Travel to Lopatnica Village
10.00-10.45	Presentation of Honey Producers Association in Kraljevo
10.45-11.45	Visit to women's rural tourism initiative, family Milojević
11.45-12.30	Presentation of 'Čiker' Mountain Bike Association and its work to create an international mountain bike route through rural areas of Serbia and Montenegro
12.30-13.30	Workshop with local stakeholders
13.30-14.30	Lunch break
14.30-15.15	Travel to Vitkovac Village
15.15-16.15	Visit to Verica Gunjić, female entrepreneur, at 'Zdrava hrana' company producing traditional Serbian food
16.15-19.00	Travel to Belgrade

## Serbian National Conference, 2 April 2014, Hotel Moskva, Belgrade

### Welcome by:

- Ivan Knežević, Deputy Secretary General, European Movement in Serbia – **Conference Chairman**
- Oscar Bendikt, Delegation of the European Union to the Republic of Serbia
- Dieter Goertz, TAIEX, European Commission, DG Enlargement
- Aleksandar Bogunović, SWG
- Dragan Roganovic, Network for Rural Development of Serbia
- Michael Dower, PREPARE

**Statement** by Danilo Golubović, State Secretary, Ministry of Agriculture, Forestry and Water Management **Presentation** of report by First Traveling Workshop (Ryan Howard, *Rapporteur*) *and* Discussion

**Presentation** of report by Second Traveling Workshop (Urszula Budzich Tabor, *Rapporteur*) *and* Discussion **Sharing of experiences in public/civil partnership in EU Member States**

- Ryan Howard, South East Cork Local Action Group, Ireland – The experience of running a LEADER group, and how it contributes to partnership between different sectors
- Urszula Budzich-Tabor, Polish Rural Forum – The Forum's contribution to networking of stakeholders and its relation to government
- Marko Koščak, Rural Development Expert, Slovenia – the partnership of organisations in Dolenjska: bela Krajina, Slovenia, which created the regional Heritage Trail and the LEADER group: how it works

**Panel discussion** 'Agriculture and rural development in Serbia, how to mobilise resources and ensure socio-economic development in local communities'

- Dieter Goertz, TAIEX, European Commission, DG Enlargement
- Pedro Brosei, European Commission, DG AGRI
- Aleksandar Bogunović, SWG
- Michael Dower, PREPARE
- Dragan Roganovic, Network for Rural Development of Serbia

**Concluding discussion**, focused on implications for policy and action within the country and on issues to be raised at the multi-national conference to be held on 8 April in Brussels.

## Traveling Workshops of the former Yugoslav Republic of Macedonia, 31 March and 1 April 2014

### First Traveling Workshop

Moderator Petar Gjorgievski *Rapporteur* Fouli Papageorgiou

#### 31 March

08.45	Briefing
09.30-10.30	Travel to Staro Nagoricane
10.30-13.00	Presentation of local development projects, with involvement of civil society Visit to livestock farms, in discussion with local farmers Meeting with Staro Nagoricane Municipality Presentation of 11th century Church of St. George, example of National Heritage
13.00-15.00	Travel to Demir Kapija
15.00-16.30	Visit to 'Popova Kula' winery, with restaurant and rural tourism accommodation: discussion on wine production and tourism opportunities Lunch at the winery
16.30-17.30	Travel to Strumica
17.30-18.30	Visit to vegetable farm in village Dobrejci, with discussion on climate change, adaptive measures in agriculture, marketing of vegetables, use of IPARD funds
18.30-18.45	Travel to Strumica Overnight in Strumica

#### 1 April

08.30-10.00	Visit to Strumica Municipality, and the Centre for Development of South East Planning Region: introduction of activities and discussion with stakeholders involved in the LEADER approach
10.00-11.00	Travel to Pehcevo Municipality
11.00-13.00	Visit and presentation of sheep-breeding farm; plum orchard; and small facility for processing forest fruits
13.00-13.15	Travel to Berovo Municipality
13.15-14.15	Visit to woman entrepreneur in crafts production: presentation of products and discussion regarding small business opportunities and needs
14.15-15.15	Lunch
15.15-16.15	Meeting with civil society organisations: discussion

16.15 regarding potentials and needs  
Travel to Skopje

### Second traveling workshop

Moderator Marina Brakalova Rapporteur Vanessa Halhead

#### 31 March

08.45 Briefing  
09.30-12.00 Travel to Krusevo  
12.00-13.00 Presentation of activities of the 'Cvet' Association, focused on local crafts, food tradition and culture  
Meeting with representatives of Krusevo municipality  
Tasting local sweets ('locum' and 'celuvka')  
13.00-14.00 travel to Lugovardi Village (Bitola Municipality)  
14.00-15.00 Visit to vegetable farm: presentation of activities  
Discussion regarding funding through RDP and IPARD, plus marketing opportunities  
15.00-15.40 Travel to Dihovo Village (Pelister Mountain)  
15.40-17.10 Lunch at 'Vila Dihovo', rural accommodation facility: presentation of the business Discussion regarding rural tourism opportunities, and funding through RDP and IPARD  
17.10-18.30 Presentation, by Rural Development Network and civil society stakeholders, of experiences with the LEADER approach in this area  
18.30 Travel to Bitola Overnight in Bitola

#### 1 April

07.30-08.45 Travel to Negotino Municipality  
08.45-09.45 Visit to vineyard in Timjanik Village Presentation of farm activities, and discussion regarding grape production in Negotino region Presentation by National Extension Agency re advisory services and cooperation with farmers  
09.45-10.00 Travel to Marena Village (Kavadarci Municipality)  
10.00-11.00 Visit to farm producing organic vegetables: presentation of production Discussion about potential of organic farming in primary production and processing  
11.00-12.30 Travel to Rezanovce Village (Kumanovo Municipality)  
12.30-13.30 visit to Rezanovce School: discussion with pupils and teachers about life in the village  
13.30-14.15 Visit to two farm households in Rezanovce village  
14.15-15.15 Lunch in Rezanovce  
15.15-16.15 Visit to Museum of traditional costumes in Rezanovce  
16.15 Travel to Skopje

## National Conference of the former Yugoslav Republic of Macedonia, 2 April 2014, Hotel Arka, Skopje

### Welcome by:

- Boban Ilic, Secretary General, SWG – **Conference Chairman**
- Martin Klauke, Head of Cooperation, EU Delegation to the former Yugoslav Republic of Macedonia
- Judit Török, TAIEX, European Commission, DG Enlargement
- Petar Gjorgievski, Rural Development Network of the former Yugoslav Republic of Macedonia

**Statement** by Ljupco Dimovski, Minister of Agriculture, Forestry and Water Economy

**Presentation** of report by the First Traveling Workshop - Fouli Papageorgiou, Rapporteur *and* Discussion

**Presentation** of report by the Second Traveling Workshop - Vanessa Halhead, Rapporteur *and* Discussion **Sharing of experiences in public/civil partnership in EU Member States**

- Fouli Papageorgiou, Euracademy - Clarifying approaches to rural development and in disseminating good practice
- Marina Brakalova, European Network for Rural Development – The role of formal National Rural Networks in informing and involving stakeholders in shaping and implementing rural development programmes
- Vanessa Halhead, European Rural Communities Association – National Rural Movements, as the voice of civil society.

Questions and discussion

**Panel discussion:** 'Agriculture and rural development in the former Yugoslav Republic of Macedonia, how to mobilise resources and ensure socio-economic development in local communities, through partnership between government and rural stakeholders'

- Dan Rotenberg, European Commission, DG AGRI
- Judit Torok, TAIEX, European Commission, DG Enlargement
- Boban Ilic, SWG
- Petar Gjorgievski, Rural Development Network of the former Yugoslav Republic of Macedonia
- Fouli Papageorgiou, Euracademy
- Marina Brakalova, European Network for Rural Development
- Vanessa Halhead, European Rural Communities Association

**Concluding discussion**, focused on implications for policy and action within the country and on issues to be raised at the multinational conference on 8 April in Brussels.

## Montenegro Traveling Workshops 31 March and 1 April 2014

### First Traveling Workshop

Moderator Ratko Bataković Rapporteur Jean-Michael Courades

#### 31 March

09.00 Briefing in Podgorica  
09.30-10.15 Travel to Danilovgrad  
10.15-11.00 Visit to cheese production 'Čevo-Katunjanka' (Mr Vlado Vukotić), Danilovgrad  
11.00-12.00 Travel to Bršno Village (Nikš Municipality)  
12.00-13.00 Visit to household Dragice Mirjačić, producing cornel-berry jam, liqueur etc.  
13.15-14.30 Lunch at Hotel Maršal, with president of Nikšić Municipality Presentation of LEADER by Jean-Michel Courades, and Discussion  
14.30 -15.00 Travel to Rastovac village (Nikš Municipality)  
15.00-16.00 Visit to organic farm and apple brandy production (Mr Rajko Pavličević)  
16.30-17.30 Visit to dairy farm (family Pantović), as example of using MIDAS funds to support rural development  
19.30 Dinner and overnight in Nikš

#### 1 April

08.30-09.15 Travel to Danilovgrad  
09.15-10.00 Visit to the nursery of Mr Veselin Jovović  
10.30-12.00 Visits to Plantaže (wine cellar and orchard)  
12.30-13.30 Visit to greenhouse, and open-field vegetable production, of Gjon Dedvukaj, Tuzi Village  
14.00-15.00 Lunch in Virpazar  
15.30-16.30 Visit to organic honey producer Marjan Plantak, in Virpazar  
16.30-17.30 Travel to Podgorica.

### Second traveling workshop

Moderator Goran Šoster Rapporteur Anneli Kana

#### 31 March

09.00 Briefing in Podgorica  
09.30-10.15 Travel to Cetinje  
10.15-11.00 Visit honey producer Lidija Martinović  
11.00-12.00 Visit old Royal Capital of Cetinje  
12.00-12.45 Travel to Podgorica  
12.45-13.30 Visit to mushroom producer Emica Bogdanović  
14.00-15.30 Lunch break  
Meeting with representatives of Podgorica Municipality, and Presentation of agriculture in the municipality  
16.00-17.00 Visit to winery Rajković (Kuči)  
17.00 Travel to Kolašin  
19.30 Dinner and overnight in Kolašin

#### 1 April

08.30-10.00 Travel to Tomaševo  
10.00-11.00 Visit to producer Vučko Pešić  
11.30-12.30 Visit to farm Taurus, beef fattening, in Pavino Polje  
12.30-13.30 Visit to Milka dairy, Pavino Polje; and Ivan Medojević, Tomaševo  
14.00-15.30 Lunch break in Ethno-village Vuković, Tomaševo  
15.30-17.30 Travel to Podgorica

## Montenegro National Conference, 2 April 2014, Ramada Hotel, Podgorica

### Welcome by:

- Dirk Ahner, **Conference Chairman**
- Andre Lys, Head of Cooperation, EU Delegation to Montenegro
- aniel Hachez, TAIEX, European Commission, DG Enlargement
- Bogdanka Leveska, SWG
- Hannes Lorenzen, PREPARE Partnership for Rural Europe
- Ratko Bataković, Rural Development Network of Montenegro

**Statement** by Prof dr. Peter Ivanović, Minister of Agriculture, Forestry and Water Economy

**Presentation** of report by the First Traveling Workshop – Jean-Michel Courades, Rapporteur *and* Discussion

**Presentation** of report by the Second Traveling Workshop – Anneli Kana, Rapporteur *and* Discussion

**Sharing of experiences in public/civil partnership in EU Member States**

- Jean-Michel Courades - LEADER, its role in building partnership and supporting stakeholders
- Goran Šoster, PREPARE Coordinator – the experience of running a regional development agency ; its role in linking public agencies and stakeholders

Questions and discussion

### Panel discussion:

- Dirk Ahner, Conference Chairman
- Daniel Hachez, TAIEX, European Commission, DG Enlargement
- Dick van Dijk, European Commission, DG Agri
- Bogdanka Leveska, SWG
- Hannes Lorenzen, PREPARE Partnership for Rural Europe
- Ratko Bataković, Rural Development Network of Montenegro

**Concluding discussion**, focused on implications for policy and action within the country and on issues to be raised at the multinational conference on 8 April in Brussels.

## Concluding Conference, 8 April 2014, Mont des Arts, Brussels

- 09.30 **Opening of the event** -Dirk Ahner, Policy Adviser,  
**Conference Chairman**  
**Welcome** by:
- Daniel Hachez, Head of Institution Building Unit D2, DG Enlargement
  - Boban Ilic, Secretary General, Standing Working Group
  - Hannes Lorenzen, PREPARE Partnership for Rural Europe
- 09.45 **Presentation of reports** from the traveling workshops and conferences in
- the former Yugoslav Republic of Macedonia - Vanessa Halhead, Director, European Rural Communities Alliance *and* Fouli Papageorgiou, Managing Director, Euracademy
  - Montenegro -Goran Šoster, Coordinator, PREPARE Partnership for Rural Europe
  - Serbia -Urszula Budzich-Tabor, Secretary of the Board, Polish Rural Forum
- 10.45 Coffee break
- 11.00 **Introduction by Dacian Cioloș**, Commissioner for Agriculture and Rural Development  
**Panel Discussion** with Ministers and stakeholder representatives of the respective countries followed by a **general discussion** of issues arising from the reports
- 12.30 Lunch Break
- 14.00 **Experience with stakeholder participation in policy design and implementation in Albania, Bosnia and Herzegovina, Kosovo and Turkey:**  
Presentations by the Ministers, complemented by stakeholder representatives followed by a **general discussion**
- 15.00 **Sharing of experiences in public/civil partnership in EU Member States**
- Jean-Michel Courades, former DG AGRI official
  - Alexandru Potor, President, National Federation of Local Action Groups, Romania
  - Ryan Howard, Chief Executive Officer, South & East Cork Area Development Ltd., Ireland
- Questions and discussion**
- 15.45 Coffee break
- 16.00 **Empowering stakeholders in the context of enlargement**  
Presentation by Christian Danielsson, Director General for Enlargement
- 16.15 **Panel discussion**, with representatives of rural networks, managing authorities, DG AGRI and EU Member State experts followed by a **general discussion** on what all of the above experiences offer towards the general theme of the event
- 17.15 **Conclusions and implications for action** by the **Rapporteur General**  
Michael Dower, Visiting Professor of European Rural Development, University of Gloucestershire
- 17.30 Closing of the event by the Chairman

## Annexe 2

# List of participants

### Event ID:

RS TW- Traveling workshop in Serbia

RSC- Conference in Serbia

ME TW- Traveling workshop in Montenegro

MEC- Conference in Montenegro

MK\* TW- Traveling workshop in the former Yugoslav Republic of Macedonia

MK\*-C- Conference in the former Yugoslav Republic of Macedonia

CC- Closing Conference, Brussels, Belgium

Title	First Name	Family Name	Organisation	Position	Event	Country
Mr	Grigor	Gjeci	Management Authority	Director	RS TW, RSC, CC	Albania
Mr	Edmond	Panariti	Ministry of Agriculture, Rural Development and Water Administration	Minister of Agriculture	CC	Albania
Ms	Suela	Popa	IPARD-Agency N/A	Director	ME TW, MEC, CC	Albania
Ms	Anila	Vendresha	Quodev	Executive Director	MK TW, MKC, CC	Albania
Ms	Marina	Brakalova	ENRD Contact Point	Rural Devt. Expert	MK TW, MKC, CC	Belgium
Ms	Jelena	Prorok	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina	Senior Expert Associated	ME TW, MEC, CC	Bosnia and Herzegovina
Mr.	Emir	Raščić	Ministry of Agriculture, Water Management and Forestry, Federation of Bosnia and Herzegovina	Expert Advisor	RS TW, RSC, CC	Bosnia and Herzegovina
Mr.	Ostoja	Šinik	Ministry of Agriculture, Forestry and Water Management, Republic of Srpska	Officer for financial procedures & accreditation	MK TW, MKC, CC	Bosnia and Herzegovina
Mr.	Ivica	Sivric	Development Agency from Herzegovina, REDAH		RS TW, RSC, CC	Bosnia and Herzegovina
Ms	Anneli	Kana	Estonian Village Movement Kodukant	CEO	ME TW, MEC, CC	Estonia
Mr	Dirk	Ahner	European Commission, DG AGRI	Policy Adviser	ME TW, MEC, CC	EU Institution, Belgium
Mr	Pedro	Brosei	European Commission, DG AGRI	Programme Manager	RS TW, RSC, CC	EU Institution, Belgium
Ms	Alexandra	Catalao	European Commission, DG AGRI	Member of Cabinet	CC	EU Institution, Belgium
Mr	Dacian	Cioloș	European Commission, DG AGRI	European Commissioner for Agriculture and Rural Development	CC	EU Institution, Belgium

\*Provisional code which does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place under the auspices of the United Nations.

Title	First Name	Family Name	Organisation	Position	Event	Country
Ms	Catherine	Combette	European Commission, DG AGRI	Deputy Head of Unit, A4	CC	EU Institution, Belgium
Mr	Jean- Michel	Courades	European Commission, DG AGRI	Former Official	ME TW, MEC, CC	EU Institution, Belgium
Mr	Christian	Danielsson	European Commission, DG ELARG	Director General for Enlargement	CC	EU Institution, Belgium
Mr	Dieter	Goertz	European Commission, DG ELARG	Project Manager, Team Leader D2	RS TW, RSC, CC	EU Institution, Belgium
Mr	Daniel	Hachez	European Commission, DG ELARG	Head of Unit, D2	ME TW, MEC, CC	EU Institution, Belgium
Mr	Gerard	Kiely	European Commission, DG AGRI	Head of Unit, A5	CC	EU Institution, Belgium
Mr	Matthias	Langemeyer	European Commission, DG AGRI	Deputy Head of Unit, H3	CC	EU Institution, Belgium
Mr	Marius	Lazdinis	European Commission, DG AGRI	Programme	MK TW, MKC, CC	Bosnia and Herzegovina
Ms	Catherine	Combette	European Commission, DG AGRI	Deputy Head of Unit, A4	CC	EU Institution, Belgium
Mr	Jean- Michel	Courades	European Commission, DG AGRI	Former Official	ME TW, MEC, CC	EU Institution, Belgium
Mr	Christian	Danielsson	European Commission, DG ELARG	Director General for Enlargement	CC	EU Institution, Belgium
Mr	Dieter	Goertz	European Commission, DG ELARG	Project Manager, Team Leader D2	RS TW, RSC, CC	EU Institution, Belgium
Mr	Daniel	Hachez	European Commission, DG ELARG	Head of Unit, D2	ME TW, MEC, CC	EU Institution, Belgium
Mr	Gerard	Kiely	European Commission, DG AGRI	Head of Unit, A5	CC	EU Institution, Belgium
Mr	Matthias	Langemeyer	European Commission, DG AGRI	Deputy Head of Unit, H3	CC	EU Institution, Belgium
Mr	Marius	Lazdinis	European Commission, DG AGRI	Programme	MK TW, MKC, CC	Bosnia and Herzegovina
Ms	Catherine	Combette	European Commission, DG AGRI	Deputy Head of Unit, A4	CC	EU Institution, Belgium
Mr	Jean- Michel	Courades	European Commission, DG AGRI	Former Official	ME TW, MEC, CC	EU Institution, Belgium
Mr	Christian	Danielsson	European Commission, DG ELARG	Director General for Enlargement	CC	EU Institution, Belgium
Mr	Dieter	Goertz	European Commission, DG ELARG	Project Manager, Team Leader D2	RS TW, RSC, CC	EU Institution, Belgium
Mr	Daniel	Hachez	European Commission, DG ELARG	Head of Unit, D2	ME TW, MEC, CC	EU Institution, Belgium
Mr	Gerard	Kiely	European Commission, DG AGRI	Head of Unit, A5	CC	EU Institution, Belgium
Mr	Matthias	Langemeyer	European Commission, DG AGRI	Deputy Head of Unit, H3	CC	EU Institution, Belgium
Mr	Marius	Lazdinis	European Commission, DG AGRI	Programme Manager	CC	EU Institution, Belgium
Ms	Iwona	Lisztwan	European Commission, DG AGRI	Programme Manager	CC	EU Institution, Belgium

Title	First Name	Family Name	Organisation	Position	Event	Country
Ms	Anna	Nowak	European Commission, DG AGRI	Programme Manager	RS TW, RSC, CC	EU Institution, Belgium
Mr	Christian Frigaard	Rasmussen	European Commission, DG AGRI	International Relations Officer	CC	EU Institution, Belgium
Mr	Dan	Rotenberg	European Commission, DG AGRI	Deputy Head of Unit, A5	MK TW, MKC, CC	EU Institution, Belgium
Ms	Marisa	Sanchez Bellerin	European Commission, DG ELARG	Project Managers	CC	EU Institution, Belgium
Mr	Werner	Schiesl	European Commission, DG AGRI	Planning and Programming Officer	CC	EU Institution, Belgium
Ms	Judit	Torok	European Commission, DG ELARG	Project Manager	MK TW, MKC, CC	EU Institution, Belgium
Mr	Dick	Van Dijk	European Commission, DG AGRI	External Auditor	ME TW, MEC, CC	EU Institution, Belgium
Ms	Elitsa	Zhivkova	European Commission, DG AGRI	Programme Manager	CC	EU Institution, Belgium
Mr	Hans Martin	Lorenzen	European Parliament	Advisor on Agriculture and Rural Devt.	ME TW, MEC, CC	EU Institution, Belgium
Mr	Zoran	Bojkovski	NGO Kozjacija vo srceto		MKC	the former Yugoslav Republic of Macedonia
Mr	Petar	Andonov	NGO Molika		MKC	the former Yugoslav Republic of Macedonia
Mr	Sreten	Andonov	Faculty of Agricultural Sciences and Food –Skopje		MK TW, MKC	the former Yugoslav Republic of Macedonia
Mr	Goran	Angelovski	Ekogrup		MKC	the former Yugoslav Republic of Macedonia
Mr	Saso	Angelovski	Rural Development Network of the former Yugoslav Republic of Macedonia		MK TW, MKC	the former Yugoslav Republic of Macedonia
Mr	Risto	Atanasovski	Foundation for local and IT development		MK TW, MKC, CC	the former Yugoslav Republic of Macedonia
Mr	Aleksandar	Cebotarev	Municipality Strumica		MKC	the former Yugoslav Republic of Macedonia
Mr	Risto	Civciv	Regional Devt. Centre		MKC	the former Yugoslav Republic of Macedonia
Mr	Pece	Cvetkovski	Vila Dihovo		MKC	the former Yugoslav Republic of Macedonia
Ms	Ana	Damovska	Rural Development Network of the former Yugoslav Republic of Macedonia		MK TW, MKC	the former Yugoslav Republic of Macedonia
Mr	Goko	Danailov	National Extension Agency		MKC	the former Yugoslav Republic of Macedonia
Mr	Dragi	Dimitrievski	Faculty of Agricultural Sciences and Food–Skopje		MKC	the former Yugoslav Republic of Macedonia
Mr	Trajan	Dimkovski	Individual Farmer		MKC	the former Yugoslav Republic of Macedonia
Mr	Voislav	Dimkovski	Individual Farmer		MKC	the former Yugoslav Republic of Macedonia

Title	First Name	Family Name	Organisation	Position	Event	Country
Ms	Irena	Dzimrevska	SWG Secretariat	SWG Head of Operations	MK TW, MKC	the former Yugoslav Republic of Macedonia
Mr	Ljulzim	Fejzulahu	Association of Sheep Breeders in western RM		MK TW, MKC, CC	the former Yugoslav Republic of Macedonia
Mr	Petar	Gjorgievski	Rural Development Network of Republic of the former Yugoslav Republic of Macedonia	President	MK TW, MKC, CC	the former Yugoslav Republic of Macedonia
Mr	Kire	Iliev	Individual Farmer		MKC	the former Yugoslav Republic of Macedonia
Mr	Boban	Ilic	SWG Secretariat	Secretary General	MK TW, MKC, CC	the former Yugoslav Republic of Macedonia
Ms	Nadica	Jovanovska	Cekofam		MKC	the former Yugoslav Republic of Macedonia
Mr	Filip	Karakasevski	Individual Farmer		MKC	the former Yugoslav Republic of Macedonia
Ms	Biljana	Kostovska	Ministry for Agriculture, Forestry & Water Economy	Acting Head of Department	MK TW, MKC, CC	the former Yugoslav Republic of Macedonia
Ms	Vesela	Lambevska Domazetova	Rural Development Network of Republic of the former Yugoslav Republic of Macedonia		MK TW, MKC	the former Yugoslav Republic of Macedonia
Ms	Bogdanka	Leveska Gjorshoska	SWG Secretariat	Project Manager	ME TW, MEC, CC	the former Yugoslav Republic of Macedonia
Ms	Marjan	Manev	Municipality Bosilovo		MKC	the former Yugoslav Republic of Macedonia
Ms	Tanja	Mihajlovska	Ministry of Agriculture, Forestry & Water Economy	PR Officer	CC	the former Yugoslav Republic of Macedonia
Ms	Marijana	Mileska	PREDA Plus Foundation		MK TW, MKC, CC	the former Yugoslav Republic of Macedonia
Mr	Viktor	Mladenovski	Ministry for Agriculture, Forestry & Water Economy	Senior associate	MK TW, MKC	the former Yugoslav Republic of Macedonia
Ms	Vaska	Mojsovska	Agrokalem		MKC	the former Yugoslav Republic of Macedonia
Ms	Meri	Nikoloska	Women's NGO 'Cvet'		MKC	the former Yugoslav Republic of Macedonia
Ms	Jasminka	Pasaliska	NGO Ambrozija		MKC	the former Yugoslav Republic of Macedonia
Mr	Ljubo	Peno	Ministry for Agriculture, Forestry & Water Economy	Senior associate	MK TW, MKC	the former Yugoslav Republic of Macedonia
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Ms	Vesna	Vandic	Touristic organisation of Majdanpek	Director	RSC	Serbia
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## Annexe 3

# Acronyms and links



<b>ABD</b>	Area-Based Development, a programme of SWG (see below)	<b>IPA</b>	Instrument for Pre-accession Assistance	<b>SWG</b>	Regional Rural Development Standing Working Group in South Eastern Europe <a href="http://www.seerural.org">www.seerural.org</a>
<b>ACED</b>	Agency for Cooperation, Education and Development (NGO in BiH) <a href="http://www.aced.ba">www.aced.ba</a>	<b>IPARD</b>	Instrument for Pre-accession Assistance in Rural Development	<b>TAIEX</b>	Technical Assistance and Information Exchange
<b>BiH</b>	Bosnia and Herzegovina	<b>LAGs</b>	Local Action Groups	<b>UNDP</b>	United Nations Development Programme
<b>CARDS</b>	Community Assistance for Reconstruction, Development and Stabilisation (EU programme of assistance to the countries of south-East Europe)	<b>LEADER</b>	Liaison Entre les Acteurs de l'Économie Rural 'Links between the rural economy and development actions'	<b>UNSCR</b>	United Nations Security Council Resolution
<b>DG AGRI</b>	European Commission Directorate-General for Agriculture and Rural Development	<b>MIDAS</b>	Montenegro Institutional Development and Agriculture Strengthening (Assistance programme funded by World Bank and others)	<b>USAid</b>	United States Agency for International Development <a href="http://www.usaid.gov">www.usaid.gov</a>
<b>DG ELARG</b>	European Commission Directorate-General for Enlargement	<b>NRN</b>	National Rural Network		
<b>ECOVAST</b>	European Council for the Village and Small Town <a href="http://www.ecovast.org">www.ecovast.org</a>	<b>NGO</b>	Non-Governmental Organisation		
<b>ELARD</b>	European LEADER Association for Rural Development <a href="http://www.elard.eu">www.elard.eu</a>	<b>PDO</b>	Protected Designation of Origin		
<b>ENRD</b>	European Network for Rural Development <a href="http://www.enrd.ec.europa.eu">www.enrd.ec.europa.eu</a>	<b>PHARE</b>	Poland Hungary Assistance for Regeneration of Economies (EU assistance programme later applied to many countries in Central and Eastern Europe)		
<b>ERCA</b>	European Rural Communities Association <a href="http://www.ruralcommunities.eu">www.ruralcommunities.eu</a>	<b>PLAGs</b>	Potential Local Action Groups		
<b>EU</b>	European Union	<b>PREPARE</b>	PREPARE Partnership for Rural Europe <a href="http://www.preparenetwork.org">www.preparenetwork.org</a>		
<b>FAO</b>	United Nations Food and Agriculture Organisation <a href="http://www.fao.org">www.fao.org</a>	<b>REDAH</b>	Regional Development Agency for Herzegovina <a href="http://www.redah.ba">www.redah.ba</a>		
<b>GDP</b>	Gross Domestic Product	<b>SIDA</b>	Swedish International Development Agency <a href="http://www.sida.se">www.sida.se</a>		
<b>ha</b>	hectare (unit of measurement of land area)	<b>SMEs</b>	Small and medium-sized enterprises		





"The text of this publication is for information purposes only and does not necessarily reflect the Commission's views."

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