



# Support to Economic Diversification of Rural Areas

46<sup>th</sup> SWG Assembly

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**giz** Deutsche Gesellschaft  
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# Support to Economic Diversification of Rural Areas in Southeast Europe (SEDRA)



## The context

- The regional SEDRA project involves: Albania, Bosnia and Herzegovina, Kosovo\*, North Macedonia, Montenegro and Serbia
- Half of the population lives in rural areas. The majority is dependent on agriculture and forestry
- Lack of income and employment, depopulation and unsustainable use of resources have led to a substantial loss of economic viability



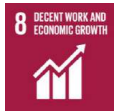
## What we are doing

- SEDRA strengthens the institutional capacities of selected stakeholders in Southeast Europe to contribute to EU-compliant economic diversification of rural areas, thus positively affecting the life choices of the rural population, investing in sustainable business models.



## Approach

- SEDRA builds capacities for rural development policies for economic diversification
- SEDRA facilitates community-led area based development
- SEDRA promotes value chains to revitalise rural economies



# Three major fields of action

## I. Regional Cooperation and policy advise

- Facilitating theme-specific policy dialogues and providing technical expertise on issues related to economic diversification
- Strengthening of regional coordination structures and mechanisms

## II. Sustainable business models

- Developing sustainable business models in structurally weak border regions
- Supporting value chains through capacity building measures, facilitation of cooperation and networking
- Provision of targeted investment support to relevant key stakeholders.

## III. Community-led and area-based Development

- Strengthening the capacities of local and sub regional actors and networks in order to support community-led local development and to secure their funding through EU (pre-)accession assistance.



# SEDRA contributions to EU approximation and the UN Sustainable Development Goals



## Facilitating EU accession by diversifying rural economies of Southeast Europe

- SEDRA contributes to prepare SEE countries for the Acquis Communautaire Chapter 11 - 'Agriculture and Rural Development', partly for Chapter 12 - 'Food safety, Veterinary and Phyto-Sanitary Policy' and Chapter 27 'Environment as cross-cutting issue'.
- The alignment to the Common Agriculture Policy of the EU is expected to foster smart and resilient rural areas, to provide jobs and income and to bolster sound environmental management and climate action
- SEDRA contributes to the flagships of the 'Western Balkan Strategy' by its support to socio-economic development and reconciliation and good neighbourly relations focusing on rural cross-border regions.



## Leave no one behind – decent work and economic growth in rural areas of Southeast Europe

- National strategies for 2030 Agenda in SEE are still in an early stage
- SEDRA aligns its work to the Agenda and contributes directly to the Sustainable Development Goals (SDGs): (1) no poverty, (2) zero hunger, (5) gender equality, (8) decent work and economic growth, (15) life on land, and (16) Peace, justice and strong institutions





## Key messages SEDRA...



- ...is jointly implemented by SWG RRD and GIZ. Political Partners are the Ministries of Agriculture through their Membership in SWG RRD
- ...strengthens regional cooperation amongst the Western Balkans and of the region with Europe
- ... contributes to rural income, employment and growth in 7 cross-border regions
- ... builds capacity for rural development
- ... provides prospects for rural regions in Southeast Europe





## I. Regional cooperation and policy advice

### Financial support provided to:

- Assembly Sessions
- Agricultural Policy Forum in October 2019
- Meeting of Ministers held in November 2019
- Meeting of the IPARD Managing Authorities and Paying Agencies
- Regional exchange formats such as GFFA, etc.

### Working groups (REAWG)

- EU Quality Policy and Schemes
- Economic Diversification through Tourism
- Practical application of LEADER

### Exchange

- Organic Agriculture – Bavarian Eco-regions
- IAMO Forum - Small farms in transition: How to stimulate inclusive growth?
- Mountain Tourism
- DG NEAR, DG AGRI and SWG on post 2020 SWG Strategy



Ministries of Agriculture  
from South East Europe

**FORUM** 2019  
JUNE 26-28  
SMALL FARMS IN TRANSITION

**GLOBAL**  
FORUM FOR FOOD AND  
AGRICULTURE



## II. Sustainable business models

- Selection of Value Chains:
  - Mountain Tourism in Prespa; Prokletije – Bjeshket e Nemuna; Sharra - GIZ
  - Honey in Pcinja-Krajshte - GIZ
  - Traditional specialities and rural tourism in Drina-Sava; Drina Tava, Krsh - SWG
- Value chain strategies are defined and being implemented
- “Code of conduct” for cooperation along the value chains being developed
- people2people’ measures for promoting regional exchange, networking and rural diversification completed
- Targeted investments support under the Grant Scheme to key value chain stakeholders in cross-border areas
- Possibilities to align investment support with national IPARD measures and cross border cooperation assessed
- Value Chain stakeholder meetings, trainings and consultations ongoing
- Local subsidies for Tourism infrastructure and beekeeping



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## III. Community-led and area-based development

- Support to **strengthen the capacities and cooperation** of stakeholders and actors to shape and implement the LEADER/CLLD approach
  - BRDN network conducted a training needs assessment of LAGs and to conduct a series of training of trainers (Skopje, Tirana)
- Maintaining the spirit of the **Area-Based Development approach** - Stakeholder meetings in all 7 regions
- Support to SEE participation at **networX - Inspiring Rural Europe Conference**, Brussels
- **Exposure visit** to Austria on Economic Diversification and the LEADER Approach
- **Direct coaching** of local partners in developing **project proposals** for CBC and IAPRD
- **Consideration of particular needs of women and young people** in view of their full and equal participation in all decision-making structures and levels.
- Upcoming: Standing up for LEADER to get LEADER up and running under IPARD III





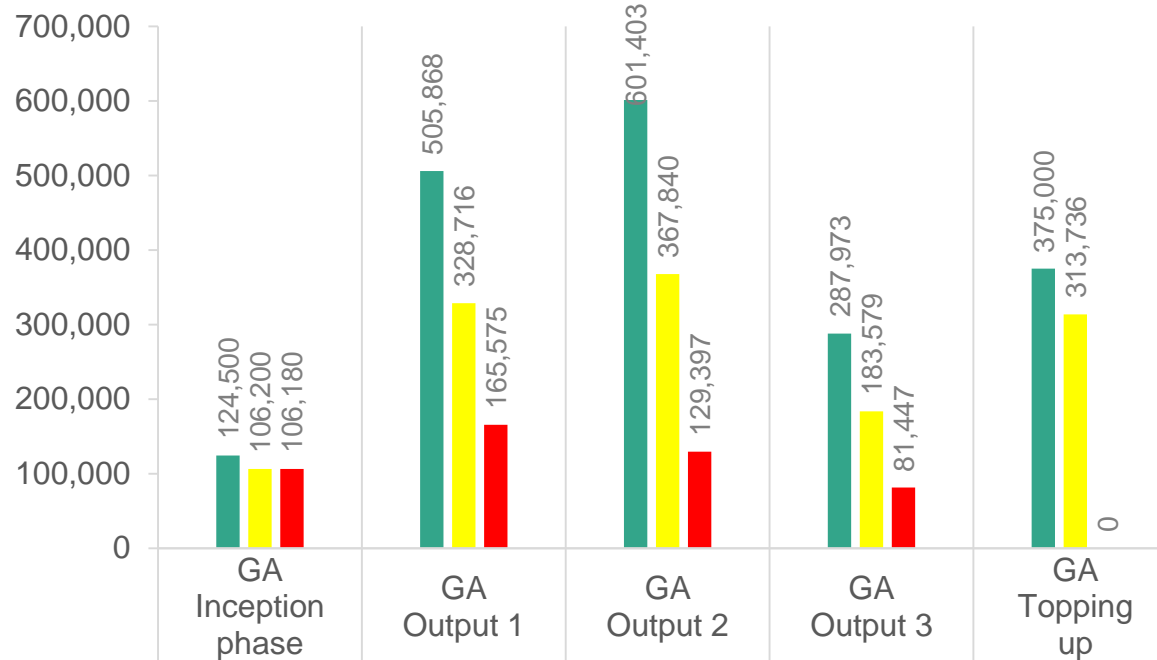


### Cross-cutting issues and any other aspects:

- Monitoring system operational
- Woman and Youth focus of activities in output II & III
- Financing agreements with SWG concluded:
  - Inception Phase – 125.000 EUR
  - Regional cooperation and policy advice – 505.000 EUR
  - Sustainable business models – 600.000 EUR + 375.000 EUR
  - Community-led and area-based development - 290.000 EUR



# Value of Grant Agreements / Transferred funds / Justified = 25,5 % of available fund implemented



■ Value of the grant	124,500	505,868	601,403	287,973	375,000
■ Transferred	106,200	328,716	367,840	183,579	313,736
■ Justified	106,180	165,575	129,397	81,447	0

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