

**Assessment of the application of the LEADER
approach in the Western Balkan Countries-
“from a local initiative to a mainstream
concept in the rural areas”**

Country report: Republic of Macedonia

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1.INTRODUCTION (up to 1 page)

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

Defining rural areas in relation to RD policy

- 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

Strategic approach of the country's RD policy

- National Agricultural and Rural Development Strategy (NARDS) and is focused to the modernization of the sector and improvement of the living conditions and work in rural areas www.mzsv.gov.mk
- Main aim is to increase funds for co-financing of the private sector investments in agriculture and processing facilities, especially those who are investing in rural infrastructure and irrigation
- Increase competitiveness of rural enterprises producing various products and delivery of services
- Create favorable policy for enterprises to expand

National RD support schemes

- Direct payments in 2016 - 55.121.951 EUR; national program for rural development 29.356.016 EUR; beneficiaries are: farmers, processors, rural municipalities and different businesses in the rural areas.

Eligibility for utilization of IPARD

- Complex procedures; inadequate administrative and institutional capacity at national and local level and the weak capacity of potential beneficiaries
- new IPARD 2014-2020 program coincide with NARDS 2014-2020 ; 60, 000, 000 EUR

LEADER ENVIRONMENT IN THE REPUBLIC OF MACEDONIA

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

Institutional and Legal Settings

Institutions responsible related to programing and implementation of LEADER

- The Ministry of Agriculture Forestry and Water Economy (MAFWE) is the main institution responsible for development and implementation of the LEADER approach
- The LEADER is part of the new set of measures to be implemented under IPARD during 2014–2020. LEADER Approach was planned for 2016, but in reality implementation is expected to begin in 2019

Institutional actions at local level

- Mobilizing rural communities, through (RDN of RM) and through the USAID (SBEP)
- Aiming at strengthening the social and human capital in rural areas through consultations, education, training and piloting local rural economic development projects.
- 16 LAGs, registered as civil society organizations they collectively cover 73% of the entire rural territory of Macedonia across 61 municipalities
- All in compliance with the current EU legal framework on LEADER
- Each is at a different stage of “maturity” due to different baseline capacity
- Low capacity for independent implementation of LDS (need for coaching)



Legal and regulatory requirements

- Law on Agriculture and Rural Development,(Articles 87, 88 and 89).
- Defines establishment of LAG, and recalls on the main key features of the EU LEADER (e.g. area based approach, public private partnership).
- Defines LAG formation by: cooperation and association of one or more rural communities that are neighboring by their cadaster borders

Secondary legislation

- Rulebook for the detailed conditions for registration in the records of the local action group
- Rulebook for the content and methodology for preparation of strategies for local development of rural areas
- Rulebooks adjusted with EU regulations relevant for LEADER (and CLLD) – (EU) 1305/2013, (EU) 1303/2013
- As of 2015 EU project *Introduction of New IPARD measures (LEADER and Advisory Services)* new Guidelines for LAG formation, LDS preparation and implementation were prepared to support the potential LAGs

Division of responsibilities and Synergies between relevant laws

- local self-government units (municipalities) as institutions playing a significant role for implementation of rural development policy
- The legal basis for cooperation between the Ministry of Agriculture and the municipalities is contained within the laws regulating the functions and authorities of these institutions primarily the Law on agriculture and rural development, Law on local selfgovernment and the Law on balanced regional development



Funding

Financial support for implementation of activities related to LEADER

- Current LAGs and LDS has been symbolically funded by the RDN of RM and USAID SBEP to date in Macedonia
- In some cases funding from targeted Municipalities, who have provided local office space and support facilities for the LAGs
- Funding has predominantly been used for training analysis of local area needs and development of local development strategies. In addition,
- Piloting small projects (approx. €3,000-5,000) to demonstrate the effectiveness of community-based initiatives.
- The total funding provided through USAID's SBEP and RDN of RM since 2012 is estimated at 500,000 USD
- No funding has yet been made available through MAFWE to support LEADER due to the delay of the EU accreditation process

PREVIOUS INITIATIVES AND LESSONS LEARNED

- LEADER like activities at local level implemented by the MAASP in 2009
- Formation of municipally based multi-stakeholder rural development groups ,16 municipalities
- Preparation of Rural Development sub - strategies adopted by 16 municipal councils
- realized projects derived from the municipal rural development strategies using the LEADER approach

Case studies

- **DAYS OF PELISTER'S PRODUCTS**
- **ARRANGEMENT OF WATERFALLS IN "CRN DOL"/PEHCEVO FOR PROMOTION OF LOCAL PRODUCTS AND SERVICES**

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The MAFWE needs to build on current and future actions for full-fledged implementation of the LEADER approach
- Strengthen the capacities of all existing and potential Local Action Groups
- Necessity to create a critical mass of local human capital capable to implement a successful LEADER program
- coaching and funding of small-scale projects is required before they develop the necessary organizational and project cycle management capacity required for fully independent operations
- National and EU funding for LEADER will not become available before the end of 2018 or beginning of 2019
- slow-down or discontinuation of activities started since 2007 would end the current momentum and discourage all stakeholders from getting involved in LEADER again



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 pre-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

- Strengthen the organizational capacities of local stakeholders from the public, civic and private sectors
- Capacity building for the local stakeholders should include: Understanding of technical procedures for applying the LEADER ; Strengthening the capacities of the LAG managers; 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.

ANNEXES

Annex 1: Used Literature, References and Contacts

Annex 2: Map of LAGs

