



**First Interim Meeting on the  
Regional Expert Advisory Working group on LEADER**

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Andrevlje, Serbia

**ASSESSMENT OF THE APPLICATION OF THE LEADER APPROACH IN THE  
WESTERN BALKAN COUNTRIES – "FROM LOCAL INITIATIVE TO  
A MAINSTREAM CONCEPT IN THE RURAL AREAS"**

**Bosnia and Herzegovina  
Federation of Bosnia and Herzegovina**

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# Content

- Introduction
- LEADER environment in FBiH
  - LEADER in national/entity strategic program documents
  - Institutional and Legal Settings
  - Funding
- Previous initiatives and lessons learned
  - LAG Una - Sana
- Conclusions and recommendations





# Introduction

# Introduction (1)

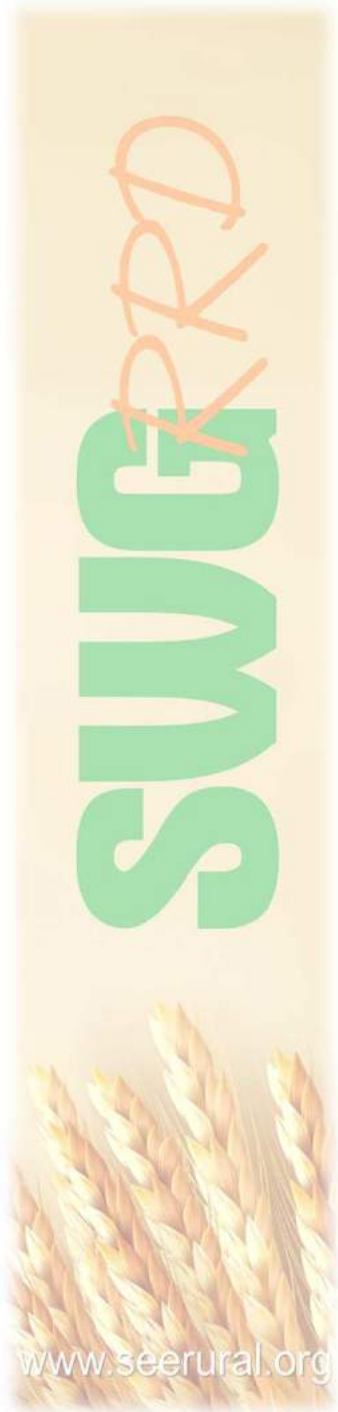
- BiH is a potential candidate for joining the EU and it is now in the stage of expecting the candidate status
- The last EU 2016 progress report on BiH – significant positive steps (fulfilling tasks from the “Reform agenda”
- The process of approximation to the EU CAP is quite slow without visible signs to accelerate it
- IPARD funds – Expectations for their availability
  - Coordination mechanism (exist)
  - Strategic plan of rural development - state level (in preparation)
- Federation of BiH (FBiH) – Rural areas:
  - 86.4% of territory (OECD criteria)
  - 53.3% of total population (OECD criteria)
  - Agriculture is the most important economic activity
  - Greatest challenges:
    - Stopping rural depopulation
    - Reducing poverty
    - Creating conditions for local employment

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## Introduction (2)

- F BiH officially without any strategic document regarding rural development till now
- Rural development program in the F BiH 2015–2020 has been developed but not adopted yet
- Program is designed to be compatible with IPARD principles
- One of four program goals is: supporting establishment of the LEADER approach
- Rural development policy in F BiH: inconsistent, incoherent, and non-transparent along with already chronic lack of funds.
- Support to rural development from EUR 11.4 mill (2007) to EUR 1.2 mill (2015)
- Political structures still haven't recognized the significance of the development component of the support

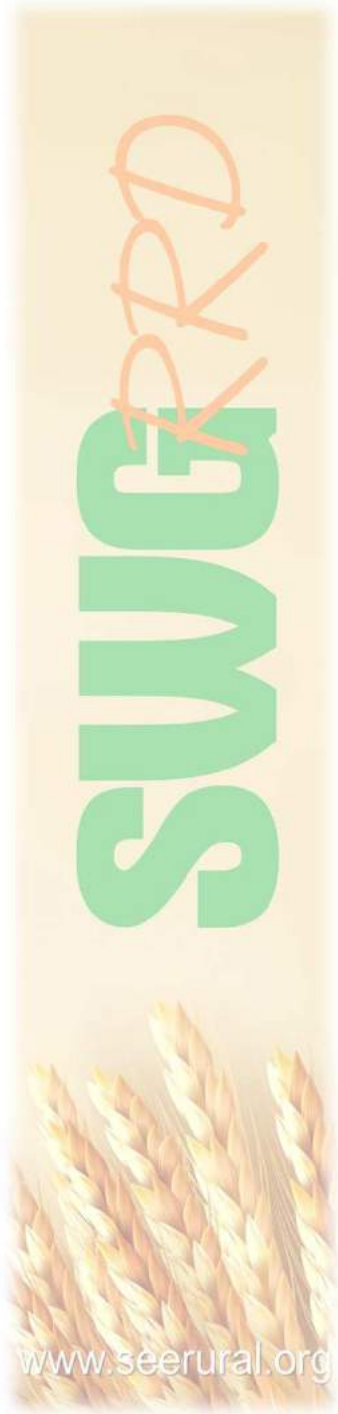


## **LEADER in national/entity strategic program documents**

## LEADER in national/entity strategic and program documents

- BiH still doesn't have a strategic document dealing with rural development policy and the LEADER approach at the state level
- Neither the FBiH still has a legally based (adopted by the Federation Parliament) strategic document on the rural development policy and the LEADER approach.
- Program of rural development of FBiH for period 2015-2020 gave an important place to the LEADER initiative and establishment of LAGs.
- This program has defined three measures:
  - (1) establishment and development of LAG partnership,
  - (2) gaining skills, engagement of the population in the LAG areas in the capacity strengthening, and engagement of selected LAGs, and
  - (3) Implementation of local development strategies for the work of selected LAGs.
- The indicative budget for implementation of the defined measures ranges between EUR 75,000 and 250,000 annually.
- Regarding LEADER initiative at the cantonal level, still not any of the cantons deals with this problem area strategically.

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# Institutional and Legal Settings



## Institutional and Legal Settings (1)

- Responsibility for programming, implementation and funding rural development policy in the FBiH rests with the competent Federation Ministry of Agriculture, Water Management and Forestry.
- Others competent for agricultural and rural development policies are relevant cantonal ministries (divisions).
- Unfortunately, these levels of government haven't provided any significant financial support either to the LEADER initiative or establishment of LAGs.
- The existing three LAGs are solely the result of local initiatives and support of international institutions-donors.
- Regarding LEADER initiative at the cantonal level, still not any of the cantons deals with this problem area strategically.

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## Institutional and Legal Settings (2)

- The existing LAGs operating in the FBiH are registered under the Law on Associations and Foundations of the Federation of BiH (Official Gazette of the FBiH 45/02).
- Unlike the state-level law, this law provides for the registration of associations by the founders identified as, municipalities, towns, and other state institutions.
- After the registration as an association at the Federation level, LAGs should be recognized as a separate type of organizations the founders of which are legal and natural persons entered in the registers rather than representatives of legal persons, which is mostly the case during the registration of citizen associations.
- This problem can be solved only through the accreditation of LAGs by a competent institution.
- For now, it is not possible in BiH/FBiH, i.e. still there isn't a body at any level of a government in BiH that would enable a smooth accreditation of LAGs and their registration in separate LAG registers as a basis for LAGs to exercise special rights reserved only for accredited LAGs.

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## Institutional and Legal Settings (3)

- Currently there are three LAGs in the FBiH: LAG Una Sana, LAG Drina, and LAG Doboј Region part of which is in the RS, and for now, there is only an initiative for LAG Blidinje (territories of the municipalities Tomislavgrad and Posusje).
- LAG Una-Sana and LAG Doboј Region are registered under the state law on associations and foundations, while LAG Drina is established under the relevant cantonal law.

Name of LAG	Area of LAG (km <sup>2</sup> )	Population in the LAG area	Municipalities covered by LAG
Una-Sana	1.471	86,360	Sanski Most, Bosanska Krupa, Buzim
Drina	504,6	23,734	Goražde, Pale-Praca, Foca-Ustikolina
Doboј Region (part in FBiH)	1,116 (468 in the FBiH)	136.880 (68,366 in the FBiH)	Doboј (RS) Maglaj (FBiH) Gracanica (FBiH)

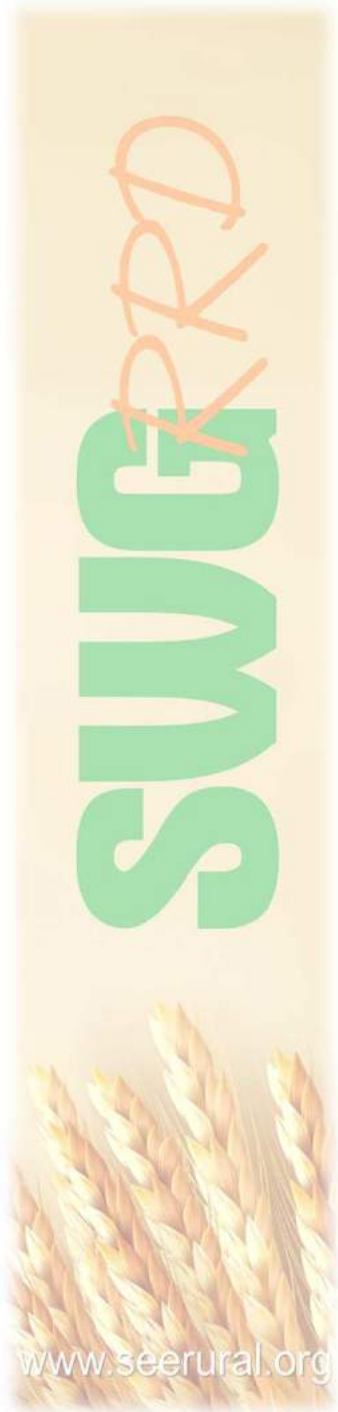


# Funding

## Funding

- There wasn't any support to the LEADER initiative and the work of LAGs in the FBiH from the entity and cantonal levels in the period 2006–2015.
- The current Plan of Rural Development of the FBiH (still not adopted) envisages an implementation budget for the defined LEADER initiative measures between EUR 75,000 and 250,000 annually (25-33% - establishment of new LAGs; 67-75% - covering the running costs)
- The most important funding sources of LAGs in FBiH are donor funds, public funds, and membership fees.
- Situation in 2015
  - LAG Una Sana: total revenues EUR 122,000 (85% donor)
  - LAG Dobož Region: total revenues EUR 15,000 (no donor funds, only membership fees)
- Main problem – inability to provide co-funding for development projects from foreign donors
- In BiH, still there are many international organizations (USDA, SIDA, CARITAS, GIZ) that fund (rural) development projects, and existing LAGs can find their place there.

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## Previous initiatives and lesson learned

## Previous initiatives

- UNDP and its project "Partnership for Local Development Projects – SUTRA" deserve the credit for pioneer steps and establishment of the first local action groups (LAG) in BiH
  - UNDP's supported returnees through LAGs (involving municipalities, NGOs, and business sector)
  - Established LAG Una - Sana and LAG Doboje Region
- IPA project "Capacity building for the programming of rural development in BiH (3P-BHRD)":
  - Assistance to the BiH institutions relating to the introduction of LEADER as an innovative approach in creating a rural development policy, i.e. in the development of LAGs and under the EU standards (different activities like training the LEADER/LAG trainers)
  - Document "Guidelines for introducing the LEADER program in Bosnia and Herzegovina" – important role in introduction to the LEADER approach, but never become actual (because of the lack of political will)

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## Case study – LAG Una - Sana



## LAG Una Sana

- LAG was established as a result of the UNDP project "Partnership for Local Development Projects – SUTRA." (2008)
- Established under the LEADER initiative principles and through involvement of the public and private sectors, and civil society
- Founders: 3 municipalities (Sanski Most, Bosanska Krupa and Buzim) – public sector, 3 representatives of civil society, 3 business entities and 2 persons
- LAG's assembly is 13 (10 men, 2 young people)
- Total annual revenue: 100,000 – 125,000 EUR (80-90% donor funds)
- Implementation of a large number of projects (strategic documents, education programs, projects regarding tourism, cross-border partnership projects)

## LAG Una Sana – Case study

### Establishment of daily care center for children with disabilities

- Partnership with Association of Parents of Children and Youth with Disabilities "Ada"
- The project leader LAG improved organizational structure and procedures of this association through the project activities, and established and equipped a daily care center for children with disabilities.
- The project also engaged experts in order to facilitate the work with children in the daily center.
- Results:
  - After going through a series of courses, "Ada" applied to donors' public calls (four during the project) with projects.
  - The number of children in the daily center is increased, the parents' care for the children with disabilities is facilitated, creative workshops for the children continued after the project end.

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# LAG Una Sana – Case study

## Establishment of daily care center for children with disabilities

- Lessons learned
  - The project is an example of how to train the management of similar associations in terms of organization and administration.
  - Training of the management in project development and the support secured from the Municipality ensured sustainability of "Ada" and daily stay of children within the association; the established cooperation with experts kept developing after the project.
  - In order to improve the project idea, it is necessary to additionally equip the association premises for occasional overnight stay of children, as needed, ensure the procurement of tools/material for various craft shops for older children and youth with disabilities in order to engage them at work and secure additional funding for the association (e.g., a greenhouse for vegetable production, a workshop for making wood toys, etc.) .

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## Conclusion and Recommendations

## Conclusion (1)

- The LEADER program hasn't been implemented yet in the FBiH. The current rural development policy in the FBiH doesn't financially support this initiative and establishment of new and strengthening of the existing LAGs within it.
- The "Rural development plan for the FBiH 2015–2020" envisaged the LEADER initiative and support to LAGs. Unfortunately, the plan is still not legally valid because it hasn't been in the Parliament and so it doesn't serve to plan rural development measures, including support measures to the LEADER program.
- Currently three LAGs operate in the FBiH: LAG Una-Sana, LAG Drina, and LAG Dobož Region (with Federation municipalities Maglaj and Gracanica). Their functioning is individual and with different success measured by project activities. The most active LAG is LAG Una-Sana, while LAG Drina is practically near dissolution.
- Legislation in the FBiH has provided for the registration of LAGs through the Law on Associations and Foundations, so LAGs in the FBiH are registered as citizen associations.
- There isn't a body at any level of a government in BiH that would enable a smooth accreditation of LAGs and their registration in separate LAG registers as a basis for LAGs to exercise special rights reserved only for accredited LAGs.

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## Conclusion (2)

- LAGs in the FBiH constantly face the funding problem because of inconsistent support from the public sector, a considerable dependence on donor funds and related implementation of international projects. The example of LAG Una-Sana shows that the funding of LAGs in the FBiH mostly depends on donor funds. A smaller portion of the total LAG revenues comes from public sector (municipalities), while funding by business sector almost doesn't exist.
- Networking and connection as one of the LEADER principles is at a very low level in the existing LAGs in the FBiH. It is necessary to strengthen cooperation among LAGs in BiH and also with LAGs from the region (Western Balkans) and wider, with the LAGs in the EU countries.
- The lack of political will is the main reason for BiH still not having access to IPARD funds and, within them, the funds for improving the LEADER initiative. The progress made in establishing the coordination mechanism and the rural development plan at the state level currently in development looks promising for BiH to become a beneficiary of these important sources of funding rural development from the next year.

## Recommendation (1)

### *Recommendation for institutional set up improvements*

- Rural and regional development needs to be intensified through networking of all actors in the wider area of the FBiH/BiH along with strengthening LAGs as important links in this process.
- Interest and importance of the role of higher levels of government (FMAWMF, cantonal ministries competent for rural development) and active presence in spreading the LEADER initiative need to be increased.
- Activities to finalize already started development of the document "Guidelines for introduction of the LEADER initiative in BiH" should begin as soon as possible as this is an important document that will help promote the LEADER initiative and accelerate establishment of new LAGs in the FBiH/BiH.

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## Recommendation (2)

### *Recommendation for policy improvements*

- The "Rural development plan for the FBiH (2015-2020)" in which the LEADER initiative and the role of LAGs are clearly defined and receive considerable budget support should be adopted as soon as possible.
- While developing the budget for rural development at the entity and cantonal levels, the funds for helping establish new and sustain the existing LAGs should be envisaged. This level of government should secure constant funding for the permanent functioning of LAGs, at least on a basic/sustainable level.

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## Recommendation (3)

### *Recommendation for the empowering local stakeholders*

- Since the basis for existence and work of LAGs is a tripartite partnership of public, business, and non-government sectors, the current LAGs in the FBiH should be more engaged in motivating actors from all three sectors at the local level.
- It is necessary to continue work on capacity building in the FBiH in the context of the LEADER initiative and as much as possible information exchange with the EU countries.

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**Thank you for your attention!**