Area Based Development Approach in the Western Balkans
A tool for rural development with up-scaling potential

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Introduction

The “Area Based Development Approach” in the Western Balkans is an ongoing initiative, developed and implemented by the Regional Rural Development Standing Working Group (SWG) in South Eastern Europe1 with the support from the EU and FAO. It has specific implementation characteristics with an up-scaling potential for economic, social and sustainable growth in rural areas across the region.

Namely, complex inter-dependence of poverty, social exclusion, ethnic tensions and administrative burdens are characteristic of the Western Balkans, especially of the cross-border regions. One of the critical problems of the cross-border areas of the Western Balkan countries is how to reach remote rural areas in decline where poverty and lack of sufficient economic activities lead younger generations to leave the areas.

During the last five years activities have been intensified to address these common problems by initiating planning for implementation of rural economic development actions using the Area Based Development Approach (ABDA) with the objective of providing incentives for sustainable economic development in four cross-border areas (“Drina-Tara” - cross-border region between Bosnia and Herzegovina, Montenegro and Serbia, “Drina-Sava” - cross-border region between Bosnia and Herzegovina, Croatia and Serbia, ”Prespa” - cross-border region Albania and Macedonia, and “Sharra” Albania, Kosovo* and Macedonia,) in order to try to turn the wave and contribute to the improvement of life in those communities.

The action targeted these marginalized cross-border areas with complex development problems - poverty gap, post-natural or human disasters, post-conflict environment and exclusion issues. The approach used is inclusive, participatory and flexible and ensures integration and coherence. Participation of ethnic minorities is particularly important as border areas have suffered more than others of conflicts in the last two decades, especially due to the fact that are characterized by a higher density of ethnic minorities.

The SWG, its actions and the ABDA are complementary to the Euro-Mediterranean Partnership (EUROMED) and its goals.

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1 See http://seerural.org

* This designation is without prejudice to the position on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration on independence.
Area Based Development

The Area Based Development (ABD) is an innovative approach enabling a breakthrough in sustainable economic growth by targeting defined geographical areas in cross-border regions, which are characterized by a set of common, complex development problems. It is considered as an effective approach to facilitate sustainable growth in rural areas in decline. It is suitable for targeting defined geographical areas in cross-border regions in the Western Balkans. The approach uses a methodology, which is inclusive, participatory, flexible, and ensures integration and coherence.

ABD history

The idea for developing a specific approach emerged as early as 2006 and was discussed throughout the years by SWG members and supporters, namely FAO and the European Commission, at the regular meetings in the SWG decision-making bodies and the annual Agricultural Policy Forum (APF). Finally, preparations for its implementation started in 2010, when DG-AGRI funded a project, carried out by the EC - Joint Research Centre (IPTS), for "Identification of potential rural cross-border target areas for the implementation of an area-based development approach in the Western Balkans: methodology & assessment". The overall objective of the project was to perform a comparative assessment of the potential target areas identified in terms of their assets and handicaps, in order to be able to pilot the approach in a selected appropriate area.

The process continued in 2011 when SWG was commissioned by DG ENLARG to develop a proposal for an "Area-Based Development Project in the Western Balkans". The output was a project fiche together with technical annexes (in-depth analyses and action plans for each of the regions) for the piloting of the Area Based Development approach in selected cross-border regions. Based on the project fiche, DG ENLARG commissioned SWG in 2013 to carry out a pilot project "Preparation for implementation of the Area Based Development Approach in the Western Balkans", which focuses on building the capacities and structures within the SWG and selected regions in order to be able to implement the forthcoming ABD programs.

The objective was the contribution to sustainable economic growth of the target regions by strengthening the cooperation of public administrations and other public bodies, the private sector and NGOs in the fields of local development and regional cooperation by building-up local and regional cross-border capacities.

ABD Objectives

The overall objective of the Area Based Development (ABD) Approach in the Western Balkans is to facilitate cross-border and regional cooperation and reconciliation by providing mechanisms for legitimate, transparent, participatory and ongoing processes of needs assessment, priority setting and to provide support to the implementation of the Area Based Development Programmes for economic development in particular WB cross-border regions.

The overall action focuses on the three parallel processes:

1) Facilitation of cross-border and regional cooperation and reconciliation by providing mechanisms for legitimate, transparent, participatory and ongoing processes of needs assessment, priority setting, and action planning in a particular region.

2) Contribution to sustainable economic growth of a particular region by facilitating implementation of identified actions and in particular by providing investment support in the sector with the possible highest added-value and catalytic effects to the rural economies.

3) Strengthening cooperation of public administrations and other public bodies and NGO’s in the field of local development and regional cooperation by building-up local and regional cross-border capacities.

The ABD as approach with its general objectives contribute to the achievement of the Millennium Goals and the Post 2015 Development Agenda.

ABD current situation and future perspective

The new phase started in June 2015, with a duration of 2 years and funding by DG European Neighborhood Policy and Enlargement Negotiations (DG NEAR). Again, SWG’s main role will be the one of a “facilitator” of the process, but will also focus on capacity development with support from other agencies (e.g. FAO, GIZ) and, in particular fund-raising for the implementation of the pilot grant scheme and the SHGs projects.

While the ongoing support of the EU to capacity building and facilitation in the selected ABD areas continue under the 2014-2020 IPA Multicounty Strategy, the funding does not foresee support for grants or other projects prepared by the Stakeholder Groups under the ABD approach. The Forum and the Minister’s Meeting in 2014 recognized the success, positive impact and development potential of the ABD approach and recommended upscaling of current activities and its extension to other areas in the region. Therefore, the SWG embarks on further fund raising activities and search for alternative funding resources, which was endorsed by the Ministerial Meeting.

Institutional set-up, regional offices and Stakeholders Groups (SHG)

One of the key results has been the establishment and consolidation of the Stakeholder Groups (SHG) in each of the four targeted regions. The SHG established for the ABD areas include representatives of public, private and civil sector and participate in the capacity building process, as well as the process of programming and project identification.
Permanent Secretariats of the SHG - Project Management Units (PMUs) have been established in the cross-border areas in order to facilitate and coordinate the entire process of assisting the stakeholders in preparation of a project pipeline and ensuring consistency and relevance in priority setting and coherence in implementation. All four offices have two staff members: a Regional Coordinator and a Technical Assistant. Also operational protocols and rules and procedures for the functioning of the SHG were developed and accepted by the Stakeholder Groups.

Strategic frameworks, programming documents and priority actions for each of the pilot areas were prepared, focusing on a multi-annual planning perspective for economic development of the Western Balkan rural cross-border areas. In addition, a general communication and publicity strategy, an action plan for the implementation of a pilot grant scheme, and a set of promotional material for each of the four areas were prepared.

Enhancement of the competitiveness of small and medium scale producers with implementation of the pilot grant scheme

"Pilot grant scheme", following largely the modalities of the support measures as implemented under the European Agricultural Fund for Rural Development (EAFRD) or the Instrument for Pre-Accession – Agriculture and Rural Development component (IPARD). Its main goal is to enhance the competitiveness of small and medium scale producers by providing small grants for renewing production facilities and purchasing equipment to improve existing or create new innovative products. In total small grants with a value of around 150,000 EUR for 9 projects with 28 beneficiaries were successfully implemented. The main achievements of the grant scheme are presented in the picture below.

ABDA project pipeline

The identification and formulation of priority actions and a project pipeline is one of the major driving forces for the activities of the SHGs and created quite a momentum in the region. A number of priority actions have been identified as part of the elaboration of the programming documents and a project pipeline developed. For each of the four regions the members of the Stakeholders Groups defined three priority actions in a participatory process facilitated by SWG. Finally, a number of concept ideas and project proposals were elaborated. The project proposals focus on the following areas:

1) stimulating the diversification of the rural economies through support to creating sustainable rural tourism products;
2) protection of natural and cultural heritage;
3) value chain development and branding of products;
4) creating regional economic development centers;
5) improvement of the socio-economic-position of women and rural youth, and finally;
6) support to creating a green economy sector and promoting sustainable use of forests and mountainous areas.

Up scaling potential

The SWG has prepared in addition, a number of preliminary assessments of other cross-border areas that could also qualify for the application of the ABD approach by their characteristics, subject to funding of the costs for the institutional set-up, SHGs’ project proposals and for grant schemes. The study carried out in 2009 identified 10 cross-border regions, of which four were selected for the implementation of the ABD approach in a first step.

2 "Identification of potential rural cross-border target areas for the implementation of an area-based development approach in the Western Balkans and using improved methodology". Institute for Prospective Technological (IPTS) Studies – JRC Seville, Faculty of Agriculture - University of Belgrade, 2009
However, out of the six other potential areas, three were selected by the SWG Assembly for the up scaling of the ABD approach, applying the lessons learnt from the four pilot areas. The three additional areas are (from North to South):

− Neretva Region (southeast part of Croatia, south-eastern part of Bosnia and Herzegovina, and south-western part of the Republic of Montenegro);
− Prokletije Region (border region between Kosovo*, Montenegro and Serbia);
− Pčinja Region (border region along the Macedonian, and Serbian and Bulgarian borders).

It is foreseen to initiate the assessment in three out of the six areas during second half of 2015.

Lessons learned

The SWG through the implementation of the action has drowned the below listed lessons learned:

− Permanent and strong involvement of all key stakeholders, local government, civil society and private business is essential for developing and implementing integrated cooperation actions based on the ABD approach. This includes commitments to enter into partnerships, both public/private and among private business partners and NGOs.

− The SWG considers that involving of national and local chambers and associations in identifying representatives from civil society and the private sector as formal members of the SHG would be important.

− Furthermore, the local stakeholders should be invited to participate in the activities on preparing actions in accordance with their respective interest in the action concerned.

− Although the political mandate of the SWG does not cover all policy areas of importance to solve common problems in the selected cross border areas, the SWG would continue to facilitate actions to solve such issues. This concern in particular, problems related to solving environmental and transport infrastructure issues.

− In this regard, the Ministers of Agriculture, members of the SWG, should ensure close cooperation with the respective line Ministries to facilitate resolution of all issues for the common good of the areas concerned to foster economic growth and quality of life as well as the attractiveness for tourists visiting the areas.

− The SWG acknowledge the support from the EC in the preparation for implementation of an ABD and urges the EC to enhance the dialogue with the SWG and member governments on the legal requirements for strategic planning, programming and implementation of the Regional and Territorial Cooperation policy area to ensure timely implementation.

− In this regard, the ABDA is addressed in the IPA multi-country strategy paper to ensure that the ABDA can be supported under a multi-country programme.

− The approach and experiences from the implementation of the integrated economic development projects in “Drina-Tara” and “Drina-Sava” cross-border areas involving all relevant economic partners in the process are of a crucial importance for further practical implementation of ABDA.

Map of the ABD pilot areas
The “SWG” stands for Regional Rural Development Standing Working Group in South East Europe (SEE). It is an International Intergovernmental Organization consisted of governmental institutions responsible for agriculture and rural development in respective countries and territories.

It is a platform for networking and regional cooperation among the SEE countries and territories in the field of agriculture and rural development. As an organization the SWG is an international body, acting in a spirit of friendship and good neighborliness and enhances mutual respect and confidence, dialogue and cooperation among the Member Institutions.

Vision
Innovative and sustainable agriculture and rural development through cohesive regional co-operation for improvement of rural livelihoods in the SEE countries.

Mission
To increase horizontal collaboration among respective countries and territories of SEE, coordinating regional initiatives related to agriculture and rural development and support the process of economic development in rural areas of Southeastern Europe.

General Objective
To facilitate close cooperation among the Ministries of Agriculture and other stakeholders in the field of agriculture and rural development and to support the EU integration

Specific Objectives
- To improve the common understanding of EU agriculture and rural development policies;
- To assist the improvement of implementation structures and systems for agriculture and rural development in rural areas, with specific emphasis on cross border cooperation;
- To improve the understanding and use of implementation tools for agriculture and rural development;
- To identify and share information and application of good practice in agriculture and rural development to broaden the rural agenda.

Partnerships
The SWG has established a partnership relations and cooperation with different institutions and organizations, such as European Commission, Food and Agriculture Organization of the United Nations (FAO), German International Cooperation (GIZ), International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), PREPARE network and others.

Starting with the first Annual Working Meeting of the Ministers of Agriculture from SEE organized in November 2007 in Germany and as per the conclusions of the Ministerial Meetings in the past years, the Ninth Annual Working Meeting of the Ministers of Agriculture from SEE in 2015 will be organized in the period November 11-13th, 2015 in Tirana, Albania and will be hosted by the Ministry of Agriculture of Republic of Albania. Annual Working Meeting of the Ministers for Agriculture from SEE countries is a high political event organized by SWG on annual basis in November each year.

The aim of the Annual Working Meeting of the Ministers of Agriculture is to discuss the future of regional cooperation and reforms in the sector of agriculture and rural development in the process of EU approximation of the WB region.

The Annual Working Meeting of the Ministers of Agriculture serves as platform for discussion and agreements among the Ministers of Agriculture of SEE countries related to regional cooperation and actual topics related to agriculture and rural development issues with regional relevance such as trade, economic development of border areas, management of natural resources etc.