

REPUBLIC OF MACEDONIA
MINISTRY FOR AGRICULTURE, FORESTRY
AND WATER ECONOMY

Examining LEADER's Applicability in the SAP Countries: Views from the Western Balkans

An Overall Assessment of the situation with rural areas in Republic of Macedonia

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Budapest, 19-20 May 2008

Rural areas in Republic of Macedonia

- For administrative purposes, the differentiation between rural and urban areas in the country is based on the local territorial divisions according to the **Law on Territorial Organization of the Local Self-Government.**
- According to census data 2002, **43%** of the inhabitants were classified as ***rural*** and 57% as urban population.
- Total number of villages is 1,715 out of which only 1,570 are inhabited and 145 are abandoned. Total number of towns in the country is 34 towns including city of Skopje.

Key strategic documents related to rural development

- **National Strategy for Agriculture and Rural Development**
- **IPARD Programme 2007-2009**
- **Law on Agriculture and rural development**
- **Law on establishing Agency for Financial Support in Agriculture and Rural Development**
- **National program for rural development**

National Strategy for Agriculture and Rural Development

Main objectives

- To strengthen the ability of Macedonian agriculture to compete in the integrated regional markets of the European Union and south-eastern Europe;
- To improve farm incomes;
- To ensure that consumers have access to safe, healthy food;
- To optimize the use of scarce land, forest and water resources,
- To build viable rural communities through sustainable rural development.

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IPARD Programme

- **Priority sectors defined for IPARD Programming: (grape and wine, fruit and vegetables, milk and meat products)**
- **Sectoral studies prepared** for the priority sectors in order to identify major problems and issues
- **IPARD Programme 2007-2009 prepared** in the period march –august 2007 (involving local and international experts; stakeholders active in the selected sectors and regular communication with DG-Agri)
- **IPARD Programme 2007-2009** adopted by the EC on 19.12.2007

IPARD Programme

GENERAL OBJECTIVES OF IPARD PROGRAMME

Implementation of the *Acquis communautaire* concerning the CAP and related policies and sustainable development of the rural areas

The set of priority axis and appropriate measures as outlined in the MIPD, are as follows:

- **Priority Axis 1: Improving market efficiency and implementation of Community standards**
- **Priority Axis 3: Development of rural economy**
- **Technical Assistance for the implementation of the IPARD Programme**

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IPARD Programme

Priority Axis 1: Improving market efficiency and implementation of Community standards

OBJECTIVE: Improve the competitiveness of agricultural holdings and food industry bringing them into compliance with Community standards, while ensuring sustainable environmental and socio-economic development of rural areas.

- **Measure 1:** Investments in agricultural holdings
- **Measure 2:** investments in the processing and marketing of agriculture and fishery products

IPARD Programme

Priority Axis 3: Development of rural economy

OBJECTIVE: Improved quality of life of the rural population, increased income and creation of new employment opportunities

- **Measure 3.1:** Diversification and development of rural economic activities

Finances related to IPARD for Macedonia

Year	Total million €	Investments in million €		
		EU	National budget	
			Public	Private
2007	5,6	2,1	0,7	2,8
2008	17,9	6,7	2,2	8,9
2009	26,7	10,0	3,3	13,3
2010	33,3	12,5	4,2	16,6
Total	83,5	31,3	10,4	41,7

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Indicative financial plan for the IPARD Programme 2007-2009 divided by measures €

Priority axis/Measure	Total public support	Private contribution	Total
(1)	(2)	(3)	(4=2+3)
Priority Axis 1: Improving market efficiency and implementation of Community standards	19.760.000	19.760.000	39.520.000
Measure 1.1. Investments in agricultural holdings	10.893.333	10.893.333	21.786.667
Measure 1.2. Investments in the processing and marketing of agriculture and fishery products	8.866.667	8.866.667	17.733.333
Priority Axis 3: Development of rural economy	4.560.000	4.560.000	9.120.000
Measure 3.1: Diversification and development of rural diversification activities	4.560.000	4.560.000	9.120.000
Measure 4: Technical Assistance	950.000	-	950.000
Total	25.270.000	24.320.000	49.590.000

Future activities related to IPARD

- 1. Informative campaign for all stakeholders and preparation of the Users guides and all other necessary documents**
- 2. Capacity building of MAFWE as IPARD Managing Authority and Monitoring Committee**
- 3. Capacity building of Agency for Financial Support in Agriculture and Rural Development and finalization of accreditation procedures**
- 4. Inclusion of all stakeholders in the process (banks, advisory services, NGOs)**

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National Program for Rural Development - 2008

Measure/Group of investments	in MKD	in EUR
Investments for improvement of the competitiveness and modernization of agriculture holdings, including aqua-culture	60.000.000	1.000.000
Investments for processing, storing, sorting, packing and marketing of the agriculture processing activities	70.000.000	1.120.000
Investments for rehabilitation of the irrigation systems managed by the Water Communities	20.000.000	330.000
Financial support to promotional activities for development of rural tourism	6.000.000	100.000
Investments for knowledge enhancement and development of the human potential of the agriculture producers by sustaining advisory services and education for management of the agriculture holding	10.000.000	165.000
Support to organization and joint production activities of agriculture holdings	10.000.000	165.000
Material expense for Programme implementation	4.000.000	70.000
TOTAL	180.000.000	2.950.000

Involvement of the civil society (simulation of the LEADER Approach)

MAASP support the process of preparation of pilot strategies and processes on local, integrated and sustainable rural development, with economic and environmental approach

Study visit in Italy, March, 2007, Pulja - Italy

- Understanding of the political and institutional frame of the rural management in the region Apulja with special attention of the processes towards decentralization of the services and strengthening of local communities.
- Representatives from local self governments and Extension Services (Gevgelija, Bitola, Gostivar, Pehcevo and Berovo)

Involvement of the civil society (simulation of the LEADER Approach)

- Exchanging of the experiences of the LEADER + Programme and views from the study visit
- Stakeholders (civil sector, private and public) to develop sub-strategies for rural development
- Training of the participants in the Rural Working Group (LAG) for Strategic Planning
- Preparation of Strategic Plans (sub-strategies for rural development)
- Presentation of the Plans in front of the City Council (voting)
- Lobbying for adoption

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Involvement of the civil society (simulation of the LEADER Approach)

Following steps

- MAASP will support one of the proposed project proposals from each strategy;
- Continuous capacity building of the RWG participants
- Regional approach
- Participation of the Agriculture Extension Services
- Establishing linkages with other LAGs from some member states
- By 2010 to establish legal entity (LAG)

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Thank you for your attention!

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