Conference on 'Facilitating an Area-Based Development (ABD) approach in rural regions in the Western Balkans'

Belgrade, Thursday 5 May 2011

Information Briefing

The views expressed in the present document may not in any circumstances be regarded as stating an official position of the European Commission.
1 The project

Viable full- or part-time alternative income opportunities are needed in rural cross-border zones of the Western Balkans in order to prevent future generations being trapped in poverty because they cannot find alternative employment. Alternative income opportunities are also needed to prevent increases in inequality as modernisation of the agri-food sector sees land, machinery, and processing facilities concentrated among larger commercial farmers.

Under these circumstances, it is clear that adopting a sector-specific or target-group-specific approach may not be sufficient to address the situation. A more comprehensive and holistic approach that seeks to address the root causes of the problems in the area and helps countries to prepare for EU accession, is required. The Area-Based Development (ABD) approach, under which an area, rather than a sector or a target group, is the main entry point, has potential in this respect. ABD programmes intervene in multiple sectors and try to mobilise as many stakeholders as possible. Through stakeholder participation, those sectors and groups where intervention is most likely to contribute to addressing the area-specific development problem are prioritised. This intervention must take place both at local and national levels. Within the area, all actors and factors need to be analysed and mobilised in order to achieve the desired outcomes. A comprehensive regional development strategy and implementation plan is usually the outcome of applying the ABD approach.

A number of international organisations have attempted to apply this approach in the Western Balkan countries. However, so far the efforts have been largely uncoordinated and limited to particular elements of economic development, rarely focusing directly and comprehensively on rural development, and even less so on implementation in a cross-border setting.

The project will thus focus on a selected rural and cross-border zone where application of the area-based development approach is seen as feasible. The overall objective of the project is to assess the development situation and needs, and propose the most appropriate interventions, through a participatory approach involving local and national actors. The end product should be a comprehensive development strategy and implementation plan with a list of detailed activities for the target area selected. Given the rural character of the target area, the ABD programme design will focus on the rural economy. However, links that are essential for the dynamics of this economy should not be overlooked within the holistic framework of the ABD approach.

The specific objectives of the project are:

- to summarise briefly the main theoretical basis and practical experiences with the area-based development approach and select the target area
- to carry out a baseline assessment of the development situation in the target area and identify the needs in order to facilitate rural development
- to prepare an area-based development programme, containing a strategy and an action plan (identifying activities, actors, implementation and monitoring mechanisms) for the target area
- to disseminate the strategy and the action plan, in particular through an international workshop with potential donors (international financial institutions and others), raise
their awareness and, where possible, seek their commitment to participate in the implementation

- based on the experience in the pilot target area, to develop a methodology on preparing similar ABD programmes for further use in other rural areas of the Western Balkans, where ABD intervention may be appropriate.

The project is financed by the European Commission, Directorate General for Agriculture and Rural Development (DG AGRI) and the Institute for Prospective Technological Studies (IPTS) of the Joint Research Centre (JRC), with the assistance and advice of the SWG-RRD (South Eastern Europe Regional Rural Development Standing Working Group) as well as of FAO, UNDP, the World Bank and OECD.

2 Theoretical and practical context

The origins of the ABD approach date back to the late 1980s when UNDP recognised that the traditional (and often fragmented) aid programmes were unable to adequately respond to complex conflict and development situations. It was then necessary to design technical packages that could evolve from the humanitarian assistance and disaster relief actions to a 'more holistic and sustainable response to complex emergencies' (Vrbensky, 2008, p. 4).

Accordingly, in 1989 the UNDP launched three major post-conflict programmes in Afghanistan1, Central America2 and Sudan3 that followed an integrated area-based development approach meant to simultaneously address diverse needs in their local frameworks (UNDP, 2009a). Today, the ABD approach continues to be applied in UNDP strategies for conflict prevention and post-conflict scenarios, fostering stability, strengthening communities and building local and national capacity (UNDP, 2009b).

Area-based development (ABD) is targeting specific geographical areas characterised by a particular complex development problem (setting it apart from surrounding areas), through an integrated (multi-sector), inclusive (community versus particular groups or individuals), participatory (bottom-up) and flexible (responsive to changes) approach (Harfst, 2006). There are four main situations where the ABD approach has been employed: post-conflict, poverty, exclusion, and disaster; these categories are in practice closely connected.

Over the past decade, ABD has been applied in several parts of the Western Balkans (e.g. Bosnia-Herzegovina, Croatia, FYROM, Kosovo, Serbia). Most programmes were implemented in a post-conflict setting, and all scanned programmes had an infrastructure redevelopment and socio-economic development component. However, the review of ABD programme components and scope in the Western Balkans reflects that ABD interventions have addressed neither rural development, nor cross-border cooperation in the Western Balkans, at least not explicitly.

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1 ARRP: Afghanistan Rural Rehabilitation Programme, enabled local Shuras to take responsibility at community level for infrastructure and agricultural productive rehabilitation activities despite continuing military conflict and extreme hardship (UNDP, 2009a)

2 PRODERE: Programme for Displaced Persons, Refugees and Repatriated

3 In Sudan, area development schemes facilitated the stabilisation of the population outside the area of conflict, menaced by drought and displacement (UNDP, 2009a).
A comparison with alternative approaches to local development (with an emphasis on rural development) (Integrated Rural Development, Leader, etc.) showed that the similarities are mostly limited to the participatory, bottom-up and (sometimes) multi-sectoral aspect of such approaches. Stirrat's (1996, in UN ESCAP, 2009) is worth quoting in this sense: 'it is now difficult to find a rurally based development project which does not in one way or another claim to adopt a participatory approach involving bottom-up planning'. The inclusiveness does not appear to be explicit in any other of the approaches reviewed. Despite having the local aspect in common with other approaches, the ABD focuses on a specific geographical area characterised by a particular complex development problem (as opposed to e.g. defining the size of the target area) seems to set ABD apart from the other approaches.

Cross-border initiatives for the EU and (potential) candidate countries exist under two main programmes: Interreg on cross-border cooperation (Interreg-A), and the cross-border cooperation component of the instrument for pre-accession (IPA CBC), respectively. Interreg has demonstrated that an appropriate legal framework at national/interstate level allowing local/regional authorities to develop cross-border cooperation, joint and participatory preparation/elaboration of programme strategies as well as decision-making processes, and binding and permanent cross-border institutions are needed to ensure long-term sustainability of cross-border initiatives. In their absence, cooperation might be only of a social-cultural nature, rather than achieving socio-economic added value. IPA CBC programmes are ongoing and support primarily people-to-people contacts across borders and investments. Evaluations of IPA CBC programmes (since 2007) and their precursor, the CARDS programme (2000-06), have been limited.

From the above experiences, lessons can be drawn for applying the ABD in rural, cross-border settings. With respect to the design of an ABD intervention, care should be taken that:

- the intervention, including the selection of the target area, is well focused and geared to the needs and priorities of the area
- the real capacity of the population to participate and get involved is adequately assessed
- all stakeholders and potential donors are involved, respectively informed, from the onset (participatory) and public-private-civil society partnerships are encouraged
- power differentials are negotiated and social exclusion is avoided (inclusive), so that resulting socio-economic advantages are equitable
- the multi-sectoral aspect is respected to the degree that the ABD intervention designed matches the resources (time, budget, human resources) available. This coherence will also avoid raising false expectations regarding the output of the intervention.
- the ABD intervention fits within the macro-situation (e.g. higher-level institutions, policies, markets) (vertical integration)
- the potential advantages of any existing cross-border initiative (at public or private level) are strategically incorporated into the ABD programme activities. Additionally, any rebuilding of traditional connections and multi-ethnic confidence in the area should be addressed.
- issues that have a shared positive impact in the delineated area (such as environmental initiatives) are addressed.

Each of the above-mentioned items have implications for the management of ABD interventions. It is essential to coordinate the distinct activities (possibly funded by different
donors), monitor and evaluate programme progress at regular intervals, to reduce transaction costs, and foresee an exit strategy to secure sustainability of the activities.

3 A case study: the Drina valley Tara mountain area

3.1 Selection and delineation of the target area

From a rapid assessment, an ABD approach seems to have chances to be successful in the Drina-Tara area, for the following summarised reasons:

- *appealing potential for growth in terms of human and social capital*, both in agriculture and other rural/urban economy sectors (tourism, other primary sector activities, manufacturing)

- *absence of major post-conflict/post-disaster/exclusion problems* impeding participatory approaches to start immediately on the whole territory

- *political commitment and interest of local authorities*. From the field visit to the Drina-Tara sub-region and the meetings with local authorities, it seems that there could be maximal commitment from local authorities and other stakeholders for such a project.

Concerning the *precise delineation*, the proposal is to complement the municipalities already assessed with other contiguous municipalities in Serbia and Bosnia-Herzegovina. This will allow reaching a coherent target area. Keeping the target areas manageable was the main focus while discussing possible extensions. Indeed, the larger the area, the higher the managerial costs and efforts, i.e. the more time needed to travel and access all municipalities and the higher the number of municipality representatives, the harder it becomes to gather people, engage them in active participation, and animate stakeholder meetings. Ultimately, this makes it rather difficult to guarantee a sense of common identity, history and tradition, elements that are indirectly important to ABD implementation.

Table 1. Municipalities included in the Drina-Tara target area

<table>
<thead>
<tr>
<th>Participating municipalities</th>
<th>MONTENEGRO (ME)</th>
<th>BOSNIA-HERZEGOVINA (BA)</th>
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<tbody>
<tr>
<td>SERBIA (RS)</td>
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<td>✔ Ljubovija</td>
<td>✔ Pljevlja</td>
<td>✔ Bratunac</td>
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<tr>
<td>✔ Bajina Bašta</td>
<td>✔ Bijelo Polje</td>
<td>✔ Milići</td>
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<tr>
<td>✔ Užice</td>
<td></td>
<td>✔ Srebrenica</td>
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<tr>
<td>✔ Čajetina</td>
<td></td>
<td>✔ Višegrad</td>
</tr>
<tr>
<td>✔ Priboj</td>
<td></td>
<td>✔ Rudo</td>
</tr>
<tr>
<td>✔ Prijeplje</td>
<td></td>
<td>✔ Goražde</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population (number of inhabitants)</th>
<th>208 400</th>
<th>86 090</th>
<th>115 883</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (km²)</td>
<td>3 723</td>
<td>2 257</td>
<td>1 126</td>
</tr>
</tbody>
</table>
3.2 Organisation of the participatory process and its future

In accordance with the principles of an ABD intervention, several participatory instruments have been established and utilised to support the implementation of the project in the Drina-Tara target area. The key objective of these participatory mechanisms and activities is to create the basis for a multi-stakeholder approach to local development, which is ultimately
expected to increase the sustainability of the ABD application in the project region. A secondary objective is to obtain valuable complementary information for the baseline assessment, both from community surveys and interviews to local experts (such as members of the stakeholder group or Delphi group).

The participatory approach for this project is based on the involvement of:

- stakeholder group members
- Delphi group members
- sample of community representatives, through a questionnaire-based survey.

Figure 1 shows how these instruments work together and what linkages exist in the daily operation of the project.

**Figure 1 - Participatory approach of the project**

The core element was the stakeholders group, the main tasks of which were to acknowledge and discuss the baseline development situation, as well as to identify common development needs and priority interventions (along with expected outcomes and correspondent actions) and to support the area-based development approach in the region. Beyond plenary meetings of the Stakeholder Group (SG), thematic working groups are derived from the SG, in order to facilitate the identification of concrete local development needs and priorities, while simultaneously assessing how different areas of development can be coordinated and complemented into a common working plan. In other words, stakeholder group members are to assess potential development interventions which must be addressed in an inter-related and holistic manner within the target area, as the ABD approach principles dictate.

The establishment of the SG started in mid-September 2010. The SG met five times and was followed by a 'local project workshop' at the end of February 2011 that had the objective of
disseminating the achievements of the SG to the other relevant stakeholders in the ABD target area, and validating them.

The main objective of the second tool, the Delphi group (DG), is to provide a 'helicopter view' that combines oversight and insight in terms of: (i) helping to identify the core issues for a bottom-up approach to local development, that is, opportunities and challenges, and (ii) harmonising the project’s objectives and development activities with the wider regional/national development programmes of all participating countries. The latter objective should facilitate the introduction of a top-down perspective, so that an adequate synergy between the bottom-up and top-down perspectives can be ensured and the ABD intervention's potential of success can be increased as a consequence.

In the last meetings of the SG and during the local workshop held in February 2011, the sustainability and the future of the ABD process (currently on-going) in the Drina Tara pilot area, was discussed. It was decided that an “exit strategy” should be outlined for which key players would have to be identified:

1. The stakeholder group, acting at the local level. Its members agreed that a loose but flexible and operative organization consisting of a cross-border network of local stakeholders was the best solution for continuing the process, thereafter called the Drina-Tara Network. They also proposed that a memorandum of understanding should be signed among mayors of the 14 municipalities to show the political willingness to support this initiative. They also indicated that they felt the need for the continuation of the work of the two local coordinators, which should continue to facilitate the activities of the SG.

2. Contact points at the national authorities (ministries of agriculture) of the three respective countries

3. An advisory and monitoring body at the international level, for example the SWG-RRD

3.3 Baseline Development situation assessment

The project municipalities vary in terms of their size and population density. However, they all portray on average declining population growth trends (between 2005 and 2008: see figure 2, the case of year 2008) due to both low birth rate (mainly in Serbian municipalities) and out migration (particularly in Bosnian municipalities). The negative evolution of population growth rates is detrimental both for economic reasons (decrease of human resources), but also for the morale of its inhabitants (as individuals observe the migration to urban areas).
Youth accounts for approximately one third of the population in the target area, but, as shown by the age pyramids (example of Užiče below), age 50-60 represent the largest proportion of the population.
In addition, average participation rates in secondary schools are low (mainly when compared to EU levels). From the point of view of potential entrepreneurs or investors, absence of skilled labour makes the region unattractive.

**Figure 3 – Age pyramid**

**Figure 4 - Participation Rate in Secondary Education**

Note: Total registered students in secondary education over 15 – 20 age group.
Source: Statistical Yearbooks & Eurostat
The data also reveal an inadequate education/training system which does not provide for the requirements of the private sector, mainly in terms of agriculture and tourism activity.

Overall, this makes the area and its inhabitants 'vulnerable'. Ultimately, this picture is further affected by the lack of adequate transport throughout the territory (the information on public transport reflects that transacting and interacting between municipalities consumes substantial time and resources) that might support enhanced trade, tourism and inter-municipal contacts. Road infrastructure and public transportation is an issue for some of the project municipalities. Clearly this affects other economic activities in the area, such as agriculture and tourism which have been identified through the survey with community representatives, in interviews with the local actors and in the first SG meeting, as sectors with development potential.

Table 2 - Existence of public transport connections

<table>
<thead>
<tr>
<th>Bajina Basta</th>
<th>Priboj</th>
<th>Uzice</th>
<th>Cajetina</th>
<th>Prijepolje</th>
<th>Ljubovija</th>
<th>Pjevlja</th>
<th>Bjelo Polje</th>
<th>Visegrad</th>
<th>Srebrenica</th>
<th>Rudo</th>
<th>Milici</th>
<th>Bratunac</th>
<th>Gorazde</th>
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<td>Priboj</td>
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NB: “Yes” means direct bus route – “Train” means direct train journey – “No” means that direct transport does not exist. But there are links with a transfer (connection) to all destinations.

Source: SG / Local coordinators SSL

Agriculture is still predominant in most of the area, with several municipalities seeing more than 30% of the active population in the sector. Despite the scarce information on structure of holdings, it seems clear that the sector is mainly based on a large number of subsistence / semi-subsistence small holders. Few former large socialized structures remain in place, but the small share of agriculture in formal employment shows this is not the major kind of holdings.
The agricultural sector is diversified with two main types of production systems present: in the low lands and hills, particularly in the Northern part of the area and Bijelo Polje, arable lands, fruit production (berries, apples and plums) as well as dairy production form the base of a small sized individual holdings agriculture, while the central and more mountainous part is focusing on, also small-scale, cattle breeding both for dairy and meat purposes (bovine and sheep).

**Figure 6 - Share of permanent pastures in UAA**
This leads to both a potentially competitive sector in fruit production and traditional animal production, very typical from the area (dried smoked beef meat, creamy local cheeses such as Kajmak, …).

The potential of tourism, although still concentrated in three municipalities (see figure 7), seems promising and could benefit potentially from the traditional agricultural sector, as well as from real assets in terms of natural resources (box 1).

**Figure 7 - Total overnights – Share per municipality**

Source: Statistical yearbooks
Box 1 – Natural resources and touristic potential

The target area hosts the Tara National Park (NP), as well as a couple of nature parks, and is surrounded by a few others (among which the Golija nature park (RS) east of the target area, the Durmitor National Park (ME) just south of the target area, and the Sutjeska National Park (BA) just southwest of the area). The Tara NP with the Drina River Canyon (18/03/2002) is on Serbia’s tentative list for Unesco World Heritage Conservation4. It hosts, apart from its rich mountain geography (favourable for winter sports), fauna and flora (attracting nature lovers, hikers and hunters), a canyon on the Drina of 700-1000 m deep (appealing to mountaineers), the Perućac and Zaovine artificial lakes (suitable for fishing and water sports), the Perućac and Ladjevac thermal springs, the 13th century Rača monastery, and smaller archaeological sites. It covers an area of around 190 km² and its territory is spread over the municipalities of Bajina Bašta (largest part) and Užice; it hosts three main visitor centres with accommodation facilities. Based on accommodation data (average stay of three days), it is estimated that the NP receives about 80,000 visitors annually (Oral communication representative Tara NP). Zlatibor Mountain, stretching southeast from Tara NP, represents another important attraction for tourists; the municipality of Čajetina receives most of them. Biogradska Gora NP (ME) (located at the southeastern edge of the target area), covering an area of 54 km², contains a great diversity of flora and fauna. One of the most unique features of the park is its virgin forest (16 km²), with the park’s largest glacier lake in the very heart of it. The NP is also renowned as a unique geomorphological feature and abounds in cultural heritage (sacral monuments, national buildings, and archaeological sites).

Source: SWG-RRD (2009)

Finally, other activities of the primary sector (mines, electricity production and forestry) are also important.

Local governments in all of the project municipalities have at least some capabilities to start, advance and sustain an area-based development approach. Field visits and results of the local survey suggest that there is great interest in cross-border cooperation. As mentioned above, despite this will, obstacles remain related to the establishment of new borders since the split of Yugoslavia (customs/migratory rules issues, diverging legal frameworks) and to the low capacities in the public sector, the private sector and civil society. Community representatives saw key opportunities arising from cross-border cooperation in trade, tourism and environment/utilisation of natural resources. All these are likely to increase the role of local governments in the project municipalities and require capabilities to steer and enhance area-based development. In this respect, the high level of appreciation for local authorities and regional development agencies is certainly a good starting point for this. However, community representatives considered the lack of information and communication possibilities with regard to cross-border cooperation and the work of local governments in general as key barriers to cross-border cooperation.

4 http://whc.unesco.org/en/tentativelists/1698/

4 Priorities for development and action plans

In support to the ABD approach, two surveys were carried out within the area. The first one, carried out in October 2010, included a question by which respondents were asked to list three key priorities for local development. This was an open-ended question, since the objective
was to obtain the highest possible variety of answers. Results have thus helped not only to identify main issues, but also to compare and contrast them with the thematic areas suggested by the Stakeholders Group (see below).

From all answers, local economic development ranked highest (16%). This cluster summarises a range of private sector promotion activities that respondents thought are needed to foster economic activity and thus local development. These comprised: access to funding and premises for business start-up, business incubation, training and support services for existing businesses that wish to diversify and modernise; with a particular focus on SMEs. It also includes all answers related to economic enhancement in other sectors besides agriculture and tourism; mainly a diversification towards manufacturing (including food industries) and mining.

The promotion of tourism, (including rural tourism explicitly quoted in a number of occurrences), was ranked second (14%). Respondents evoked different kinds of touristic and leisure activities whose promotion is seen as a priority to achieve local development: improvement of spa centres, support to environmental and rural tourism, or hunting and mountain sports. This heading also includes the sponsoring of community events, co-organised festivals, regional fairs, advertisement material on the Tara National Park for international tourists, as well as closer collaboration in attracting international tourists to the area. Also, it covers the need to improve local products sales while advocating for appropriate branding activities.

**Figure 7 - Key priorities for local development**

Source: own survey in the target area, October 2010 (question 6)
The third highest priority (13%) concerned issues of local governance improvement. This included requests for more information and communication from the public to the private sector. Likewise, it referred to opportunities for civil society and the business sector to participate in the policy-making processes, in particular with regard to local development issues, changing current political settings and involvement in the privatisation process. Various persons mentioned the need to ‘depoliticise’ the local administrations and policies. In addition, some answers also related to the need to improve the legal framework (3%) in terms of tax cuts or in some instances creation of new local taxes and subsidies in order to accompany local development initiatives from the national level.

The modernisation of agriculture, rural infrastructure and rural development were listed as priority actions by 11% of the respondents. This included the improvement of rural production (fruit, cattle) and markets, human resource development as well as some references to rural road coverage. There were few statements (2%) calling for rural development without clear explanation of its concrete meaning.

Infrastructure, prominently in terms of roads (national and regional roads), was identified by 9% of the respondents as a priority. Marginally, some references to infrastructure crossing the Drina River (Ljubovja-Bratunac bridge), airports and other infrastructure components (water, gas) were found.

Job creation measures were covered by 6% of answers, yet without specifying what kind of jobs are needed. Skill development, (e.g. training for young, new job entrants as well as for the currently employed), was listed by 4% as a key priority. Youth programmes were also specifically mentioned (2%). Given the reported issue of increasing outmigration of the young population, this number seems low; however it can be that youth was considered as an implicit target group for the local economic development measures that were already listed by the majority of respondents.

Cross-border cooperation (including issues related to trade with neighbouring countries such as facilitation of local cross-border trade and improvement of cross-border points) is quoted in 6% of the answers. Likewise, the attraction of foreign capital, from other parts of the country as well as from across the border, was listed by 3% of respondents (in particular promotional events to enhance investment).

Environmental protection represents 5% of the suggestions made by respondents. Mainly, respondents referred to prevention of river pollution and protection of biodiversity (fauna/flora). Waste water, renewable energies and waste management were also marginally quoted. Also, 2% were in favour of the promotion of natural resources. Lastly, social issues and urban regeneration issues received the lowest percentages.

In parallel, discussions within the Stakeholders Group allowed to identify four interlinked priorities ((1) Tourism; (2) Rural development (with a special focus on agriculture); (3) SME and entrepreneurship; (4) Environmental protection) for a situation where the high potential in terms of natural resources and its sustainable use by the agricultural sector would be at the heart of a SME-based local economic development strategy based on tourism.
4.1 Tourism

The tourism sector emerged in the project as one of the primary economic sectors to be developed in the region (as confirmed by the two surveys, discussions within the SG, suggestions by the Delphi group, as well as by the literature). There is a consensus among the stakeholders that tourism in the Drina-Tara region has high potential. During the priority setting exercise, the following types of activities were mentioned in order of importance (see table 3): environmental protection both of natural resources of the area, as well as in terms of addressing specific pollution problems related to water quality and waste management; quality of the touristic infrastructure (more than its quantity) and accessibility; support to tourism activities through the availability of traditional local and/or organic food production; and an institutional framework for tourism.

Table 3 - Improvement of activities to stimulate tourism (average score per answer5)

<table>
<thead>
<tr>
<th>Action</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilize biodiversity</td>
<td>1.43</td>
</tr>
<tr>
<td>Increase environmental protection</td>
<td>1.65</td>
</tr>
<tr>
<td>Promote regionally-labeled food and beverages</td>
<td>1.41</td>
</tr>
<tr>
<td>Promote organic food</td>
<td>1.51</td>
</tr>
<tr>
<td>Increase collaboration in managing the assets of the Tara Park</td>
<td>1.30</td>
</tr>
<tr>
<td>Joint tourism signposting in the entire region</td>
<td>1.24</td>
</tr>
<tr>
<td>Joint institution and website and other promotion material</td>
<td>1.39</td>
</tr>
<tr>
<td>Increase the quantity of hospitality services</td>
<td>1.37</td>
</tr>
<tr>
<td>Increase the quality of hospitality services</td>
<td>1.57</td>
</tr>
<tr>
<td>Increase accessibility to the Drina-Tara region</td>
<td>1.49</td>
</tr>
</tbody>
</table>

The action plan on tourism elaborated by stakeholders reflects partly these priorities.

The environmental concerns are reflected by the first key issue ("Natural pre-conditions for the development of special interests, spa and mountain tourism"). Concretely however, the actions listed in the tourism action plan are not directly impacting on the environment, but mostly deal with the improvement of information for tourists on the available natural resources (identification, signaling and information centre) in the area.

The concern on quality of infrastructures is addressed by the second and third key issues: ("Development of tourism infrastructure and other tourism facilities" and "Labour skills (experience) in tourism"). Under these key issues of the action plan, some actions clearly

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5 The average score corresponds to the weighted average of the responses values weighted by their number of occurrence, where the value of "very important"/"high" is 2, "important"/"high but too many barriers" is 1, "not important"/"low" is -1 and "don't know" is 0.
answer the priorities identified, such as the development of quality control or the renovation of existing tourism facilities (although the repeated focus on spas in actions seems to contradict a perceived lower priority for such type of tourism), or actions aimed at training and networking of trainers. It is worth highlighting that further gathering of knowledge on existing tourism infrastructures and qualifications is still deemed necessary by the SG (two studies proposed), despite the past and present initiatives in this field (tourism organizations). However, the SG recognized that some of the initiatives taken under past external donors’ interventions were not sustainable (see footnote 13 below). SG also included several actions on quantity of tourism facilities, although this was seen less of a priority: the specific focus on certain types of tourism facilities (in ecological zones) might explain why the SG proposed this action.

The fourth key issue selected by the SG, ("Recognizable touristic destinations in the Drina-Tara region"), is less easy to link with priorities identified, although promotion and image are without doubt important aspects. The main idea here is to look for a regional branding and use it for promotion purposes.

It has to be added that action plans on rural development / agriculture (for traditional and local food products) (see 4.3) and environmental protection (see 4.5) (specifically targeting environmental protection, rather than focusing on natural resources as an asset) further support the one on tourism, so that all main priorities can be addressed.

One of the priorities identified, accessibility, is not subject of any action within the action plan: the SG might have refrained itself from proposing measures which were not of the direct competence of local governments; however, they could have at least recommended certain actions or measures in this respect.

1. Conservation and promotion of natural pre-conditions for the development of special interests, spa and mountain tourism
   
   1.1. Identify natural resources and design touristic products for special interests, spa and mountain tourism
   
   1.2. Set up adequate tourism signalling (creating different systems, category signs and uniform system of colors, designs ...)
   
   1.3 Set up a tourist information and visitor’s centers in the Region
2. Support the development of tourism infrastructure and other tourism facilities

2.1. Develop a study of the existing capacities and facilities of the spa, mountain and special interests tourism

2.2. Build public tourism infrastructure of special interests, spa and mountain tourism (paragliding polygons, bike paths, horse riding, water activities, tracking, alpine sports camps)

2.3. Construction of accommodation facilities in ecological areas for the needs of economic development of special interest tourism

2.4. Renovate existing facilities of spa and mountain tourism

2.5. Introduce quality control standards which approximate EU standards by all subjects on the offer side (the quality of public tourism infrastructure, restaurants and other services)

3. Improve labour skills (experience) in tourism

3.1. Identify missing qualifications in special interests, mountain and spa tourism

3.2. Establish a network for training of tourism personnel between private and public sector (National Employment Service and other service providers)

3.3. Create a professional development training programme for employees at the executive level as well as for creators of tourism policy in the municipalities in these 3 countries

3.4. Building capacities of tourism organizations of Western Serbia, Bjelasica and Komovi and TIDA

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6 Interregional Tourism Association for Drina Region – established by NWB CARE International and financed by Dutch Government. Municipalities: Bratunac, Srebrenica, Višegrad and Rudo in BiH and Ljubovija, Bajina Bašta, Užice and Priboj in Serbia. After the aboved mentioned project, TIDA has experienced problems with sustainability.
4. Advertise the most recognizable touristic destinations in the Drina Tara region

4.1. Create image (branding) of Drina –Tara region
Designing web presentation of the Region
Defining target markets/groups
Marketing plan of priority products

4.2 Agriculture and rural development

The SG identified agriculture and rural development as the other productive sector that deserves to be a priority area in the development of the area. Priorities identified to this respect encompass, in order of importance (see table 4): improvement of human capital, as well as of productive capital and accompanying infrastructures (transport and other rural infrastructures); and the development of rural tourism linked with the promotion of local food products, in particular for local markets; while national and international markets seemed less of a priority.

Table 4 - Priorities in the development of agriculture and rural areas (average score per answer)

<table>
<thead>
<tr>
<th>Improvement of the skills level of the agricultural workforce</th>
<th>Improve the endowment of physical capital</th>
<th>Improve market infrastructure for local sales</th>
<th>Improve market infrastructure for national sales</th>
<th>Improve market infrastructure for international sales</th>
<th>Promote organic food production</th>
<th>Increase linkages between the tourism and agricultural industry</th>
<th>Improve infrastructures and services other than transport</th>
<th>Improve the transport infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve the skills level of the agricultural workforce</td>
<td>Improve the endowment of physical capital</td>
<td>Improve market infrastructure for local sales</td>
<td>Improve market infrastructure for national sales</td>
<td>Improve market infrastructure for international sales</td>
<td>Promote organic food production</td>
<td>Increase linkages between the tourism and agricultural industry</td>
<td>Improve infrastructures and services other than transport</td>
<td>Improve the transport infrastructure</td>
</tr>
<tr>
<td>Total</td>
<td>1,63</td>
<td>1,57</td>
<td>1,44</td>
<td>1,30</td>
<td>1,25</td>
<td>1,47</td>
<td>1,51</td>
<td>1,47</td>
</tr>
</tbody>
</table>

The main key issues for the action plan identified partly reflect the priorities identified previously. However, in the case of agriculture, more questions and room for clarification are left. The SG has not identified a cross-cutting action on human capital in the agricultural sector, but this concern is addressed in several actions identified (e.g. in fruit sector modernization, and rural tourism).
The improvement of capital in the sector is also present, most prominently when dealing with fruit sector modernization, to which also some actions classified under other headings such as action 4.2 aimed at building more cold storage facilities can be categorized. It remains to be clarified if this action is specifically intended for fruit, and if so, for which type of fruit (berries and/or apples – plums). However, even though seen as a priority in section 3, transport infrastructure and other rural public infrastructures, are not covered by any action.

The rural tourism priority is covered by a specific action. Some actions might be partly redundant or might need to be coordinated with actions listed in the tourism action plan (e.g. action 3.1). In addition, the relevant actions need more clarification as to their concrete scope. The fact that the need for promoting best practices of leading European countries in this matter is clearly highlighted might explain why the SG is still vague on concrete actions at this stage.

In support of rural tourism (and also, as explained in the previous section, in support of the tourism action plan), the development of local food products is also present with relevant actions on geographical indications, plum brandies and indigenous fruit varieties. However, this action is still vague and probably needs feed-back from the national level with respect to the legislative framework.

A focus on international trade (key issue 2 on positioning the region in European events, Global GAP approach) might be seen as potentially contradicting the identified priorities (section 3). However, in particular concerning red fruit, the export potential of the region might have been overlooked in the priority identification process. Furthermore, compliance to Global GAP standards for access to the EU market for frozen and fresh berries seems a necessity at the medium term.

It is important to highlight that the SG did not explicitly identify the strengthening of supply via producers' associations as one of the priorities (although it was mentioned by the Delphi group). Despite this, two actions refer directly or indirectly to this approach (i.e. common strategy for joint action in the sector, and connection of companies in the value chain).

<table>
<thead>
<tr>
<th>1. The tradition of fruit; modernization and marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Improve the existing ways of producing and processing fruit</td>
</tr>
<tr>
<td>1.2 Provide education in fruit production and introduce quality systems in fruit production</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Marketing of the Drina-Tara Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Promote the Drina-Tara Region</td>
</tr>
<tr>
<td>2.2 Positioning of the Drina-Tara- Region on the map of European events</td>
</tr>
</tbody>
</table>
3. Strategic use of natural resources for rural tourism

3.1 Enhance rural tourism activities as a development opportunity of Drina-Tara Region

3.2 Promote best practices of rural tourism as undertaken in leading European countries

3.3 The modernization of rural tourism services

4. Support to the production of traditional meat products, milk and fruit

4.1 From our farm to the European table

4.2 Construction of cold reception stations

4.3 Production of healthy food

4.4 Preservation of indigenous varieties of fruit

4.5 Šljiva, Šljivka, Šljivovica (plum brandy)

4.3 SME and entrepreneurship

From the priority exercise (table 5), several issues have been put forward, such as: the need to facilitate financing of SMEs; to raise awareness and training of youth on entrepreneurship (and less priority for the training of managers already established); as well as to facilitate foreign direct investment (FDI) (particularly from diaspora) in the area. Although not specifically identified as a priority, to the issue of removing physical and legal barriers to cross-border entrepreneurial cooperation and trade was also raised.
Table 5  Most important activities to realize potentials of SME development and Entrepreneurship (average score per answer)

<table>
<thead>
<tr>
<th>Municipality:</th>
<th>Create awareness amongst the young, highly skilled and talented</th>
<th>Support business creation by young, highly skilled and talented</th>
<th>Increase links between research</th>
<th>Facilitate the placement of university graduates</th>
<th>Increase access to finance for SMEs</th>
<th>Provide training for SME managers</th>
<th>Provide training for SME staff language</th>
<th>Facilitate diaspora investment in local businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.50</td>
<td>1.44</td>
<td>1.14</td>
<td>1.37</td>
<td>1.60</td>
<td>1.30</td>
<td>1.31</td>
<td>1.48</td>
</tr>
</tbody>
</table>

The financing priority is well reflected by the third key issue, “Enhanced access to funds for SME development”, as well by the proposal to establish credit guarantee mechanisms for start-up businesses (which could have been also classified under the third key issue rather than under "Promotion of self-employment and SME creation").

Raising awareness and training of youth on entrepreneurship is also clearly reflected by the first and second key issues. However, the action plan does not seem to put more focus on youth than on other age groups, thus seeming to ignore the fact that youth is seen as a priority. Attracting FDI from diaspora is also well covered (although not specifically) by actions grouped under key issue 4, which all aim at facilitating the installation of new investors in the area.

Issues related to research and development were not raised as a priority, and are (consistently) not covered by the action plan either.

Finally, reflections on the need to remove physical and legal barriers impeding cross-border cooperation and trade have not specifically been reflected by any action. Like in other action plans, the SG might have considered that such issues are not of the competence of local governments, which might have refrained them from proposing any action. However, like in other cases, stakeholders might convey recommendations in this respect to national and international authorities. The striking examples mentioned in the Local Workshop of Visegrad concerning trade of fresh red berries and the various barriers (customs procedures and movement of goods) impeding SMEs from the area to optimize the supply chain of such perishable products, should be communicated to and addressed by national and international authorities.
1. **Promotion of self-employment and SME creation**

1.1 Analyze market opportunities related to SME creation

1.2. Train entrepreneurs according to the needs identified by market research

1.3. Set up schools for entrepreneurs (education and practical support to potential entrepreneurs in the areas of business planning, business registration, financial operations, marketing, management, legal advice)

1.4. Establish a credit guarantee fund for START-UP businesses

1.5. Create a "One-stop-shop" in order to provide information to entrepreneurs and investors

2. **Organization of SMEs and resources**

2.1 Create an SME database per economic sector and per resource in the Drina-Tara Region

2.2. Organize study tours for SMEs from the Drina-Tara Region to EU countries (including participation at fairs and trade shows, visits to successful SMEs in the EU)

2.3. Cluster SMEs operating in the Drina-Tara Region

2.4. Promote the certification and standardization of production processes in the Drina-Tara Region

3. **Enhanced access to funds for SME development**

3.1. Provide education/information to entrepreneurs about preparation of project proposals for application processes to donor funds and promote the exchange of experiences on funding opportunities among entrepreneurs in the Drina-Tara Region.

3.2. Set up a web site on relevant information and available funds for the promotion of SME development
4. Strategic orientation of the Drina-Tara region toward entrepreneurship development, including infrastructure

4.1. Carry out research of infrastructure needs and possible locations (assets, buildings)

4.2. Undertake a feasibility study and prepare technical documentation for the consolidation of business zones in the Drina-Tara region

4.3. Provide relevant online information on business opportunities to potential investors

4.4 Environmental protection

Environmental protection was selected as a fourth priority area. Among the most important resources of the Drina-Tara region are evidently the Tara mountain area and the Drina river valley. This natural heritage is shared by various municipalities on all sides of the border, and the management of the environmental resources concerns the entire region (in particular, biodiversity protection, the presence of relic species, and waste and water management, see table 6).

**Table 6 Priorities in activities of environmental management and protection (average score per answer)**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Improve waste collection</th>
<th>Improve waste management</th>
<th>Improve protection and conservation of biodiversity</th>
<th>Improve sewage treatment</th>
<th>Improve river and springs protection</th>
<th>Increase eco inspection and other forms of law enforcement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.75</td>
<td>1.76</td>
<td>1.61</td>
<td>1.63</td>
<td>1.77</td>
<td>1.56</td>
</tr>
</tbody>
</table>

It is striking that, the main priorities identified under environmental protection – waste water treatment and river protection, and waste collection and management also of high concern to the tourism action plan – are not specifically addressed in the action plan designed by the SG. These priorities might be marginally addressed by some actions (and as explained below, the strong participatory / cross-border will to continue joint work in this area might help). Nevertheless, it seems that the SG has considered the magnitude and cost of actions required to address these concerns as a major obstacle to solving the underlying problems, and thus has refrained from taking any action at this stage. Debates on these topics (particularly on waste management) during the Local Workshop of Visegrad already reflected this dichotomy.
between a consensual recognition of the importance and size of these problems, and an absence of consensus on making it priorities for action.

Other priorities identified, such as improving the law enforcement and preserving local biodiversity, are well reflected by actions grouped under the respective key issues 1, 2 and 4. The key issue related to organic production could have been proposed also under the action plan on agriculture and rural development. It should be noted that this issue was not identified as a priority setting under environmental protection, and was not ranked highest in the agriculture and rural development priority area. In addition, there might be a certain trade-off between the complexity of certification and standardization processes involved in organic production, and the focus on local markets. This is probably why during the local workshop in Visegrad, arguments related to the complexity of organic production were raised, leading to opinions that organic production development might not be an urgent priority. On the other hand, organic products could come in support of the tourism strategy, conveying the idea of a region where natural resources are seen and promoted as one of the main assets.

A strong aspect of this action plan is the strong presence of joint cross-border and participatory (with strong involvement of civil society) actions (strategies, trainings, research, public events,…). This seems to indicate that the environmental priority area will continue to evolve and reinforce itself through active and joint involvement of local stakeholders.

1. **Provide support and funding for environmental protection initiatives**

   1.1. Establish a team for project development and revision of existing projects, and establish the regional website containing all information related to environmental protection (project proposals, problems, strategies)

   1.2. Promote the cooperation and joint presentation of regional interests (public, private and civil sectors)

   1.3. Support training in project cycle management and cooperation with scientific and educational institutions

   1.4. Rebuild infrastructure related to environmental protection

2. **Promotion of organic food production**

   2.1. Undertake organic food market research

   2.2. Support the transition from conventional to organic production, incentives for producers, training and education

   2.3. Support the certification and standardization of organic products

   2.4. Establish buying-off points of organic products
3. Conservation of biodiversities and natural resources

3.1. Undertake research on biodiversity and natural resources mapping

3.2. Project application design: Drina–Tara region and Drina river valley

3.3. Maintain the ecological action plan of the region and local (municipal) ecological action plan (LEAP)

3.4. Establish a regional ecological centre for biodiversity

4. Raise ecological awareness.

4.1. Schedule seminars, workshops, feasibility studies, related to environmental protection and selection of hard waste in the Drina – Tara region

4.2. Organize "green day" celebrations to inform the public on eco-friendly initiatives at different levels

4.3. Raise the level of cooperation and effective work of inspection services in the Drina – Tara region

4.4. Address the need to implement "ecological" fees/fines in order to prevent polluting activities

References
UNDP, 2009b. UNDP and Area-Based Development programmes: An Overview. ABD – BCPR 08/25/09