

Summary from Round Table 4 “Participatory approaches to rural development in the Western Balkans”

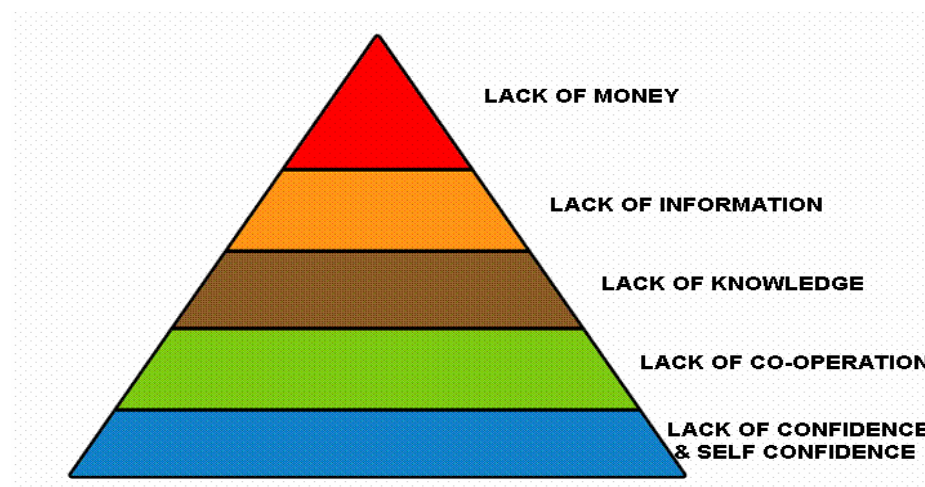
The discussions came to the following conclusions:

A conceptual background underpinning **new approaches to rural development** — the **endogenous growth** theory — was presented to the audience. It was highlighted, that despite the new thinking, the EU rural development policy was still very much agriculture sector biased, and the prospective members from the Western Balkan should refocus their current support policies towards Pillar II, as this was considered to be the future of CAP. Regarding new rural development approaches, emphasis was given on developing the endogenous potential of an area (territory) by fostering its human resource capacity, its self-control potential (i.e. implementing the subsidiarity principle), and integrating the territory in its surrounding economy, infrastructure and markets.

The policy agenda for the Western Balkan, developed jointly by FAO and the WB (to be published shortly), emphasized the promotion of a diversified and knowledge-based rural economy as the main instrument for meeting the rural development challenge in the region. Its main elements are: establishing a growth-oriented macro-economic framework, investing in quality production factors, and creating an enabling business environment. The way to reach this is to align public support policies with Pillar II of the future CAP, adopt a territorial approach to rural development and empower regional and local communities.

Pre-accession activities in the field of rural and local development and cross border co-operation were illustrated by the EU. The available funding opportunities for rural development under the different IPA components were presented, whereby it was emphasized that the possible contribution through IPA components *I: Transition Assistance and Institution Building*, and *II: Cross-Border Co-operation*, were little known in the relevant ministries of the potential and candidate countries, as all their attention was on preparing for the IPA component *V: Rural Development (IPARD)*.

Case studies from Austria, Germany and Hungary demonstrated the **lessons from EU programmes** regarding applications of integrated local development approaches (e.g. LEADER, Local Action Groups, etc.). The main lessons are that LEADER is not transferable one-to-one, but its successful implementation depends on the availability of “soft skills” and “local leaders”, local capacity for analysis and strategic planning, and the full involvement of local actors/stakeholders. These factors impact on the quality and the quantity of the implemented projects and finally the absorption capacity at local level. Hence, not the lack of funds is the main bottleneck, but the lack of other factors, as illustrated in the following graphic.



The **applicability of such new approaches to Western Balkan** countries was discussed as last point. The practitioners from the countries highlighted that the Balkan is on the move in the right direction — but slower than expected. Some of the reasons being that the region is “over consulted” due to lack of own capacity, i.e. countries rely too heavy on external inputs by short-term consultants. On the other hand, policy harmonization is just done by copy-paste without considering the local conditions. Support programs are often parallel instead of complementary (e.g. IPA and WB Acquis loans in Croatia and Macedonia), and the political agenda (election year syndrome) drives very often the reform process. Regional cooperation — by learning from each other — could help addressing the above problems. The **Standing Working Group for Regional Rural Development (SWG-RRD)** tries to implement this regional cooperation between institutions responsible for rural development in the countries through capacity building and exchange of own experts.

As second point, the need to reconcile economic growth policies with rural development policies — policies for bottom-up approaches — was emphasized. National policies for bottom-up interventions should focus on territorial approaches, capacity building at local level in order to develop at local level strategic visions for the territory. However, EU policies are focused on countries or regions, but are less suitable for territories.

The main issue raised as a **wrap-up/conclusion** and to define a **way forward** was the question if we (i.e. the stakeholders from national and international level) could jointly identify an area with potential to implement in a coherent way the above presented new approaches to rural development? This could be a joint approach by the involved agencies and institutions, implemented on a pilot case basis.

The Permanent Secretary of the SWG-RRD mentioned a number of cross-border area projects that have been identified; also FAO has a number of such projects under preparation. It was agreed that the representatives of the different organization/institutions would try to meet again, if possible in the countries of the region, and continue this discussion.

In this regard it was again emphasized that EU funding — for example for capacity building at local level — could come from IPA Component I, for organizing study tours to other countries from TAIEX (*Technical Assistance and Information Exchange*), and for cross-border projects from IPA Component II.