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ABBREVIATIONS

ADC	Austrian Development Cooperation
ASPAUK	Agricultural Statistics and Policy Advise Unit, Kosovo
ARDP	Agriculture and Rural Development Plan 2007-2013
AMPK	Agricultural Master Plan for Kosovo
AHS	Agricultural Household Survey
ALUP	Agriculture Land Utilisation Project
CARDS	Community Assistance to Reconstruction, Development and Stability
CADSES	Central, Adriatic, Danubian and South-Eastern European Space
CBC	Cross Border Cooperation
EC	European Commission
ECLO	European Commission Liaison Office
EFSE	European Fund for Southeast Europe
FADN	Farm Accountancy Data Network
FAO	Food and Agriculture Organisation of the United Nations
FSCK	Food Safety Control Kosovo
ILO	International Labour Organisation
IPA	Instrument for Pre-Accession Assistance
IPA/CBC	Instrument for Pre-Accession Assistance/Cross Border Cooperation
IPARD	Instrument for Pre-Accession for Rural Development
INTERREG	Interregional Cooperation within the EU
ISMAFRD	Institutional Support to MAFRD
KCB	Kosovo Consolidated Budget
KCLB	Kosovo Centre Livestock Breeding
KCSB	Kosovo Cluster Business Support
KDSP	Kosovo Development Strategy Plan
KFA	Kosovo Forest Agency
KFOR	Kosovo Forces (NATO)
KIPA	Kosovo Institute of Public Administration
KIRP	Kosovo Irrigation Rehabilitation Project
KVFA	Kosovo Veterinary and Food Agency
LAG	Local Action Group
LDS	Local Development Strategies
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale' ("Links between the rural economy and development actions")
LSP	Livelihoods and Social Protection
MEF	Ministry of Finance
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MESP	Ministry of Environment and Spatial Planning
MLGA	Ministry of Local Government Administration
MLSW	Ministry of Labour and Social Welfare
MSP	Marketing Support Project
MTI	Ministry of Trade and Industry
NGO	Non-Government Organisation
PAMM	Poverty Alleviation in Marginalised Municipalities (ECLO project)
REA	Regional Enterprise Agency
RDASD	Rural Development and Advisory Services Department
RDN	Rural Development Network
SFM	Sustainable Forest Management
TAPA	Transitional Administration Project Assessment
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNMIK	United Nations Interim Administration Mission in Kosovo
UNOPS	United Nations Office for Project Services
UNODC	United Nations Office for Drugs and Crime
USAID	United States Agency for International Development
WB	World Bank



1. EXECUTIVE SUMMARY

This report covers the whole duration of the project from May 2007 to October 2009. The aim is to review, based on the project's ToR, the results, the organisation and implementation procedures, the timetable and the use of financial resources allocated to the project. Furthermore, this reports aims at providing indications and measures to be taken by the MAFRD in order to ensure sustainability of the activities implemented.

The main beneficiaries of the project are municipalities, rural communities, farmers, traders, processors, rural households and other economic operators. The main partner institution is the Rural Development and Advisory Service Department (RDASD) of the MAFRD, Municipality Departments of Agriculture and Rural Development and Local Action Groups.

The overall objective of the LDS project was to contribute to the economic development of rural areas by providing support to local communities in preparing and implementing local development strategies (Measure 8 of the ARDP).

During the **Inception Period** (16th of May to the 16th of July 2007) the project was setup and working arrangements and agreements concluded with counterparts and stakeholders. The project team was mobilised, offices established and equipped in Prishtina, Klina, Gjilan, Mitrovica, Suhareka, and Zubin Potok. Memorandums of Understanding, as part of agreement with counterparts, were signed initially with 26 municipalities. Two of the four remaining Serbian-led municipalities, signed the MoU late in the course of the implementation of the project; two municipalities (Zubin Potok and Zvecan) decided not to sign the agreement and the project, in agreement with ECLO and the MAFRD, decided to implement the activities in two new pilot municipalities (Junik and Mamusha).

To do so, the project team, in cooperation with the RDASD/MAFRD, established Local thirty Action Groups (LAGs) in all municipalities of Kosovo based on participatory and bottom-up approaches. The LAGs, with the support of the project team, have prepared thirty local development strategies aimed at stimulating the development of the rural economy. In summary, over 1400 "local experts", working in different development themes identified by project, were involved in the process.

The project team have also promoted and supported all municipalities in the implementation of sustainable market linkages, cross-border initiatives, and natural resources management. All activities were implemented within the framework of the ARDP 2007-2013 and aimed at further strengthening the role of the Rural Advisory and Support Service (RASS) of the MAFRD.

The project team have made considerable efforts to ensure gender and minorities issues are considered and included in all project activities. On average women, contribute around 20% of participants at workshops and meetings. Special efforts have been made to encourage Serbian-led municipalities to actively engage with the project.

The project team did their best to recognise sensitivities while promoting and implementing appropriate approaches to development and not necessarily on promoting "national" agricultural and rural development policies, particularly where they are strongly contested and unnecessarily and could restrict project activities in these areas.

In the course of the project, 239 events for 316 training days involving over 5400 participants were implemented. In addition, seven study visits to EU countries and three cross-border visits to neighbouring countries were implemented for a total of 58 visit days involving 113 participants.

A Network of all LAGs was established on the 10th of April 2009. The Rural Development Network of Kosovo, in line with the European Networking of LAGs, shall promote the collaboration between rural people in order to sustain their common interests, targeting the economic development of the rural areas.



The project was due to complete in May 2009. However, based on requests from the MAFRD and all Municipalities of Kosovo, the ECLO granted a five months extension to the project in order to complete the activities in the Serbian-led municipalities, to further support the establishment of the Rural Development Network and to support the LAGs in the preparation of project fiches ready to apply for EU and other available sources of funding.

The extension had allowed the project team to further work towards enabling the LAGs in becoming a facilitator in the process of needs assessment, projects identification, design, sourcing funds, and implementing strategies. The project team have also supported the established National Rural Development Network (NRDN) to become a supporting body and resource centre for the LAGs.

Sustainability, meaning LAGs being able to continue the development and implementation of plans and programmes after completion of the project, is an important issue for the project team. Resources for funding small projects were/are available from the MAFRD, from the ECLO and other donors operating in the country. However, the LAGs will need further technical support to move from project ideas to project fiches that fulfils the requirements of potential funding sources, as well as the concept of individual, community and government projects.

Kosovo cannot access the development funds available to EU Member and accession States; the country is however, able to access funds through a variety of donor programmes as well as to access some components of funding through the Instrument for Pre-Accession (IPA) and specifically components 1 (Capacity Building) and 2 (Cross-Border Cooperation).

In spite of all difficulties, the established LAGs, with the support of the LDS team, prepared a list of over 900 ideas for rural development projects. Twenty-five project fiches were finalised and presented for funding within a call for proposals launched by the MAFRD. 13 out of 25 received support from the MAFRD in terms of matching grants for a total of 47 500 Euros.

The LAG of Mirusha (Klina) in cooperation with the NGO "RTM" and the LAG Rural+ (Gjilan) technical proposal in response to the 2nd call of proposal launched by ECLO.

It is our believe that, a community development project should also enable stakeholders to have a multi-sectoral approach based on the interaction between actors and projects in different sectors of the local economy plus a pro-active networking of local partnerships. This should be taken into consideration by the MAFRD and the ECLO when preparing working and development plans for the future of rural areas in the country.

The main report is supported by 19 annexes, including amongst others, the logical framework, resources utilisation reports, performance reports, consolidated list of project ideas prepared by the LAGs, consolidated Rural Development Matrix, etc

2. BACKGROUND

2.1 GOVERNMENT/SECTOR POLICY

To accompany its agricultural policy and to implement the Agricultural and Rural Development Plan for Kosovo 2007-2013 (ARDP), the Ministry of Agriculture, Forestry and Rural Development of Kosovo has requested the European Commission Liaison Office to further support the rural development activities in order to increase competitiveness of the sector. This opportunity was given by ECLO through the LDS project.

The MAFRD, based on the ARDP, is engaged in a participatory strategic and policy planning aimed at promoting agriculture and rural development in Kosovo. The ARDP outlines the major bottlenecks in agriculture and for rural development and indicates the context in which the MAFRD should work.

The LDS project was the first move toward the introduction of the LEADER approach in Kosovo and the main objective is to select and prepare appropriate local partners (LAGs) to



experiment with the implementation of a pilot phase following the basic principles of the LEADER initiative and the provisions according to its guidelines.

The LDS project focused on the implementation of three actions of the LEADER initiative:

Action 1: Establishment of Local Action Groups (LAGs) and development of rural development strategies based on the bottom-up approach and horizontal partnership;

Action 2: Inter-territorial and transnational cooperation between rural territories;

Action 3: Networking

The project has established the LAGs that in turn prepared the local rural development strategies containing the above actions.

The LEADER approach is clearly a major measure identified in ARDP 2007-2013 (measure 8, which is a transversal measure seen as the base for the implementation of the plan). Support for the creation of new LAGs across municipalities in Kosovo was required in order to obtain a critical mass as the basis for incorporating the LEADER approach into national rural development policies.

2.2 FEATURES OF THE RURAL SECTOR IN KOSOVO

Kosovo is divided into 33 municipalities and over 1,500 villages. The region is densely populated (average of 190 persons/km²) and with half of the total population below the age of 23 years.

Agriculture represents 0.6% of the total government budget (€3.4 million) although its share of the GDP is 25% and more than 60% of the population is living in rural areas. Semi-subsistence farming predominates and agriculture is rarely the only source of income for rural families. Although over 90% of land is in private hands, the average farm size is only 3.2 hectares and 70% of rural households have between 1-3 dairy cows. Low input and low output farming dominates. Input prices are relatively high primarily because most of it is imported, while crop rotations, pasture development, silage making and sustainable farming are still not well-established practices. The agricultural sector includes about 1,800 cooperatives and commercial firms (both private and public), and 143,000 rural households. The sector has a low labour productivity and the activity is limited to 8 months a year.¹

2.3 BENEFICIARIES AND PARTIES INVOLVED

The main beneficiaries of the project are the thirty Kosovo municipalities, rural communities, farmers, traders, processors, rural households, and NGOs. The main partner institution is the Rural Development and Advisory Services Department (RDASD) of the MAFRD and Municipality Departments for Agriculture and Rural Development.

2.4 PROBLEMS TO BE ADDRESSED

In order to support rural and agriculture development, the Government, within the ARDP, specifically wants to:

- Increase the overall income of farmers;
- Encourage import substitution and develop exports of niche agri-food products;
- Ensure food security and quality for consumers;

¹ ARDP – Developed by the Agriculture Master Plan Project



- Increase the value of production through improvements in harvest and post harvest;
- technologies and product processing;
- Increase the economic security of rural inhabitants.

The ARDP identifies a series of development measures that will help to overcome current problems, and align Kosovo's agri-rural sector with that of the EU. In particular:

1. Developing vocational training to meet rural needs;
2. Restructuring physical potential in the agri-rural sector;
3. Improving the management of water resources for agriculture;
4. Improving the processing and marketing of agricultural products;
5. Improving natural resource management;
6. Promoting farm diversification and alternative activities in rural areas;
7. Improving rural infrastructure and maintenance of rural heritage; and
8. Supporting local community development.

The LDS project was intended to address measure 8 – Supporting Local Community Development.

2.5 CROSS-CUTTING ISSUES TO BE MAINSTREAMED

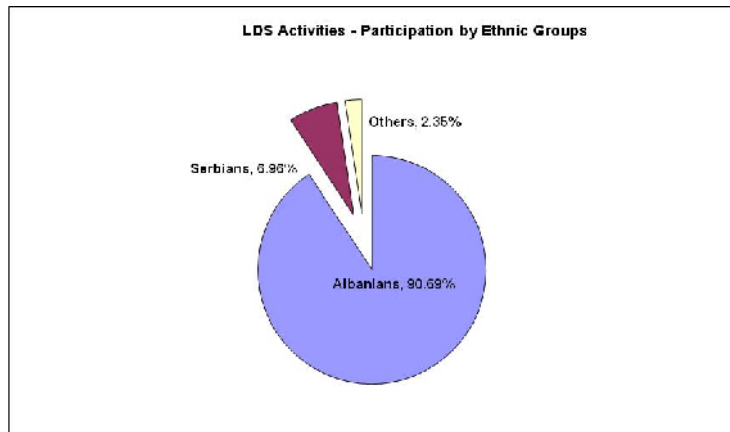
It was important to coordinate all efforts addressing the needs of the rural population, to develop the agriculture sector in such a way that development promotes employment generation, increased production of better quality produce and greater income generation. The final aim was to provide an incentive for people to remain in rural Kosovo rather than migrating to city.

Women make up only 30% of the official labour force employment figures and in rural areas, this figure drops to 21%. However, women are a highly active and key part of sustainable farming and livelihoods and in Kosovo and are often responsible for many manual and important rural livelihood tasks. The project team tried to address their needs and further developed and supported their participation in all project activities.

On average women, contributed around 20% of participants at workshops and meetings. The project made every effort to ensure the attendance of women at the all field activities and in particular to be part of the Board of Directors of the LAGs.

At present around 90-95% of Kosovo's population are ethnic Albanians. At least half of the remainder are ethnic Serbian, followed by Slav Muslims (Bosniaks), Roma (some of whom are called Ashkali), Egyptians, Turks, Gorani and a small number of Croats. Bearing in mind the historical and political issues in Kosovo the project team was aware and sensitive to the situation. The team played an active role in involving all ethnic groups and covering all municipalities. The only two Serbian-led municipalities not covered by the project was Zvecan and Zubin Potok.

It should be noted that most of the LAGs are composed by only one ethnic group. The participation of other ethnic groups has always been encouraged but not fully realised. Special consideration should be given to the LAG Narcis (Strpce) where both Albanian and Serbian ethnic groups are working side-by-side.



2.6 OTHER INTERVENTIONS

2.6.1 ESTABLISHING COOPERATION AND LINKAGES WITH OTHER ONGOING PROJECTS AND ACTIVITIES

This activity continued throughout the duration of the project. The project team was careful in establishing contacts with all possible players (national and international) operating in the rural areas of Kosovo and to progressively transfer the contacts to the board of directors of the LAGs and the RDN since they have to act as project promoters in their municipalities.

2.6.2 PROJECT WEB PAGE

The main project webpage was designed and regularly updated (www.lds-ks.org). The web page also contain links to the webpage of most of the LAGs in Kosovo. The webpage is the gateway to link the LAGs in Kosovo with LAGs in all EU Member States as well as to promote the activities and improve participation of civil society in the decision-making process.

2.7 DOCUMENTATION AVAILABLE

The following documentation is available in the project web page in three languages:

- 1) **Municipality Rural Profiles:** This profile is a synthesis of available information at municipal level and the aim is to have a standardised profile that will be the basis for planning and rural development. The document is available for all municipalities of Kosovo.
- 2) **Rural Development Matrix:** The rural development matrix gives a clear picture of rural issues at municipality level. The matrix is as a tool to organise the debate and support the active work of the LAGs. The matrix is composed by 12 Main Themes. The main objective of working on 12 main themes, instead of the eight measures identified in the ARDP, is to make the exercise as simple as possible so that everyone understands clearly the process of establishing development priorities in rural areas. The document is available for all municipalities of Kosovo.
- 3) **List of Local Action Groups:** this provides the composition of each LAG with names and functions within the LAG.



- 4) **Consolidated List of Project Ideas and Project Fiches:** it provides a list of all project ideas prepared by the LAGs, brief description of the intended activities, owner of the idea, objectives and approximate budget. The project ideas are classified within the 12 Main Themes composing the Rural Development Matrix.
- 5) **Local Development Strategies:** all local development strategies developed by the LAGs are available in three languages.
- 6) **Training Material Used:** LAG Handbook, Non-Farm Rural Enterprises, Young Farmer Clubs, Environment and Biodiversity, Cross-border cooperation
- 7) **Action plan of the RDN**

3. INTERVENTION

3.1 OVERALL OBJECTIVES

The overall objective of the project was to contribute to the economic development of rural areas in Kosovo. The project team provided support for communities at municipality level to prepare and implement local development strategies. The project operated within the framework of the MAFRD strategy and as part of the Agriculture and Rural Development Plan (2007-2013).

3.2 PROJECT PURPOSE

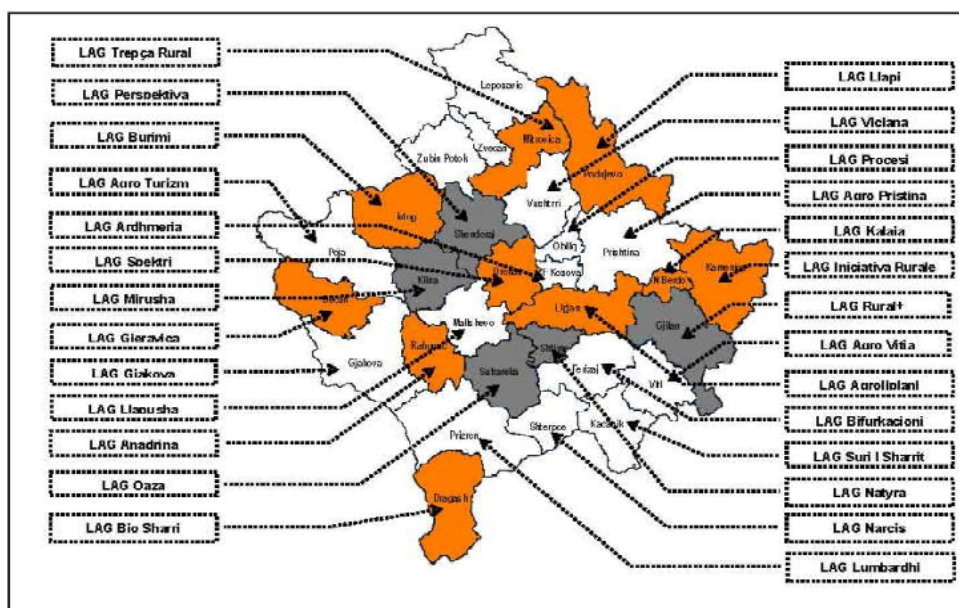
The project, within the LEADER approach, established, registered and enabled thirty Local Action Groups (LAGs) to prepare thirty local development strategies that will stimulate the development of the rural economy. Furthermore, the project team have also supported municipalities in the implementation of sustainable market linkages, cross-border initiatives and natural resources management. All activities were implemented within a framework aimed at further strengthening the existing Rural Advisory and Support Service (RASS) of the MAFRD.

3.3 RESULTS

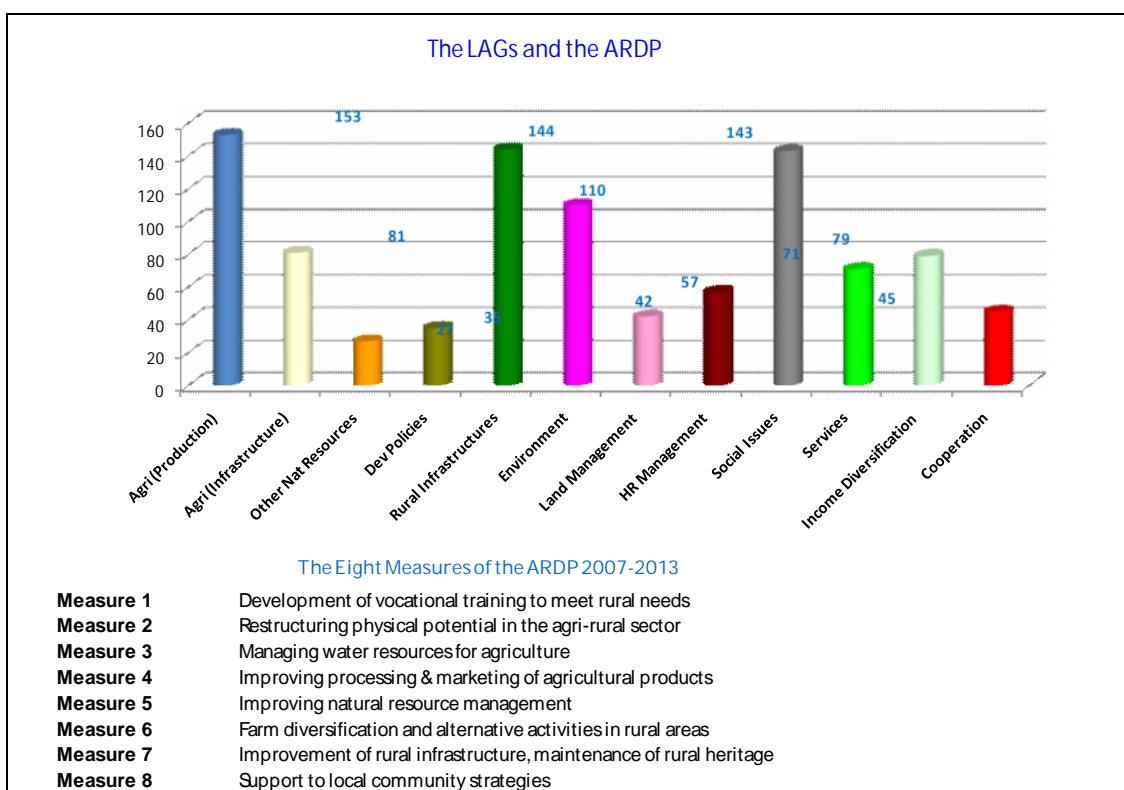
The project have promoted, established, registered and enabled a **Local Action Group (LAG)** in each of the municipalities (30) that agreed to cooperate with the project. The LAGs, with the support of the project team, prepared **thirty local development strategies** that will stimulate the development of the rural economy.

Over 5400 participants were trained on participatory approaches, LEADER approach, EU Rural Development Policy, ARDP, environment and biodiversity, non-farm rural enterprises, young farmers clubs, cross-border cooperation, SWOT analysis, project identification and ranking methods.

Each LAG is involving directly an average of 25 members, totalising 750 members in Kosovo. Most of the developments strategies have been officially endorsed by the municipal administrations becoming part of the rural development policy at municipal level. It also provides the basis for an objectively designed rural policy at Kosovo level.



The established LAGs, with the support of the LDS team, prepared a list of over 900 ideas for rural development projects.



From the above list, 25 project fiches were finalised and presented for funding within a call for proposals launched by the MAFRD. Thirteen out of twenty-five proposals received support from the MAFRD for a total amount of 47,500 Euros

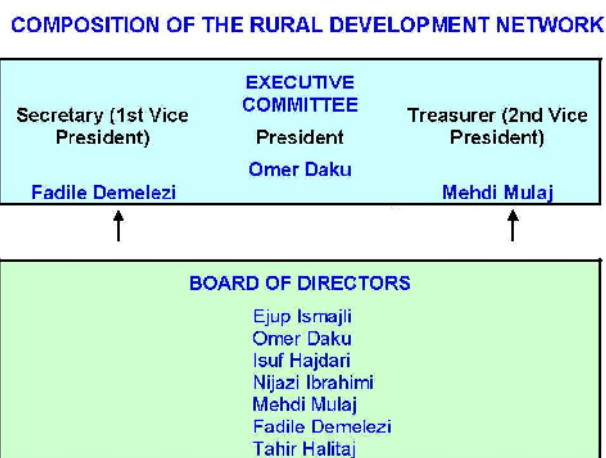
All LAGs are registered in PADOR and ready to apply for future EC call for proposals.

The Network of LAGs was established, strengthened provide with a structure, a framework . and an action plan. As all the activities of the LDS project, the RDN is also based on the LEADER concept and from its nature is based on a bottom-up approach and strong commitment to community ownership to the local development strategy.

The Rural Development Network was formally established on the 10th of April 2009 in a workshop organised in Prishtina. The objective of the workshop was to further explain the aim of a LEADER network, to discuss the proposed statute and to elect the board of directors, president, and the two vice-presidents of the RDN.

The Rural Development Network of Kosovo, in line with the European Networking of LAGs, shall promote the collaboration between rural people in order to sustain their common interests, targeting the economic development of the rural areas.

During workshop, the presidents of the LAGs plus a representative of the MAFRD, have discussed the Statute and elected the board of directors of the RDN. The results of the elections were as follows:



As a follow-up activity, the project team, in cooperation with the LAGs, the Municipalities and the MAFRD, organised an official presentation of the Rural Development Network on the 30th of April at the Grand Hotel in Prishtina.

Approximately 280 people from LAGs, Municipalities Administrations, MAFRD, MESP, NGOs, and international organisations attended the event. The presentation was also an occasion for all LAGs to promote their local products and activities. Documentary photograph is available in our web page (www.lds-ks.org).

3.4 ACTIVITIES

In line with in the ToR, the project was implemented based on four interlinked components, as highlighted in the following sub-sections:

- Institutional capacity building at local level
- Sustainable market linkages for rural households and economic operators
- Support for natural resource management
- Supportive training activities

All activities were based on the LEADER approach, using local-scale and bottom-up methods with a strong emphasis on active participation of local population, cooperation and networking. In particular:



Participatory approach: based and built on the **LEADER** experience → bottom-up development and involvement of rural communities at each stage of the project cycle → constitution of LAGs and definition of LAG activities and evaluation.

Building on existing experience: locally (past and ongoing projects), regionally (regional and cross-border projects/activities) and LEADER experience → build rather than replicate.

Concern for gender → raise awareness for gender issues among municipalities and communities leaders → development of specific activities for women in farm diversification, income generation and rural tourism.

Concern for minority communities → LAGs were established in communities where minorities are present → bring together people of different ethnic groups.

Strengthening local capacities → comprehensive training programme → enable municipal officers and rural community leaders to prepare and implement innovative and efficient local development strategies.

3.4.1 COMPONENT I: INSTITUTIONAL CAPACITY BUILDING AT LOCAL LEVEL

3.4.1.1 PREPARATORY ACTIVITIES

Team-Building Workshop in Ohrid (Macedonia)

A four-day “full-immersion” team-building workshop was organised from the 31st July until the 3rd of August 2007 in Ohrid (Macedonia). The objective was to build a project team that can implement all the activities foreseen in the ToRs. The workshop was also an occasion for the project team and MAFRD staff to know with each and to “speak” the same language as well as to know each other’s strengths and weaknesses.

The participation in the workshop of a representative from the Leader+ Focal Point – Brussels (Mr Pedro Brosei) provided the necessary technical support for the success of the workshop

Review of the existing local development strategies

All the existing local development strategies have been collected and reviewed at the beginning of the implementation phase. Out of the 30 of the municipalities in Kosovo (in 2007) 24 had defined a local development strategy with the support of international projects, NGO’s and public and private institutions. Most of the existing strategies were medium term, drafted for a period of 3 to 5 years. Only, Peja and Gjakova municipalities have worked on a long-term strategy (see annex 6).

This exercise allowed the project team to know the priorities related to rural development already defined at the local level and to understand the level of each municipality in planning and programming

Review of Leader Activities in Neighbouring Countries and in some EU State Members

A review of Leader+ activities in neighbouring countries has been prepared in order to better organise future project activities related to study visits and the establishment of networking between future LAGs in Kosovo and existing LAGs in EU member states.

Based on this analysis the project team proposed to replace the study visit in UK by study visits in Ireland where the Leader experience is more in line with the situation of rural communities in Kosovo.



Memorandum of Understanding with Municipalities

A MoU, describing the objectives of the project and the cooperation to be established between the project and local authorities, was drafted and submitted to all municipalities in three languages (English, Albanian, and Serbian). Meetings were organised in all municipalities in order to explain the purpose of the document. All municipalities, with exception of Zvecan and Zubin Potok, have signed the MoU. The newly established municipalities Mamusha and Junik signed the MoU in 2009.

3.4.1.2 PREPARATION OF A MUNICIPALITY MATRIX FOR DEFINITION OF DEVELOPMENT PRIORITIES

In order to prepare a Local Development Strategy, which respond to the needs and financial and human resources capacities at municipality level, the team have designed a matrix to support Municipalities in defining rural development priorities (see **Annex 7**).

The matrix is based on the definition of actions that are very urgent, urgent or can be postponed. The actions are defined based on key issues (production, infrastructure, natural resources, human resources, social issues, services in rural areas, farm diversification, etc) that can be prioritised based on locally/externally available financial resources.

3.4.1.3 PREPARATION OF A DRAFT STATUTE FOR LAGS IN KOSOVO

A draft statute for LAGs has been prepared and discussed with the Legal Department of the MAFRD to check the compliance with Kosovo's legal framework. This statute was also presented and discussed with the LAG members during the Workshop 04 and finally adopted by all LAGs.

3.4.1.4 BUILDING THE 30 LOCAL ACTION GROUPS

Preparing the Municipality Rural Profiles

In order to understand the rural conditions in Kosovo, the LDS project has produced, in close cooperation and agreement with the municipalities, a Municipality Rural Profile for each municipality participating in the project. This profile is a synthesis of available information at municipal, regional and national levels and the aim is to have a standardised profile that will be the basis for planning and rural development.

The rural profile presents general information on territory, population, land, employment, education and infrastructure as well as specific indicators on agricultural population (age, gender, and education), land use, farm structure, cropping patterns. It includes also other information related to nature, heritage, local tradition, events, project and programmes operating in the municipalities.

Annex 9 provides the Rural Profiles for the municipality of Shtime. The profiles are also posted in the project web page.



Identification of a Panel of Local Experts

One of the output of the workshops 04 was the identification in each municipality of a *Panel of Local Experts* divided in 12 themes, as follows

	Themes	Experts/ Theme	Public	Private	Male	Female
I.	Agriculture (production)	200	31%	69%	91%	10%
II.	Agriculture (infrastructure)	128	39%	61%	91%	9%
III.	Other Natural Resources	81	44%	56%	86%	14%
IV.	National Dev Policies	119	59%	41%	87%	13%
V.	Rural Infrastructure	124	65%	35%	85%	15%
VI.	Environment	151	59%	41%	83%	17%
VII.	Land Management	103	55%	45%	93%	7%
VIII.	HR Management	106	56%	44%	80%	20%
IX.	Social Issues	135	64%	36%	56%	44%
X.	Services in Rural Areas	112	71%	29%	78%	22%
XI.	Diversification	100	46%	54%	84%	16%
XII.	Cooperation	116	44%	56%	72%	28%
Total		1,475	53%	47%	82%	18%
Number of persons per theme		1,475				
Nr of Municipalities		27				
Nr of themes engaged per person		2				
Total nr of persons engaged in thematic groups		738				

From the panel of local experts, *Thematic Groups* composed by an average of 4-6 persons, were formed with the task of drafting a local development strategy for each municipality.

A **Steering Committee, consisting of local experts**, was established with the objective of revising the draft local development strategy prepared by Thematic Groups and in submitting it to the Panel of Local Experts. Once approved by the Panel, the Steering Committee presented the draft strategy first to the LAG General Assembly and then to the Municipality for endorsement

Preparation of a Rural Development Matrix for Defining Development Priorities

The Thematic Groups have worked on **Key Issues** in order to give more possibilities of adapting available resources to programming, scheduling and mobilising resources. The result of the work was the preparation of a **Rural Development Matrix**, made of five levels:

Level 1: Main Themes: agriculture (production), agriculture (infrastructures), other natural resources, national issues, rural infrastructures, environment, land management, human resources management, social issues heritage and culture, services in rural areas, diversification in rural economy and cooperation.

Level 2: Key Issues: each main theme is divided in *key issues*, which can be considered as sub- measures in ARDP. The key issues are being identified by each Thematic Group according to the local situation.

Level 3: Practical Questions to be addressed in the Local Development Strategies: these are local and practical questions being identified by each Thematic Group.

Level 4: Contents and Description of draft Local Development Strategy: this level would provide a clear picture of each *key issue* with a brief and accurate presentation. This work will be done by each Thematic Group using a framework drafted by LDS in the form of a list of questions. The draft strategy will be further revised by the Steering Committee.

Level 5: “Basket of Local Rural Projects”: this is a major output where identified projects or simple ideas will be presented using the *Project Fiche* drafted by the LDS project.

The definition of priorities used in the Rural Development Matrix was based on three assessments:

Importance has something to do with long-term goals and was ranked as “A = Very Important”, “B = Important” and “C = Less Important”. In the Rural Development Matrix, themes were ranked by Importance.

Urgency was then considered as “a = Very Urgent”, “b = Urgent” and “c = Can be postponed”. Key Issues were ranked by Urgency.

Feasibility at this stage, due to the lack of financial resources available to implement rural development activities, it was not considered as a main issue; it will however, be taken into consideration as soon as a significant resources are available at Kosovo level. Feasibility however, should not be considered only a question of money; some actions can be implemented with the involvement of local stakeholders. This point of view was carefully considered when identifying the “basket of projects” and ideas to be ranked by feasibility.

The ranking of the Rural Development Matrix, based on Importance and Urgency, have provided the following combinations:

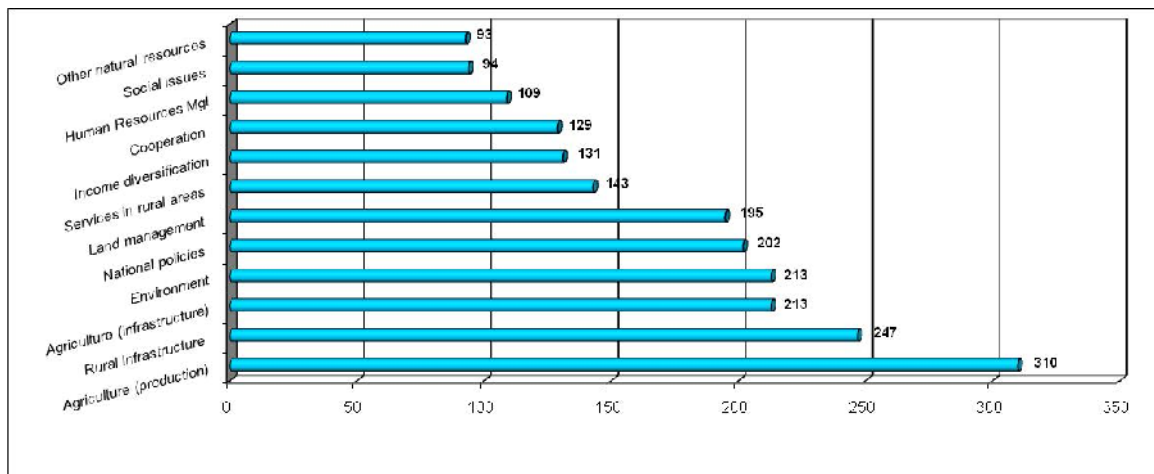
Very High Priority: issues ranked as “Very Important” and “Very Urgent” (i.e. ranked “Aa”)

Second Priority: issues ranked as “Important” and “Very Urgent” (i.e. ranked “Ba”)

Third Priority: all remaining issues ranked “Very Urgent” (i.e. “Ca”)

Fourth Priority: includes all other issues

The main themes were ranked, at Kosovo wide level, as follows:



Drafting Local Development Strategies in line with the ARDP

Following the Rural Development Matrix and supported by the project team, the local experts have defined for each municipality a Local Development Strategy, which is the road map for the further activities of the LAGs. All LAGs and the municipalities have approved these Local Development Strategies which were also presented to a wider public at the conference organised by LDS project in Pristina on 3rd of July.



Establishing the LAGs as Legal Organisations

The LAGs were established in four rounds:

- The first round, considered as a pilot phase, involved 5 municipalities: Shtime, Suhareka, Klina, Skenderaj and Gjilan. These LAGs were established mid 2008.
- The second round involved 10 municipalities: Lipjan, Dragash, Istok, Kamenica, Mitrovica, Drenas, Rahovec, Decan, Novo Berdo and Podujevo. These LAGs were established end of 2008.
- The third round involved 12 municipalities: Gjakova, Peja, Prizren, Malishevo, Viti, Ferizaj, Prishtina, Obilic, Kacanik, Fushe Kosovo, Vushtrri and Strpce. These LAGs were established beginning of 2009.
- The fourth round was mainly implemented during the extension period, from June to September 2009 and involved the municipalities of Leposavic, Mamusha and Junik.

The same methodology was applied to all municipalities:

- Preliminary meetings in order to introduce the Leader approach and the principle of LAG and to identify potential LAG members
- The workshop 4 was the starting point for the establishment of LAGs (identification of the panel of local experts, discussion on the statute) of and for the preparation of the local development strategies (SWOT analysis)
- The next step consisted of drafting the local development strategies
- The workshop 10 formally established the LAGs: adoption of the statute and of the local development strategy, nomination of the Board.
- Capacity building activities implemented during all project period and aiming at supporting the LAGs in project identification and preparation, defining vision and strategic goals, participatory methods, etc.
- Registering the LAGs in PADOR (July and August 2009)

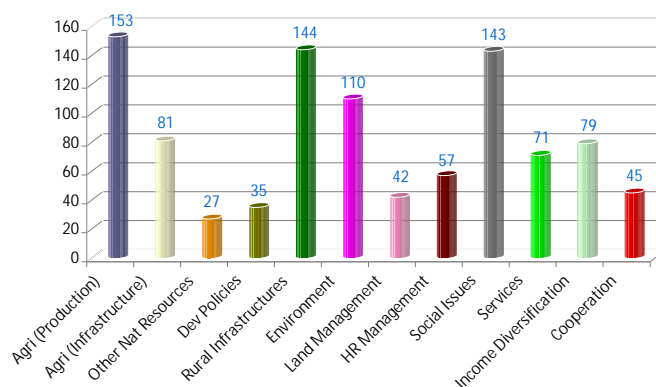
As a main result of the project, 30 LAGs are established, each of them covering a single municipality. Only three municipalities in Kosovo did not participate in the process: Zvecan, Zubin Potok and the recently created municipality of Hani i Elezit.

3.4.1.5 SUPPORTING THE LAGS IN IDENTIFYING PROJECT IDEAS AND IN PREPARING PROJECT FICHES

This activity was implemented through the workshops 14 and 15 and regular support provided by LDS team.

- The basket of project ideas consists of a list of structured ideas (owner/beneficiaries, objectives, expected results, cost, and timeframe for implementation). As shown in the table below, the LAGs have defined 987 project ideas divided in the 12 main themes of the Rural Development Matrix. These themes are directly correlated to the 8 measures identified in the ARDP.

The LAGs and the ARDP



The Eight Measures of the ARDP 2007-2013

Measure 1	Development of vocational training to meet rural needs
Measure 2	Restructuring physical potential in the agri-rural sector
Measure 3	Managing water resources for agriculture
Measure 4	Improving processing & marketing of agricultural products
Measure 5	Improving natural resource management
Measure 6	Farm diversification and alternative activities in rural areas
Measure 7	Improvement of rural infrastructure, maintenance of rural heritage
Measure 8	Support to local community strategies

- Due to financial constraints and others, some of these project ideas cannot be immediately developed in the frame of a project proposal. LDS team supported therefore each LAG in selecting two project ideas which are considered as priorities and which are feasible enough in the current context to be submitted to national or international donors. These project ideas were elaborated in the frame of project fiches. End of August 2009, 60 project fiches were drafted (see annex 10).

3.4.1.6 SUPPORTING LAGS IN THE PROCESS OF APPLYING TO CALLS FOR PROPOSALS

The project team supported the LAGs in the preparation of project proposals to be submitted to three calls for proposals launched in 2009 and 2009:

- The fourth call for business proposals launched in 2009 by the Poverty Alleviation in Marginalized Municipalities (PAMM) project. Five LAGs (Shtime, Skenderaj, Suhareka, Klina and Gjilan) prepared and submitted a total 18 project proposals.
- The two calls for proposals launched in 2009 by the ECLO for Support to Regional Economic Development and Support to Civil Society in Kosovo. Four LAGs prepared and submitted a project proposal under these calls: Klina in cooperation with an Italian NGO, Decan, Rahovec and Peja.
- The call launched by MAFRD in 2009. 25 projects were submitted out of which 13 projects were awarded for a total amount of 47 500 Euros

In order to get the LAGs members more familiar with the procedure of preparing project proposals and applying to calls for proposals, LDS has organised in August 2009 three regional workshops on "application to EU funds". 94 LAGs members participated in these workshops.

3.4.1.6.1 SUPPORTING THE LAGS AND OTHER ORGANISATIONS IN REGISTERING IN PADOR

This activity was implemented during the extension period through meetings in the municipalities and LDS office. It consisted in explaining the reason for being registered in PADOR and the registration process. It aimed also at making the LAGs and some other organisations more familiar with EU mechanisms for project applications. As a result, end of

August 2009 all LAGs as well as some other organisations (NGOs, municipalities) were registered in PADOR.

3.4.1.7 ESTABLISHMENT OF AND SUPPORT TO THE RURAL DEVELOPMENT NETWORK

Establishment of the RDN

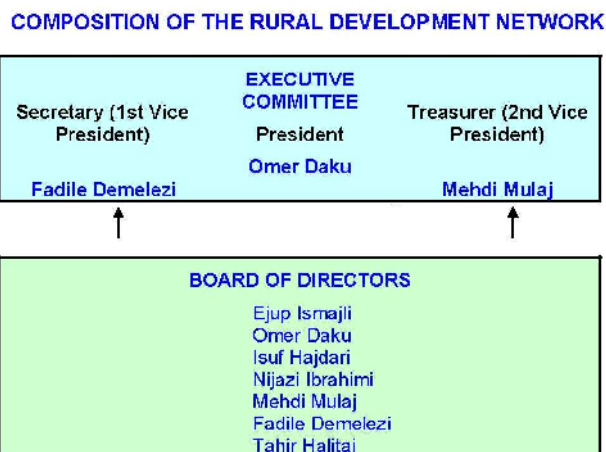
With the support of the STE - Rural Development Networking, the Network of LAGs was established in 2009, strengthened provide with a structure and a framework. (See **Annex 11**)

The Rural Development Network was formally established on the 10th of April 2009 in a workshop organised in Prishtina. The objective of the workshop was to explain the aim of a LEADER network, to discuss the proposed statute and to elect the board of directors, president, and the two vice-presidents of the RDN.

The creation of a network is both, mandatory for any central organisation, and compulsory for the LAGs and the exchanges of knowledge and know-how together with the pooling of resources, will inject dynamism into the rural economy in Kosovo.

The Rural Development Network of Kosovo, in line with the European Networking of LAGs, shall promote the collaboration between rural people in order to sustain their common interests, targeting the economic development of the rural areas.

During workshop, the presidents of 25 LAGs plus a representative of the MAFRD, have discussed the Statute and elected the board of directors of the RDN. The results of the elections were as follows:



As a follow-up activity, the project team, in cooperation with the LAGs, the Municipalities and the MAFRD, organised an official presentation of the Rural Development Network on the 30th of April at the Grand Hotel in Prishtina.

Approximately 280 people from LAGs, Municipalities Administrations, MAFRD, MESP, NGOs, and international organisations attended the event. The presentation was also an occasion for all LAGs to promote their local products and activities.

Drafting an Action Plan for the RDN

This activity was implemented in August and September 2009 and carried out through 7 Thematic Groups working on topics defined by the Board of Directors of RDN:

- Working Group 1: planning and technical support to LAGs
- Working Group 2: lobbying and communication



- Working Group 3 capacity building
- Working Group 4: cooperation inside and outside Kosovo
- Working Group 5: studies and surveys, resource centre
- Working Group 6: coordination with MAFRD
- Working Group 7: coordination and cooperation with municipalities

A member of the Board of Directors led each working group. 5 to 6 persons, selected according to their specific skills, were invited to join the group.

The outcome is a set of seven action fiches including:

- A clear identification of major goals and prospects
- A clear identification of activities to implement

These fiches were presented to the Board of Directors and all participants in the working groups in a workshop held in Pristine on 4th September 2009. They will be used by the Board of the RDN as a basis for drafting a short and medium term programme (see annex 12)

3.4.1.8 DESIGN AND IMPLEMENTATION OF THE PROJECT WEB PAGE

The project web page was completed and running in 2007 (www.lds-ks.org). The web page was the gateway to provide information on project achievements (reports, workshops, training, events, etc) as well as information on Leader+ and LAGs activities in all EU Member States and the status of the implementation of the ARDP in Kosovo. The end users are MAFRD staff, municipality officers and community stakeholders as well as all local and international players operating in the field of rural development in Kosovo

The project has finalised in a webpage for each LAG in Kosovo (<http://www.lag.lds-ks.org/index.html>). These web pages were hosted within the LDS web page.

The LDS webpage will be transferred to the RDN, which will have the responsibility to maintain and update it. The webpage will be the link with the LAGs in all EU Member States as well as to promote the activities and improve participation of civil society in the decision-making process.

3.4.1.9 VISIBILITY AND PRODUCTION OF TRAINING AND DISSEMINATION MATERIALS

The project has produced the following dissemination materials:

- A Basic Guide for the Leader+ Approach (booklet)
- A LAG Handbook (booklet)
- Seven leaflets on Leader+
- One project leaflet

All training and dissemination materials were translated and printed in Albanian and Serbian languages and are available for download at the project web page (www.lds-ks.org).

All project's appearances on local and national newspaper are available in our web page.

Training outlines and power point presentations were produced for each training and workshop organised by the project.

3.4.1.10 ESTABLISHING COOPERATION AND LINKAGES WITH OTHER ONGOING PROJECTS AND ACTIVITIES

This activity was carried out during all the project period. The project team has prepared an updated list of all development strategies/agendas as well as an updated list of local and international NGOs and projects operating in Kosovo.



The project team met representatives of a number of EAR-funded as well as other projects and institutions with the aim of identifying synergies and opportunities for complementary activities, including ALUP, MSP, ISMAFRD, FAIR, SSC, PAMM, NGOs AVSI, AFDI, the Austrian Technical Cooperation and GTZ.

The project team progressively transferred this activity to the board of directors of the LAGs and later of the RDN. In particular:

- The **Italian International Cooperation**: a meeting was organised in Shtime on June 2008 between the LAG Mirusha and the Mediterranean Agronomic Institute of Bari (IAMB - Italy) to discuss possible cooperation between the LAG and the IAMB with the support of the Italian International Cooperation.
- The **Austrian Development Agency (ADA)**: the ADA is operating in the municipality of Suhareka. A budget has been approved for 2008 to cover ongoing and planned projects, including rural development. The project team has reached an informal agreement with the ADA in order to use the LAG Oaza of Suhareka to support the definition of priorities and design projects for rural development.
- **The Irish Aid Bilateral Funding for Kosovo**: the principal mechanism for Irish Aid's bilateral funding for Kosovo is the Partnership Programme for Eastern Europe and Central Asia (PPECA). The LDS team in cooperation with Tipperary Institute studied possibilities of obtaining support from the PPECA to implement Leader related activities in Kosovo.
- A meeting was organised in August 2009 between **GTZ** and the president of the RDN in order to define synergies and a possible cooperation.

3.4.2 COMPONENT 2: SUSTAINABLE MARKET LINKAGES FOR RURAL HOUSEHOLDS AND ECONOMIC OPERATORS

The activities under this component involved technical assistance, training and advisory services focused on raising farm competitiveness both in Kosovo and regionally. Workshops were delivered targeting alternative/diversified businesses in rural areas, market linkages, and development of new businesses for young farmers.

However, and as it was mentioned in the second Interim Report, the Components 2 and 3 of this project should complement rather than distract from the overall project purpose of supporting communities at municipality level to prepare and implement local development strategies (Component 1). Specific activities (training, workshops, study tours, etc.) related to this component were therefore all included in the activities implemented under components 1 and 4. Particularly

- The workshops 07 and 08 (see annexes 12 and 13) provided a starting point for developing Non-Farm Rural Enterprises and Young Farmer Clubs activities as a component of the local development strategies. They also served to highlight the knowledge and information available at municipality level and the need for further assessment. However, each individual Municipality and LAG remained free to decide the extent they want to develop these initiatives within their own regions or to incorporate them into their own plans and programmes.
- The participation of officers from the RDASD (MAFRD) in all capacity building activities is ensuring further promotion and knowledge of extension of advisory services to a greater number of regions and farmers across Kosovo.
- The continuous use of the ARDP 2007-2013 as a basis for the design of local development strategies is further promoting the MAFRD in rural areas.



3.4.3 COMPONENT 3: SUPPORT TO NATURAL RESOURCE MANAGEMENT

The activities under this component involve technical assistance and training to support local communities in the use and management of natural resources on a sustainable basis, including alternative land use and the use of natural resources available at community level, including forestry.

Environmental quick-scan and assessment at municipality level

The ARDP 2007 – 2013, based on the four axes of the European Union, defined eight sustainable measures for development of the rural sector. One of the components is environmental issues and the best use of natural resources. An environmental quick-scan in Kosovo and an environmental assessment at municipality level has been prepared by the project. The purpose of the environment assessment is to:

- Provide an overview of the current situation in the Municipalities in relation to environment, natural resources, biodiversity as well as an overview of environmental pressures at municipality level;
- Provide an overview of the institutional capacity, needs and potential responsibilities for environmental management;
- Provide the basis for an environmental and biodiversity action plan at municipality level.

In order to obtain updated information on the current situation, the following activities were undertaken:

- Implementation of workshops at the regional level: Environmental landscape, biodiversity and good agriculture practices;
- Preparation of questionnaires covering environmental issues related to a) internationally or nationally recognized areas with important natural values (nature reserves or national parks, World Heritage sites); b) identification of environmental pressures and their impacts in municipalities and in agricultural practices; c) industrial pollution, uncontrolled/processed household waste; d) forestry depletion, modification of waterways, mining activities, roads and transport; e) capacity of local communities, resources and attitudes available to deal with the above issues;
- Meetings and discussions with relevant stakeholders at local and central levels.

A full Environment Assessment report for six municipalities, including a proposed list of Environment Ambassadors for Kosovo, was prepared (see **Annex 15**).

Local Environment and Biodiversity Action Plans

As a follow-up on the environmental quick-scan and assessment, the project team has finalised the Local Environment and Biodiversity Action Plans for five municipalities (Shtime, Suhareka, Skenderaj, Klina and Gjilan) and a Biodiversity Action Plans for the remaining 25 municipalities of Kosovo. The action plans were realised in close cooperation with the MESP and the biodiversity action plans were prepared in close consultation with the Environmental Protection Agency of the MESP

The action plans, based on the vision of the LAGs regarding environment and biodiversity issues, describes the general features, the main environmental problems and proposes a plan to deal with environmental and biodiversity topics in each of the five municipalities. The Biodiversity Action Plan prepared for the remaining 25 municipalities describes the general features, the main environmental problems and proposes an action plan to deal with biodiversity topics.



The Municipalities presented their own local environmental problems and tangible plans for their solution and the environmental priorities as well as the opportunity for effective feasibility of plans were included in the Local Development Strategies.

The Local Action Groups will be responsible for the implementation process for environment and biodiversity in order to attract potential funds from donors, local and central institutions and private sector for the funding of planned projects in each municipality.

The full document, prepared in the Albanian language and available in English, is posted in the project webpage.

3.4.4 COMPONENT 4: SUPPORTIVE TRAINING ACTIVITIES

This component includes all trainings and workshops related to component 1 and to a certain extent to components 2 and 3. It includes also study visits to EU member States, cross-border and regional initiative and internships for LAGs members in EU LAGs. This last activity, internships, could not be implemented as we did not identify LAGs members having the required language and/or technical skills.

3.4.4.1 WORKSHOPS AND TRAININGS

In order to obtain the above results, the project team implemented over 180 workshops, trainings and conferences involving over 5000 participants.

In accordance with the initial ToRs, the project developed a methodology and the content for different types of workshops and seminars directly aimed at supporting the establishment and strengthening of the LAGs and the RDN or addressing transversal and technical issues related to rural development:

Nb	Title	Level	Nb of events	Nb of participants
1	Introduction of project to stakeholders	National	1	50
2	Public awareness of project and ARDP	Municipal	11	457
3	Participative techniques for agri-rural planning	Regional	6	165
4	Development, planning and management of LAGs (two-day session)	Municipal	29	807
5	Planning of agri-rural development in Municipalities	Regional	5	120
6	Environment, biodiversity and good agricultural practices	Regional	5	104
7	Non-farm rural enterprises	Regional	5	104
8	Young farmer clubs	Regional	5	102
9	Cross-border cooperation and regional planning	Regional	5	87
10	Development of agri-rural municipality plans	Municipal	27	628
11	Presentation of LAGs and draft Development Strategies	National	1	150
12	LAGs: statute and strategy	Regional	5	25
13	LAGs: thematic groups on key issues (two-day session)	Municipal	21	525
14	LAGs: Preparation of project fiches (two-day session)	Regional	5	50
15	LAGs: Project identification	Municipal	22	525
16	LAGs: definition of vision and strategic goals	Municipal	10	50
17	LAGs: Building a Rural Development Network	Regional	3	120
18	Presentation of the RDN to the public	National	1	280
19	ISMAFRD and LDS-Municipality training (ARDP, Role of LAGs, etc.)	Regional	6	360
20	Presentation of lessons learnt from EU study visits	National	1	140
21	Application to EU funds	Regional	3	94
22	RDN thematic commissions / preparing the action plan of RDN	Regional	5	30
23	RDN : presentation and adoption of the action plan	national	1	50
TOTAL			183	5023

Details of workshops, including objectives, data and locations can be found in Annex 18



3.4.4.2 STUDY VISITS

A total of seven study visits to EU countries, for a total of 83 participants were organised by the project. The main theme of the visits were as follows:

- 1) Study Visit to Portugal – Participation at the LEADER+ Final Conference
- 2) Study Visit to Ireland – The LEADER Approach in Ireland 3) Study Visit to Ireland (2) – Local Approaches and Networking
- 4) Study Visit to Poland - The Role of LEADER in Supporting Subsistence and Small-Scale Farms
- 5) Study Visit to Slovenia – LEADER and Rural Tourism
- 6) Study Visit to Italy - LEADER and Adding Value to Local Products
- 7) Study Visit to Italy (2) - Project Design and Implementation and Twinning Activities

Details of the Study Visits are provided in Annex 19.

3.4.4.3 CROSS-BORDER COOPERATION

It is important that all LAGs are networked both nationally and across the region. Priority is given to establishing and strengthening links across neighbouring borders (Albania, Montenegro, FYROM) and with Serbia, as well as to establishing links with EU countries where the LEADER programme provides eligible funding for the involvement of non-EU member states.

In this context, the project team have organised three cross-border cooperation activities between the LAGs Rural+ (Gjilan) and Kumanovo (FYROM), Bio Sharri (Dragash) and Tetovo (FYROM) and between the LAG Agro Turizm and Rozhaja, Plava and Podgorica (Montenegro).

The overall objective of the CBC activities was to reactivate and improve cross-border cooperation between the municipalities of Kumanovo and Tetovo (FYROM) and to improve the overall relationship with neighbouring municipalities in Montenegro.

Cross-Border Cooperation - Visit to Kumanovo (FYROM)

The overall objective of this three-day visit (20-22 March 09) was to reactivate and improve cross-border cooperation between the municipalities of Gjilan and Kumanovo in order to create economic opportunities for small agriculture businesses for both municipalities.

The participants were 10 members from the LAG Rural+ of Gjilan. The visit consisted of a two-day meeting in Kumanovo with the Action Group for CBC of Kumanovo and a one-day visit to the Association of Agricultural Producers of Kumanovo, the NGO "Besa 2003" and the Youth organisation "CiD".

As a result, the LAG Rural+ is more active in creating new cooperation links with public and private sector. The two sides have prepared a short-term project aimed at improving and promoting rural development activities.

Cross-Border Cooperation - Visit to Tetovo (FYROM)

The overall objective of this three-day visit (20-22 March 09) was to initiate cross-border cooperation between the LAG Bio Sharri and the municipality of Tetovo with the aim of

promoting partnership with organisations operating in Tetovo and opportunities for small agri-rural businesses.

The participants were 10 members from the LAG Bio Sharri of Dragash. The visit consisted of an official presentation of the LAG Bio Sharri and the Municipality of Dragash to the municipality of Tetovo, working groups for drafting an action plan for the CBC between Gjilan-Kumanovo and visits to producers association ("Eco Rural Perspektiva") and NGOs ("Multikultura", "Idea", "Ekos Natyra" and "Bleta").

Cross-Border Cooperation - Visit to Montenegro

The overall objective of this three-day visit (21-23 March 09) was to initiate cross-border cooperation between the LAG Agro Turizm (Peja) and the municipalities of Rozhaja, Berane, Plava, Podgorica (Montenegro) in the areas of rural tourism, agriculture, environment and infrastructure, forest management and cultural cooperation.

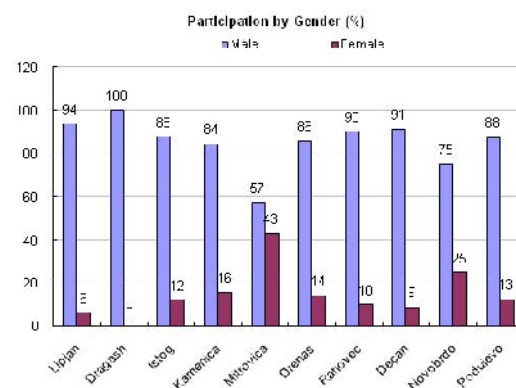
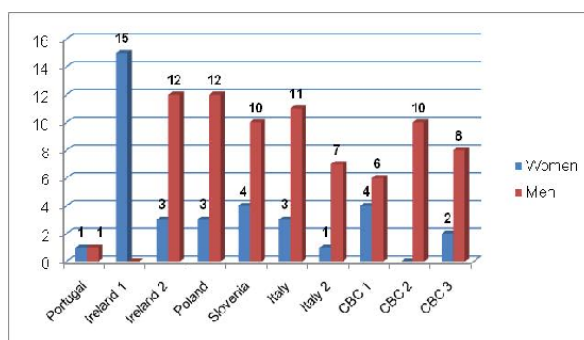
The participants were 10 members from the LAG Agro Turizm of Peja and the visit consisted of an introductory meeting with Municipality of Rozhaja and presentation of experiences and several meetings with local organisations and NGOs (FORS, Triton, Green Home).

3.5 ACTIVITIES FOR MAINSTREAMING OF CROSS-CUTTING ISSUES

As mentioned previously, women make up only 30% of the official labour force employment figures and in rural areas, this figure drops to 21%. The project team tried to address their needs and further developed and supported their participation in all project activities. On average women, contributed around 20% of participants at workshops and meetings.

The project made every effort to ensure the attendance of women at the all field activities and in particular to be part of the Board of Directors of the LAGs. In particular, the project team made sure that gender were represented in the Board of Directors of each LAG as well as in the Rural Development Network.

The graphics below, extracted from a series of workshops in selected municipalities, can be used to represent the average participation of women in the project activities (study visits and workshops).





4. ASSUMPTIONS

4.1 ASSUMPTIONS AT CENTRAL AND LOCAL LEVELS

Several assumptions were made at the beginning of the project. In particular:

- a) Continuing political and social stability, leading to negotiations on final status for Kosovo and access to EU-IPA funding from 2007;
- b) National and municipality government and local communities are committed to the project aims and objectives;
- c) There is a commitment from Municipalities and local communities to implement the plans and initiatives developed by the LAGs;
- d) Funds are available to implement Municipality and LAG plans and initiatives;
- e) There is a willingness amongst public and private sector providers to support and assist in the development of appropriate training materials and to implement relevant programmes and workshops;
- f) There is interest in national and regional cooperation and networking;
- g) Both genders and minorities can be encouraged to be actively involved throughout the project.

Almost all the above assumptions were in place (or were put in place), during the project implementation. However, the assumptions related to availability of funds to implement the local development strategies are still not fully available at municipality level. The project has made all efforts possible to approach appropriate funding bodies to implement LAG's projects; still there is a need to allocate more financial and technical resources to reach this objective.

Therefore, although there is a commitment from the MAFRD, Municipalities and local communities to implement the plans and initiatives developed by the LAGs, the lack of financial resources could jeopardise the whole process implemented by the project.

4.2 RISKS AND FLEXIBILITY

The risks related to availability of funds for the successful implementation and sustainability of the LAGs were pointed-out in all reports (Quarterly and Interim Reports) prepared by the project team.

Furthermore, the project, faced the problem related to qualified local experts to implement the activities at the beginning. The problem was solved with full-immersion training on LAGs and participatory approach provided to all hired local staff at the beginning of the activities. The international resident team, together with the international short-term experts, provided on-the-job training to the local staff and implemented the first round of workshops for the establishment of LAGs.

Many efforts were devoted in convincing the Serbian-led municipalities to participate in the project activities. Although the project team manage to successfully convince the Serbian-led municipalities of Strpce and Leposavic, the efforts were not enough to bring the municipalities of Zvecan and Zubin Potok into the activities.

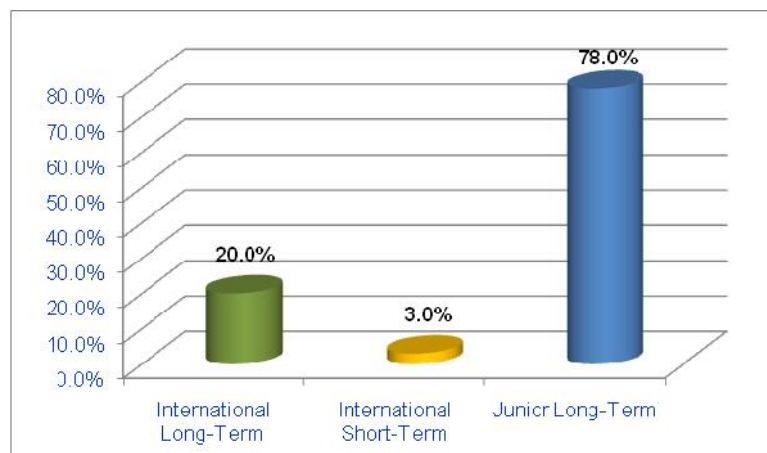
5. IMPLEMENTATION

5.1 PHYSICAL AND NON PHYSICAL RESOURCES

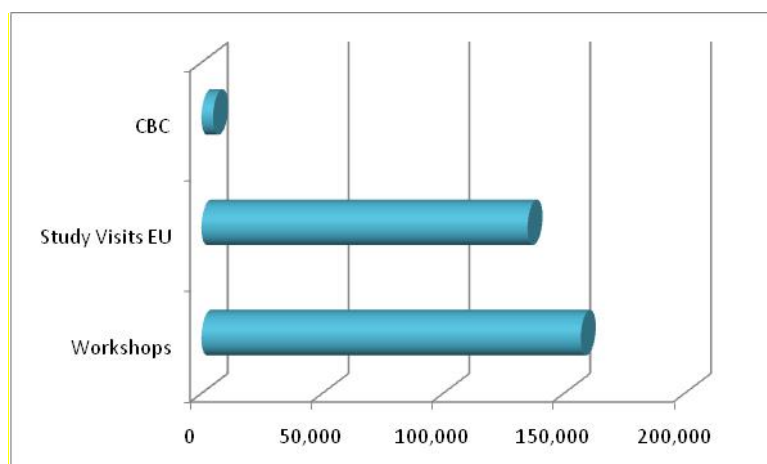
The complexity and magnitude of the project and the number of experts involved in different activities required a sound project management. The managerial and technical skill of the Team Leader and Agronomist, together with the local and international expert pool, the support staff and the backstopping team was a key to project success. The support of the ECLO and the MAFRD were also vital in achieving the objectives of the project. Furthermore, none of the objectives could have been reached without the cooperation of all Municipality administrations.

Within the project team, the Consortium found a mixture of experts with all key skills including LAGs, municipality planning, cross-border cooperation, non-farm rural enterprises, young farmer clubs, agri-rural extension and good agricultural practices. For the key positions, the Consortium has also ensured that our experts know EU programmes and procedures.

In accordance with the ToR, a team of 2 key experts covering a total period of 935 working days, together with a pool of international experts working for 125 days and long-term Junior Experts employed for 3,690 person days, was in place.



In addition, a budget for incidental expenditures was available for the implementation of the project. A total of 390,000 Euros (changed to 300,000 Euros after the extension of the project in July 2009) was used during the implementation of the activities as follows:



5.2 ORGANISATIONAL AND IMPLEMENTATION PROCEDURES

In line with the ToR, the project strategy was divided in:

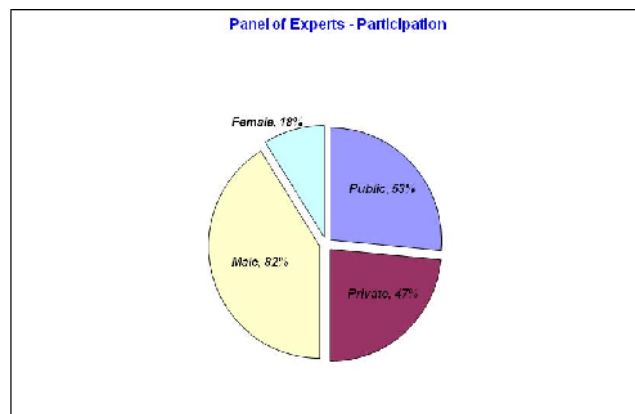
- a) **Inception Phase:** 2 months devoted to setting-up the project and concluding working arrangements. It included also specific agreements on activities with counterparts, MoUs, and the determination of inputs needed for the project.
- b) **Implementation Phase:** 26 months devoted to the implementation of all the project tasks and deliver outputs as defined in the terms of reference and approved in the Inception Report.
- c) **Consolidation Phase:** 1 month to the draft final report and assess the overall execution of the programme and its achievements.

The implementation phase was subdivided into 4 components:

- *Institutional capacity building* at local level (establishment of LAGs and design of local development strategies);
- *Sustainable market linkages* for rural households and economic operators as building blocks for the design of the local development strategies;
- *Support for natural resource management* as building block for the design and implementation of the local development strategies;
- *Supportive training activities* including study visits to EU countries and cross-border activities.

In order to achieve the outputs outlined in 3.3, the project team based its activities on basic principles, described below.

- **A Participatory Approach:** all project activities were based on the LEADER experience, which on bottom-up development and involvement of the rural communities at each stage of the project cycle. The rural communities were involved in all stages of the project implementation, from the needs assessment, to the establishment of LAGs, the preparation of the local development strategies, the establishment of the Kosovo Rural Development Network, etc. As this approach was rather new in Kosovo, it required particular attention to convince community leaders to be more involved and to attract new participants.
- **Building on the Experience:** the activities implemented were aimed at building on existing experiences at local (existing and past projects), at regional (cross-border activities and establishment of partnerships) and at EU level (study visits and establishment of contacts and twinning with LAGs and networks in Europe).
- **Concern for Gender:** the project team used all possible means to enhance the participation of women in the LAGs, RDN and in the regional and EU visits. In particular, during the exercises for the preparation of the Rural Development Matrix, the participation of women in the Thematic Groups was as follows:



- **Concern for Minority Communities:** since the start of the project, the team have devoted particular efforts in trying to involve the minorities in the activities. After a difficult start and almost 12 months without any formal activities (due to the Kosovo declaration of independence), some of the Serbian-led Municipalities (Strpce and Leposavic) have decided to implement the project activities. The most successful achievement was in the municipality of Strpce where the LAG is composed by Serbians and Albanians, working side-by-side. A LAG and a local development strategy was also implemented in Leposavic; however, some more efforts will be needed in order to convince them in joining the RDN.
- **Strengthening Local Capacities:** the project team placed all efforts in strengthening local capacities. Even if the LAGs have designed over 900 project ideas, much still need to be done in order to enable them to turn the project ideas into project fiches and, above to manage the implementation of the activities. This is especially important now that the MAFRD and the ECLO are providing more financial support to rural development activities.

5.3 TIMETABLE

The original timetable of activities, approved in the Inception Report, have been updated in order to cope with the changes and challenges in the field. The first update was required because of the general elections in November 2007. Other updates were required to cope with the political situation created after the declaration of independence in February 2008. A final timetable of activities is attached in Annex 17

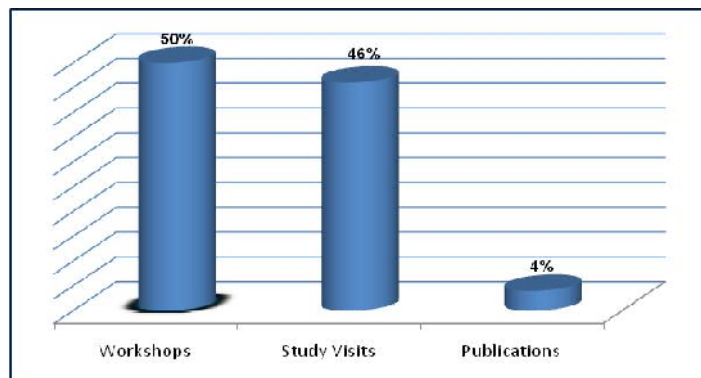
5.4 COSTS AND FINANCING PLAN

The original value of the contract was 1,690,230 Euros, which included a provision for incidental expenditures of 390,000 Euros.

The ECLO granted a budget extension of the project of 34,968 € and allowed a reduction of the budget for incidental expenditures (from 390,000 to 300,000 €) to be used in the budget line Fees. Therefore, the costs of the project changed as follows:

CRIS 2008/ Breakdown of prices	CONTRACT			Addendum No 01 (Transfer from EAR to ECLO)		Addendum No 02		Revised Budget	
	Units	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
A. FEES									
Long-term experts									
Team leader	wd	440	419,760.00	440.00	419,760.00	47	44,838.00	487	464,598.00
Senior experts	wd	440	364,760.00	440.00	364,760.00	38	31,502.00	478	396,262.00
Short Term Experts									
Senior experts	wd	110	138,710.00	110.00	138,710.00	-2	-2,522.00	108	136,188.00
Long Term Junior Experts									
Junior Experts	wd	3,200	352,000.00	3,200.00	352,000.00	465	51,150.00	3,665	403,150.00
SUBTOTAL A			1,275,230.00		1,275,230.00		124,968.00		1,400,198.00
Provision for incidental expenditure			390,000.00		390,000.00		-90,000.00		300,000.00
Provision for expenditure verification			25,000.00		25,000.00				25,000.00
SUBTOTAL B			415,000.00		415,000.00		-90,000.00		325,000.00
TOTAL A + B (EUR)			1,690,230.00		1,690,230.00		34,968.00		1,725,198.00

The incidental budget was used as follows:



The financial plan prepared by the European Commission was appropriate to implement all activities foreseen in the project.

5.5 SPECIAL MEASURES TAKEN BY THE GOVERNMENT

There is a firm commitment from the MAFRD, Municipalities and local communities in implementing the plans and initiatives developed by the LAGs.

The MAFRD is implementing the measures identified in the ARDP 2007-2013 and the LDS project was the first move toward the implementation of Measure 8 – Supporting Local Community Development.

The appointment of a LEADER Focal Point within the RDASD/MAFRD was seen by the project team, as a further commitment to rural development. The focal point, as seen by the project, is a person able to communicate with all LAGs in Kosovo and in the EU member states as well as the channel through which the MAFRD inform the LAG Network of all available sources of funding and possibilities of cooperation locally, regionally and internationally.

Furthermore, the availability of funds (grants) to support the implementation of project ideas designed by the LAGs was also a good test for the MAFRD in view of the future establishment of a Paying Agency in Kosovo.

The mistakes and successes from this first test shall help firstly, the MAFRD when using larger amounts of funds to support rural development and secondly the LAGs in learning to prepare and present appropriate project proposals.

However, the commitment, in terms of financial resources, from the MAFRD and ECLO should continue and increase in order not to jeopardise the whole process implemented by the project.

6. FACTORS ENSURING SUSTAINABILITY

6.1 POLICY SUPPORT

As mentioned in several reports prepared by the project, there is a need to increase the understanding of EU Pillar 1 (Agriculture Funding) and Pillar 2 (Rural Development) funding programmes, structural funds or mechanisms for accession countries. At community and municipality levels, there is little awareness of IPA and other funding sources available for rural development, including existing activities promoted by other ministries/agencies towards the promotion of economic activities in the rural areas of Kosovo.

Rural areas in Kosovo face particular challenges as regards growth, jobs and sustainability. At the same time, rural areas offer real opportunities in terms of potential for growth,



employment generation, provision of rural amenities and tourism, attractiveness and a role as a reservoir of natural resources and landscapes.

It is the project team's opinion that there is a need to have a clear vision, at central level government, on both of the future of Kosovo's rural areas and of the contribution that a local development strategy can make to achieve that vision.

As LAGs, local development strategies and the RDN are in place, issues are raised related to funding and sustainability. The funding for operational expenses for some LAGs has been partially solved through direct budget support from the Municipalities (see Shtime, Gjilan, Klina, Suhareka, Skenderaj).

As Kosovo cannot access any development funds currently available to EU Member and accession States, the MAFRD should further promote the LAGs in EU member's countries in order to attract funds through bilateral programmes. This is, by the way, one of the main objectives of the second study visit organised in September 2009 to Italy. In the study visit, the MAFRD and the RDN will act together in proposing future cooperation to LAGs in Italy, as well as learn from their experience in implementing LEADER type projects.

However, promotion of the RDN and LAGs might not be enough to convince donors and bilateral cooperation. The 30 LAGs and the RDN will not be sustainable if the Government will not consider them as the only possible way to develop rural areas. Rural areas are the main safety net in terms of employment and income generation in Kosovo. The government support should be given in terms of transferring responsibilities of implementation of the ARDP to the RDN.

6.2 APPROPRIATE APPROACH

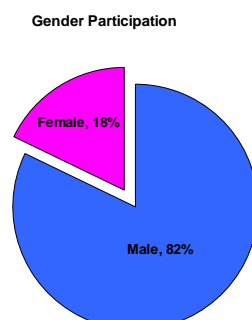
The LEADER is one of four initiatives financed by EU structural funds and is designed to help rural actors in considering the long-term potential of their local region. LEADER is about mobilising local actors to get involved in the future of their area, and opening-up rural areas to other territories by exchanging and transferring experience through the creation of networks. This was the best approach ever the MAFRD and the ECLO could have proposed to the rural areas in Kosovo.

Although the LDS project was based on the LEADER approach, now there are no financial instruments available to implement any LEADER type activity in Kosovo.

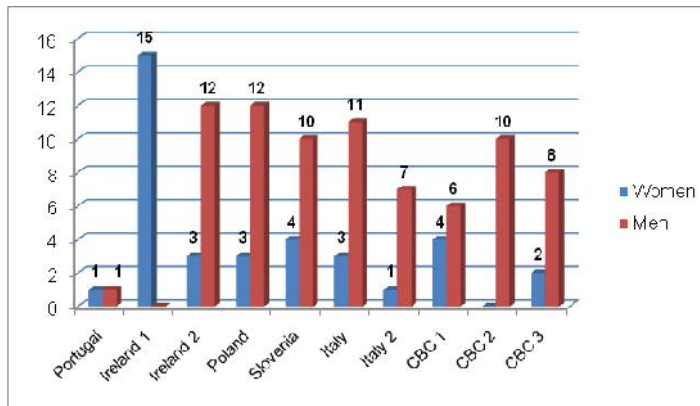
The process of drafting local development strategies must be considered as a starting point rather than an achievement. Drafting a local development strategy is about having the public and the private sectors working together, being able to understand such a complex situation, sharing common analysis and developing together practical actions as well as long-term views.

6.3 EFFECTIVE MAINSTREAMING OF CROSS-CUTTING ISSUES

The participation of gender in all workshops implemented by the project has been as follows:



The participation of gender in the study visits and CBCs activities organised during the reporting period, was as follows:



The activities for the establishment of the LAG Narcis (Strpce) and the preparation of the local strategy in the municipality of Strpce was concluded successfully. The participation of both Serbian and Albanian communities has showed that where there is a common development objective, the ethnic and political differences can be set aside.

The municipality of Leposavic have signed the MoU, the LAG was established and the local development strategy prepared. The support provided by the LAG Narcis in Leposavic was vital to “break the ice”.

In the remaining two Serbian-led municipalities (Zvecan and Zubin Potok) have decided not to cooperate with the project. The project team, in agreement with ECLO and the MAFRD, decided to work with other minorities in the municipalities of Mamush and Junik.

6.4 INSTITUTIONAL AND MANAGEMENT CAPACITY

As mention in the Quarterly Reports, the LAGs and the RDN are still not fully capable of preparing project proposals. The project team have dedicated the last 5 months to direct support the LAGs interested in applying for both EC and MAFRD grants.

A part from the capacity of matching local development objectives with the requirements of the donors, there is a big gap in terms of simple understanding the English language, as the most common language in any call for tenders.

The project team have being engaged in registering all LAGs in the PADOR system. The process is mandatory for any application for any type of EC funding.

We believe that, in spite of all the efforts by the LDS project, there is still missing the capacity of going from “project idea” to project proposal” at all levels in Kosovo. Therefore, more financial and technical resources should be devoted to prepare LAG members and municipality staff in project design, implementation and management.

6.5 ECONOMIC AND FINANCIAL ANALYSIS

A key issue is of course the sourcing of funds for the implementation of the strategies, at the LAGs level as well as the RND level. Some funding opportunities are available through the MAFRD (127.000 Euros) to finance rural development projects prepared by the LAGs. It is a very important starting point; however, more need to be done in order to enable the RDN and the LAGs to act and react to any possible source of funding available in Kosovo. It is the reason why LDS activities, particularly in 2009, were strongly oriented towards defining



project ideas, drafting project fiches, preparing project proposals and understanding the EU funding mechanisms. However, the LAGs, or most of them, and the RDN still lack experience in preparing as well as implementing projects. They will most certainly not be able, in a short and medium term, to be real players in the aid and cooperation system. The link with the institutions at the local level (municipalities), national level (MAFRD) and international level (EU) needs to be maintained and strengthened.

7. MONITORING AND EVALUATION

The monitoring of the project activities was carried out by the team leader and deputy team leader on a monthly basis, as follows:

- ⇒ Each junior expert and regional coordinator was provided with a monthly work plan, which included the results to be achieved.
- ⇒ A monthly debriefing meeting was the opportunity to compare the initial work plan and the achievements; to discuss the problems and bottlenecks, to propose solutions and method for improving the results, to define accordingly the next work plan.

By this method, applied systematically during the project period, all experts and coordinators were informed about the general situation of the project and could share concerns and ideas; problems were promptly identified and solved; necessary adjustment of the project activities and project log frame could be done almost on a monthly basis.

The evaluation was performed by the team leader and the agronomist periodically assisted by STEs in specific fields of activities. The quantitative evaluation was based on the logical framework, which was carefully followed during all project period. As a result, most of the quantitative objectives are achieved (number of LAGs, number of workshops, etc.). The reasons why some objectives were not fully achieved (e.g. Internships for LAGs members) are well substantiated and documented.

The qualitative evaluation was carried through a permanent communication with the beneficiaries and main stakeholders of the project (LAGs and RDN members, municipality staff) in order to understand their level of motivation and understanding of the project objectives, their concerns. The method applied by the project team was to provide permanent support to the LAGs but the LAGs members were always requested to carry out themselves the most important tasks (identifying project ideas and action plans, etc.). By this way it was possible to evaluate regularly the technical progresses made by the individuals and groups participating in the project.



8. CONCLUSIONS AND RECOMMENDATIONS

The project team have delivered the programme and achieved the proposed outputs as defined in the project's ToR.

Thirty LAGs are established and operational; the RDN is established and operational. Over 1400 local experts from LAGs, are directly involved in project activities and over 900 project ideas are ready to become project fiches to be implemented. Sixty 60 project fiches are drafted and all LAGs are registered in PADOR. Cooperation between LAGs in Kosovo and the RDN with LAGs in EU member states and neighbour countries is initiated. The RDN website can be used for the further promotion of the LAGs and the RDN.

Although LEADER is still a new approach in Kosovo and even if the LAGs members still lack of experience, it seems that in some municipalities the LAGs already took the ownership of the process. It is for example the case in Gjilan, where the LAG took the initiative to organize workshops at the district level without the support of LDS project.

RECOMMENDATIONS

As mentioned above, the issues related to funding and sustainability of the RDN and LAGs are still very important. The participation of the MAFRD with financial and technical support is vital to enable the LAGs to become promoters of rural development. There is also a need to make funds available in order to initiate the implementation of the project priorities identified by LAGs.

A stronger commitment from the MAFRD is vital for the success of the implementation of the LEADER approach in Kosovo and thus the implementation of the measures identified in the ARDP.

Rural issues are a major stake for Kosovo and will remain such for decades. Lack of precise data is an obstacle for defining relevant strategies and action plans. An accurate picture of the situation is therefore urgently needed. It could be done through a general or rural census.

A top down approach cannot be implemented without a strong bottom up one. The RDN occupies a middle and strategic position between the field realities and the institutional set-up. In particular, the project team recommends the following:

- ⇒ LDS activities should be continued with a new project focusing on developing and implementing the action plan drafted by the RDN's thematic groups;
- ⇒ The RDN should be invited to participate in programming activities related to rural areas (e.g. the ongoing programming of IPA CBC led by the Ministry of Local Administration)
- ⇒ Strong cooperation and coordination should be established between the RDN and LAGs and the newly established Regional Development Agencies, in order to build synergies rather than competition or overlap of activities. The organisation of joint workshops would be welcome.