



“Promoting LEADER in Austria for the development and strengthening of LEADER in Macedonia”

Workshop report

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1. Introduction

Rural development policy is an increasingly important component of the common agricultural policy (CAP). It promotes sustainable development in Europe's rural areas addressing economic, social and environmental concerns.

Europe's agricultural policy is determined at EU level by the governments of Member States and is then implemented by them. It is aimed at supporting farmers' incomes while also encouraging them to produce high quality products demanded by the market and to seek new development opportunities, such as renewable, environmentally friendly energy sources.

Over 50 % of the European Union's (EU) population (EU-27) lives in rural areas, which cover 90 % of the EU's territory. Leader represents an innovative approach within EU rural development policy.

Leader+ is one of the four initiatives financed by structural funds of the EU and is designed to help rural actors consider the long-term potential of their local region. As an integral part of Rural Development Programmes in the EU Member States, the Leader+ approach is supported under Council Regulation (EC) 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). LEADER originally stands for "Liaison Entre les Actions de Development Rural", the English translation meaning "Links between actions of rural development" and as an European Union programme for rural development aimed at job creation and improving livelihoods in rural communities. It is based on a bottom-up approach that allows for greater social inclusion and decentralization of public policies. LEADER functions through an area-based approach, managed by formalized public-private partnerships called Local Action Groups (LAGs).

These groups have a well-balanced representation of the public, private and civic sectors, with the private partners and civil society organizations (CSOs) making up at least 51% of the partnership. LEADER is also a measure under the IPARD component of the European Union Instrument for Pre-accession (IPA) assistance.

In the programming period 2014-2020, the LEADER method has been extended to cover not only rural but also coastal (FARNET) and urban areas under the banner of Community-led Local Development (CLLD).

In the process of acquiring full membership of the European Union, the former Yugoslav Republic of Macedonia is entitled to pre-accession financial aid for sustainable agriculture and rural development with a focus on preparations for the Common Agricultural Policy.

2. Republic Macedonia and EU – short info

EU integration status:

- Macedonia is a candidate country since 2005 and remains at this stage and has a relatively good level of alignment with the acquis
- The country is moderately prepared in the area of agriculture and rural development, despite the small progress made in implementation of IPARD around EUR 16.2 million in EU funds remained unused in 2015.
- The economic, social and demographic significance of the rural areas in Macedonia for the entire development process remains very high

3. Rural territory of Republic of Macedonia

- Total rural area covers almost 88, 7% of the entire territory of the Republic of Macedonia (RM) according the law on agriculture and rural development, including 62 municipalities with 985.000 inhabitants or 47, 3% from the total population.
- The country's administrative system is organised on state and local level. The Local governance is organised by local self-government units on municipal level According to the Law on territorial organization of the local self-governments

The Republic of Macedonia has its own specifics, provided by its historical development, settlement structure, population density and by the nature of the local economy. The socio-economic structure of the macedonianrural population also has its own significant specifics, marked by post-war socio-political changes and population resettlement and ageing of the rural population, decline in large-scale agricultural production, transformation of the suburban countryside and in the recent past the widening of differences between rural and urban areas.

4. LEADER in Macedonia – key principles

As defined by the **European Commission**, the Leader approach can be characterized by **seven key features**. Every feature complements and interacts positively with the others, throughout the whole implementation process, with lasting effects on the dynamics of rural areas and their capacity to solve their own problems.

- **Area-based local development strategies** – A **local approach** takes a small and socially cohesive territory, often characterized by common tradition, a local identity and a sense of belonging or common needs and expectations, as the target area for policy implementation. This approach facilitates the recognition of local strengths

and weaknesses, threats and opportunities or endogenous potential for rural development

- **Bottom-up approach** – the most distinctive feature. It means that **local actors participate in decision-making** about the strategy and in the selection of the priorities to be pursued in their local area. LAG's play key role to ensure this approach.
- **Establishing Local Action Groups (LAGs)** – Setting up a local partnership, known as a “local action group” (LAG), is an original and important feature. The LAG is responsible for identifying and implementing a local development strategy, making decisions about the allocation of its financial resources and managing them. A LAG should enrol **public, as private and civil partners** ; be well balanced and representative of the existing local interest groups. It's very important to be involved, women, youth, older people and minorities. The rural actors that are most active in local initiatives: professional organizations and unions (farmers, non-farming professionals and micro-enterprises); trade associations; citizens, residents and their local organizations; local political representatives; environmental associations; cultural and community service providers, including the media; women's associations and young people. LAG's territory is defined by at least two rural municipalities with population between 10.000-150.000. No overlaps between LAG territories.
- **Integration and multi-sectoral actions** - The local development strategy must be multi-sectoral, integrating several sectors of activity. The actions and projects should be linked and coordinated as a coherent whole.
- **Innovation facilitation** – It may mean the introduction of a new product, a new process, a new organization or a new market. Innovation in rural areas may imply the transfer and adaptation of innovations developed elsewhere, the modernization of traditional forms of know-how, or finding new solutions of persistent rural problems.
- **Networking** – Exchanging achievements, experiences and know-how between Leader groups, rural areas, administrations and organizations involved in rural development (within the EU), whether or not they are direct Leader beneficiaries. It represents a means of transferring good practice, of disseminating innovation and of building on the lessons learned from local rural development.
- **Cooperation** – Cooperation goes further than networking. It involves a LAG undertaking a joint project with another Leader group, or with a group taking a similar approach, in another region, Member State, or even a third country. Such cooperation can help Leader groups to boost their local activities. It can allow them to resolve certain problems or add value to local resources

Local Action Group in Republik of Macedonia – territorial aspect



5. LEADER approach in Republic of Macedonia

Legal environment

As Macedonia moves towards EU- accession the rural development policy in the country maintains the continuity of gradual adjustment to the strategic directions for rural development to the objectives of EU CAP. The Macedonian Government is engaged in an intensive and demanding work in preparation for accession to the European Union. Pre-accession support programmes are being implemented in this field and have a major impact on rural economies and societies. However 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. The EU Common Agriculture Policy, including rural development and LEADER approach plays an important role in this process. LEADER measure became part of the national program for rural development and IPARD funding schemes in the period 2014-2020. Even though there was a progress in developing necessary regulation there is a need for a greater pro-activeness by the Ministry of Agriculture Forestry and Water Economy (MAFWE) in making LEADER measure operational. The acceleration of the start of the LEADER programme will contribute to earlier mobilization of the rural stakeholders for cooperation on a local and sub-regional level and in building good relations between administrations and the key actors in rural development. As of February 2015 the LEADER measure is part of the new set of measures to be implemented under the IPARD 2014-2020. These set of new measures are supported by the EU project entitled as “Introduction of New IPARD measures (LEADER and Advisory Services). The IPARD II Programme foresees the introduction of the Measure “Implementation of Local Development Strategies - LEADER Approach” for 2016. The measure is expected to start with implementation in 2018 until which time the potential local

action group capacity building will be supported under the Technical Assistance. The EU project prepared the LEADER measure fiche as one of the key documents that can inform and guide the process of consultations for the development of the LEADER measure. The fiche describes the rationale, objectives, LEADER requirements under IPARD, the selection of local action groups, eligibility and selection criteria, as well as the measures that will be available for supporting LEADER. At this stage the LEADER measure has been finalized and submitted to the Managing Authority (MA) for approval. Progress has been achieved with the preparation of the first draft accreditation documents and first draft of the Guidelines for LAG formation, LDS preparation and procedures for project selection and approval. The formal approval of the LEADER measure by the MA is now required to allow detailed follow up actions in the process of finalisation of the accreditation package preparations with the Paying Agency and the guidelines with the MA. Once this process is finalized, the measure should be shared with DG AGRI to initiate the process of its informal approval, prior to being included as part of the updated IPARD Programme and submission for formal approval. Institutional environment LEADER is a relatively new theme in Macedonia. On the other hand initiatives related to the LEADER “bottom up approach” supported by donor organization (SIDA, USAID) focused towards mobilization of the local rural communities. The initiative is aimed at building and strengthening of the social and human capital in the rural areas through consultations, education and training. The LEADER like Local Action Groups and LEADER initiatives are present in number of regions of the country, including initiatives developed with support from the USAID Small Business Expansion Project and Rural Development Network. Currently there are around 16 LAG’s initiatives that are at various degrees of ‘maturity’ and compliance with the current EU legal framework on LEADER.. The LAG initiatives are based on the active involvement and strong supportive role of regional development centres and/or municipalities. All of these initiatives included a capacity building element in the form of a series of trainings and workshops on LEADER.

Financial environment

The funding for LEADER, current Local Action Groups and Local Development Strategies has been symbolically funded by international donors to date in Macedonia. In some cases this has been supplemented by funding from targeted Municipalities, who have provided local office space and support facilities for the LAGs. The funding has predominantly been used to cover the costs of training and facilitation of local groups and the costs associated with the analysis of local area needs and development of local development strategies. In addition, in some areas, examples of pilot small projects have been funded (approx. €3,000-5,000) to demonstrate the effectiveness of community-based initiatives. This has tended to encourage greater involvement of stakeholders in these regions and has also served to raise expectations of future funding possibilities for larger priority projects in those regions, to be funded through the MAFWE LEADER measure. However, no funding has yet been made available through MAFWE to support LEADER and LAG’s.

6. LEADER in the national strategic and program documents

National strategies

- NARDS, emphasize for improvement of the living and business conditions in the rural areas.
- Special focus is given for development of policies for mountainous rural areas and areas with unfavorable conditions for production
 - Enhancing the participatory approach for identification of the needs of local communities
- Development of local development strategies implemented by established LAGs National programs
 - National Rural Development Program predicts support measures for implementation of the LEADER approach (implementation of LDS by LAG). No public calls until now IPARD
 - Foresees the introduction of the LEADER within 2014 – 2020 programming period
 - LEADER measure fiche is one of the key documents describes the rationale, objectives, and LEADER requirements under IPARD, the selection of local action groups, eligibility and selection criteria, as well as the measures that will be available for supporting LEADER

Further steps

From the legislative and technical point of view the LEADER measure has been finalized with the EU project for introduction of new measures as part of the IPARD 2, 2014 - 2020 and submitted to the Ministry for Agriculture Forestry and water economy. In continuation the formal approval of the LEADER measure by the MAFWE will allow actions in the process of finalisation of the accreditation package. Once this process is finalized, the measure will be shared with DG AGRI to initiate the process and submission for formal approval. The provisional estimated time for completion of this process is 1,5 to 2 years. This is too long period to keep the interest and the enthusiasm of the local stakeholders involved in the LEADER preparation and simulation activities performed until now. There is an evident development of the Local Development Strategies at regional level in 14 and more pre-LAGs supported by the donor projects (USAID) and the RDN. The support is very thorough involving different local key stakeholders, this process have very encouraging results creating a critical mass of local human capacities as a good basis for implementation of a quality LEADER programme in Macedonia. Therefore there is a need for identification of support mechanisms by the Government that 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. It will be of crucial importance if these mechanisms to become operational before the final accreditation of the LEADER measure. In addition better connection and coordination of diverse rural actors, both in vertical terms (government bodies at different levels - national, regional and local) and in horizontal terms (entrepreneurs, professional associations, farmers, etc.) are needed. Local development policies should be implemented with more coordination between relevant institutions and with a bottomup decision-making process

7. The multi-stakeholder workshop in Prilep

This event took place on 2 and 3 October 2017 in Prilep with expert Mr. Stefan Niedermoser.

Expert from Austria -Mr. Stefan Niedermoser had a very useful presentation about implementation of LEADER approach in Austria, knowing differences between Austria and Macedonia he gave the best of himself to promote LEADER approach on appropriate way for our conditions. Together we identify key priorities for successful implementation of LEADER approach in our country.

7.1 Brief review of most important topics of the workshop in Prilep

The most significant positive impacts of Leader as experienced in Austria

Positive impacts mainly on the basis of experience, may be summarized for most of the enrolled regions as follows:

- LAGs have become aware of the necessity to create **reserves of high-quality projects**.
- Most LAG members have become to understand the principle of the bottom-up approach very well; it is a matter of cooperation.
- **Self governing** has improved and **democracy** on the local level has deepened.
- **Economic activity** has strengthened; **stability of rural areas** has increased.
- The **image of rural areas** has improved.
- The **identity, self definition** and **coherence of the local societies** have strengthened.
- **Cultures** in rural areas have become **more variable**.
- Overall, **rurality is becoming a value**.
-

Lessons learned on the basis of Austrian experience with Leader implementation

- It is crucial to enroll local people in the process and to highlight the importance of **animation activities**.
- **Self governance** is a key feature.
- Strategies should be worked out through a **community method of planning**. Leader does not only mean repairing fences; it stands for **community building** and **strengthening democracy on the local level**.
- It is easier to learn the Leader method through **cooperation** projects than from reading instructions. Partnership projects are especially important for New Member States that are at the beginning, so that they can learn the Leader method quickly using the experience of Old Member States. Do not try to invent the already invented!
- The national rural development network should include both, **formal and informal networks**.

- For the constructive development of LAGs mutual support is needed, by means of public **awareness**, both passive as well as active (seminars, workshops, meetings of working groups, joint social events).
- It is important to create a complex system of **systematic education of LAG members** in management and administration, project selection, work with public, project monitoring, etc.
- A well developed LAG works like successful small and medium companies.
- In the Austria, the optimal size of a LAG's territory has proven to cover approximately **30 – 40 thousand** people.
- When evaluating LAGs, the ability of **community building, manager capabilities** and the **knowledge and understanding of the particular area** should mainly be assessed. When evaluating individual projects, the following should be considered: **employment opportunities for local people, project sustainability, quality of local production, impacts on children and youth**. Regarding the economical perspective and efficiency, the evaluation of project economical performance was the most critical

7.2. Sustainability of Local Action Groups

The sustainability of LAGs depends on the following conditions:

- It is necessary to strictly select only LAGs which function properly and in compliance with Leader principles.
- LAGs should always be opened to new members and to the public as well. Support should be provided not only to LAG members but also to all people living in the particular LAG's region.
- Staff alteration in reasonable situations and continuous membership strengthening should be carried out. It is unacceptable for one person to be, for example the manager of one LAG and a member of the evaluating committee or even a member of another LAG at the same time.
- Continuous lifelong learning and qualification should be provided to all LAG members.
- A consistent professionalization must be ensured.
- One of the decisive conditions for sustainability of LAGs is multiple-source financing

8. Recommendations

Recommendation for institutional set up improvements

- The formal approval of the LEADER measure by the MAFWE must be accelerated
- There is an evident development of the Local Development Strategies at regional level in 16 LAGs , this process must continue based.

Recommendation for policy improvements

- Local development policies should be implemented with more coordination between relevant institutions
- Recommendation for the empowering local stakeholders

Preparing Guide for: Understanding of technical procedures for applying the LEADER ; Develop transparent procedures among the main actors; animation campaigns for LEADER; Preparing technical advisory materials (guides and brochures); support for implementation of small-scale projects derived from the LDS.

- Using experiences and good practices from already developed LAG's standards.

Some impressions from the workshop in Prilep



9. Concluding remarks

This document contains a Policy Brief that has been conceived as a background paper to a multi-stakeholder workshop for Promoting LEADER in Austria for the development and strengthening of LEADER in Macedonia (Prilep, 2-3 October 2017), and a brief report about the implementation and the results of this workshop.

Implementing LEADER in Macedonia encompasses a number of challenges, namely relatively low income levels among a great share of its population, limited knowledge and officials documents. It will be a key task of workshop participants to continue the now initiated collaboration, implementation and strengthening of LEADER. The Local Action Group with its most engaged members are in a good position to further advance LEADER approach. However, further support is needed from all relevant stakeholders.

Acknowledgements

We would like to thank to the BACID Programme of the KDZ that supported this project. We are particularly grateful to Mr. Stefan Niedermoser for his effort for successful implementation of this project.

Websites:

<http://www.mzsv.gov.mk/?q=node>

<http://www.mzsv.gov.mk/files/Materijal%20za%20IPARD%20spot.pdf>

www.enrd.ec.europa.eu

www.welcomeeurope.com

http://www.elard.eu/en_GB/about-elard

<http://www.fao.org/family-farming/detail/en/c/1024760/>

<https://www.aire.mk/operationalization-of-leader-in-macedonia/>

Annex 1: Programme of the workshop

This report is withing the project “Promoting LEADER in Austria for the development and strengthening of LEADER in Macedonia”.

Objectives

- 1) To transfer know-how on local economic development (long-term care) in rural settings to Macedonia;
- 2) To contribute to better LEADER approach in the Regions of Maceodnia;
- 3) To disseminate results to comparable rural settings in Macedonia.

Methods and languages

- Generic moderation methods in combination with short inputs, interactive working groups, reflection and planning sessions. Involvement of all participants.
- Working languages: English and Macedonian (consecutive translation)

Media and technical support

- Projector for PowerPoint Presentations
- Flip chart and/or 10-15 sheets of large kraft paper

Venue of the workshop

Prilep

2nd October 2017

10:00-10:30	Registration and networking
10:30-10:50	Overview of LEADER in Austria
10:50-11:20	Presentation of the LEADER measure
11:20-11:40	Local Action Groups in Austria
11:40-12:00	Questions and Answers
12:00-12:30	Coffee break
12:30-13:00	Overview of LEADER in Macedonia
13:00-13:30	Local Action Group – key priorities

13:30-14:30	Sharing good practice
14:30-15:30	Lunch
15:30-16:30	Panel Discussion: LEADER and Local Economic Development
16:30-17:00	Wrap-up of first day
	What is missing? What do we need to address tomorrow?
17:00	End of first day

3rd of October

9:00-9:15	Arrival and welcome - Notes and new insights
9:15-10:00	Discussion of results and comments from Austrian and Macedonian perspectives
10:00-10:40	Identifying priority issues
10:40-11:00	Coffee Break
11:00-12:30	Planning
	• Plenary: What? How? Who? With whom? When?
12:30-13:00	Feed-back and evaluation
13:00-13:30	Conclusion
13:30	Lunch

Annex 2 List of participants

Name and family name	Institution/organisation
Gordana Lozanovska Stefanovska	LAG Pelagonija
Daniela Krsteska	Municipality of Krivogashtani
Tatjana Hasani	Municipality of Krushevo
Zoran Janevski	LAG Vardar LEADER
Daniela Cvetanoska	LAG Agro Lider
Erkan Ajdaroski	Municipality of Dolneni
Angela Stojanoska	Municipality of Dolneni
Marina Tosheska	LAG Agro Lider
Ilija Ilieski	LAG Prespa
Toni Zatkoski	Mayor of Municipality of Krivogashtani
Damjan Nancheski	LAG Skardus
Blagica Sekovska	PGD University Ciril and Metodij-Skopje
Stefan Niedermoser	LEADER Austria
Marija Cvetanoska	Local self government
Daniel Tosheski	LAG Vardar LEADER