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**Key challenges for the
implementation of European rural
development policy in Western Balkan
countries – critical assessment**
*from the perspectives of
local authorities*

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Motivation & objectives



- ▶ ***European integration is demanding task,***
 - ▶ ... but also underestimated process.
- ▶ ***What really brings new to local communities?***
 - ▶ Funds, new institutions, words, projects...
 - ▶ Development, better life for rural people?
- ▶ ***Lessons from previous accessions*** (for Western Balkan Local Authorities WB LA):
 - A. Process and tasks of accession
 - B. Economic and political changes with accession
 - C. The opportunities and illusions of regional/rural policies
 - D. Recommendations for better actions



European integration & local authorities



A. Process and tasks of accession



Issues



- ▶ ***How real is EU accession for WB?***
- ▶ ***What are the main elements of the accession process?***
- ▶ ***What are the key integration tasks for acceding countries?***
- ▶ ***Where are main relevant points of European integration for local authorities?***

Time Table of Accession

(formal procedure and experiences
from CEEC and Mediterranean EU Enlargement)



Year 0: *Stabilisation and Association agreement with EU*

Year 1-2: *Application, questionnaire, avis (EC opinion)*

Year 3-6: *Start of negotiations: “screenings”, NP*

- ▶ screenings: analytical comparison of acquis (differences, step of adjustments, negotiation positions NP)
- ▶ formal negotiation positions, requests on derogation's, transitional periods

Year 7: *Finale finance package process*

- ▶ EU financial position
- ▶ political bargaining on enlargement
- ▶ technical meetings on quotas, rural develop., additional payments

Year 8-9: *Accession preparation*

... time table is provisional, extensions are realistic ...

▶ **Next Western Balkan enlargement:**

- ▶ 2019 very optimistic; post 2020 realistic for some WBc;
- ▶ non-enlargement – political failure FOR BOTH SIDE!

Accession Tasks for countries

- most relevant for local authorities



1. **Legal harmonisations**

- ▶ Agriculture (rural development policy!)
- ▶ Regional (cohesion) policy
- ▶ State aids (rules what could be done at policy level)

2. **Implementation capacity upgrading**

- ▶ New state rules, institutions for regional and rural development
- ▶ Regional/rural/local networking and institutions buildings

3. **Policy reforms and economic adjustments**

- ▶ New policy objectives, instruments and implementation
- ▶ Preparation for economic competitive conditions after accessions

4. **Accession negotiations**

- ▶ The role of local authorities is newly defined and could be strengthen
- ▶ ... however, this is not automatic process...

Accession Tasks for countries –

Case of Agriculture: Adjustment to the CAP!



1. Legal harmonisations

- ▶ 4 main systems of CAP Regulations (direct payments, market interventions, rural development, financial rules)!
- ▶ Member state be able to implement CAP after accession

2. Implementation capacity upgrading

- ▶ execution of EU rules, new institutions and mentality
- ▶ around 600 civil servants necessary for small countries!
- ▶ very costly but the key condition...
- ▶ upgrading of agricultural policy (economics) analysis infrastructure

3. Policy reforms and economic adjustments

- ▶ policy adjustments and modernisations
- ▶ increase of competitiveness, farm restructuring, land reforms
- ▶ pre-accession support for rural development (IPA)

4. Accession negotiations

- ▶ sum-up of above issues and derogations from acquis
- ▶ financial package negotiations

Process of negotiations - Actors



▶ **EU**

▶ EU-Institutions

- ▶ European Council
- ▶ Council (Spec. working group, Presidency)
- ▶ Commission (DG Agri, DG Enlarg)
- ▶ EP

▶ Member states

- ▶ ministries (Agri, Fin, Reg, ForAff)
- ▶ NGOs (agricultural and environmental interest groups)

- Local authorities not included automatically in the process
- LA have to find own position in the process!

Candidate countries (CC)

- ▶ Govern. co-ordination bodies (negotiations teams)
- ▶ ministries (Agri, Fin, ForAff)
- ▶ parties (parliament)
- ▶ NGOs (agricultural interest groups)

Process and task for accession

Lessons for WB LA



- ▶ ***Accession is still a realistic option for WB:***
 - ▶ ...however, depends on political process in EU and VVB.
 - ▶ Countries could still increase the own possibility for accession.
- ▶ ***Accession process is a long story with defined steps.***
 - ▶ Main tasks is to fulfil the obligations. Quite demanding tasks...
- ▶ ***How LA are included in the accession process depends on:***
 - ▶ Quality of integration process for acceding countries, as well as democratic and institutional reforms in VVB.
- ▶ ***Main topics for LA:***
 - ▶ Regional/cohesion and rural development policy.
- ▶ ***How to use existing opportunities:***
 - ▶ Self-organisation and pressures on national governments.
 - ▶ Importance of pre-accession period and use of pre-accession instruments.

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**B. Economic and political changes
with accession**

Issues



- ▶ ***What are the main changes from the LA perspectives in the pre-accession and accession period?***
- ▶ ***Discussion on accession mechanism and changes relevant for LA WB:***
 - ▶ Economic forces
 - ▶ Institutional/political system
 - ▶ Cultural/regional structures

Economic changes I



- ▶ ***Accession is increasing economy and growth!***
 - ▶ At least for the first years after accession!
- ▶ ***Market forces become stronger:***
 - ▶ Strong capitalism with all + and - .
- ▶ ***Urbanisation and globalisation***
 - ▶ The country is recognised as a stabile environment for investment and trade
- ▶ ***... but there are also some regions which are losing the ground***
 - ▶ The development is not equally distributed
 - ▶ More cohesion and social inclusion requested and not less!
- ▶ ***Not general rules:***
 - ▶ different pictures in different parts of Europe.
 - ▶ accession is not the only factor for changes, mostly is strengthening the processes which are already existing...
- ▶

Economic changes II



▶ ***Capital flows to the regions***

- ▶ Opportunities for FDI, domestic investments, EU founded projects.
- ▶ Better infrastructure in general (a lot of investment in place).
- ▶ Problem:
 - ▶ stranded projects (a lot everywhere in EU, but especially in some Southern and Eastern parts of EU).

▶ ***Labour:***

- ▶ Some new emerging regions
 - ▶ with new working places in the real sector (SLK, POL)
 - ▶ ... or in tourism (SPA, GRE) Services
 - ▶ in general: stronger urbanisation around big cities.
- ▶ Easier migration out of economic depressed and remote regions.
 - ▶ Case of LAT, LIT, BUG, POL, ROM!
 - ▶ Youth generation can travel and look for better job opportunities..

Economic changes III



▶ **Goods:**

- ▶ Significant increase of trade.
- ▶ Net trade balance worsening for less economic developed regions.
- ▶ Lost of domestic markets for non-competitive goods.
- ▶ Increase of opportunities for selling goods abroad.
- ▶ Increase of variety of products – further globalisation also at the „village“ level

▶ **Services:**

- ▶ Concentration of services in bigger regional towns (hyper retailing centres).
- ▶ Lost of local crafts and small shops
- ▶ Local schools and health centres under pressures

▶ **Agriculture**

- ▶ Emerging agro-food producers:
 - ▶ strong development with the EU funding and transfer of technology, increase of size, income and quality: 1-2 efficient farm per 5000 people?
- ▶ Small subsistence agriculture without significant support
 - ▶ pension farms, rural poverty exists.
 - ▶ Local food as market chances (EU quality policy) or disappearing of traditional food

Institutional/political changes



- ▶ ***Serious legal requirements***

- ▶ Environment: waste management,...!
- ▶ Public procurements and state aid rules are changing

- ▶ ***New policies and institutions***

- ▶ Radical new objectives, argumentation, mechanism
- ▶ EU type of regional / rural policy not in place
- ▶ Development of new national, regional and local institutions,
- ▶ New stakeholders with new requests.
- ▶ The decision making process is far away
 - ▶ no direct contact with policy makers, „translation“ over national authorities, how to understand and influence the decisions

- ▶ ***Sociological and cultural changes in rural areas***

- ▶ Monetatisation of social relations,
- ▶ ...reduction of neighbourhood and family assistance

Economic and political changes with accession

Lessons for WB LA



- ▶ ***The world in local communities is changing significantly.***
 - ▶ Some very good cases, closer to urban centres, infrastructure, natural and human potentials.
 - ▶ It is not necessary that positive accession results in general lead to positive changes in all regions.
 - ▶ The losers are regions with strong out-migration, no internal capacity for growth, bad national and local management.
- ▶ ***Main issues:***
 - ▶ How to adopt to new economic and political circumstances?
 - ▶ How to use new funds and opportunities?
 - ▶ How to lobby for own community?

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**C. The opportunities and illusions
of regional/rural policies**

Issues



- ▶ ***Meaning and opportunities of regional and rural policies?***
- ▶ ***What is really coming in the pre-accession and accession period for WB LA?***

EU side



- ▶ ***EU has own concept of development policy.***
 - ▶ More policies in two blocks: rural and regional/cohesion.
 - ▶ Professional design based on policy cycle:
 - ▶ programming, implementation, monitoring and evaluation
- ▶ ***Rural development policy:***
 - ▶ Part of CAP. Based on **agriculture**. Not much territorially oriented. Strong environmental attention.
 - ▶ Established for rural areas in developed parts of Europe...
 - ▶ Used also for less developed parts
 - ▶ some troubles with the re-design for the needs
- ▶ ***Regional/cohesion policy***
 - ▶ Different type of policies
 - ▶ economic, regional, social, sector, environmental, research,
 - ▶ big infrastructure projects, small support for individual person looking for job alternatives

WB LA view (confusions)



- ▶ ***WB countries have not pronounced and systematic regional and rural policy.***
- ▶ ***The implementation of EU concept has several limitation:***
 - ▶ Problems with understanding.
 - ▶ Rural development policy is more enhanced in pre-accession period (IPA!) as lecture for future RD policy).
 - ▶ Regional policy fragmented through different type of projects.
 - ▶ Implementation rules from **another** planet.
- ▶ ***Pre-accession period:***
 - ▶ Rural development as substitute for regional?
 - ▶ Too less money for huge efforts?
 - ▶ What is really happening at the LA level:
 - ▶ Some RD 3. axes projects if placed in IPARD (village renewal, traditional food, local roads...)
 - ▶ Some cross-border regional cooperation projects and particular projects – but no programming and specific infrastructure



▶ **Accession period:**

- ▶ Regional could be more important for LA than RD!
- ▶ Funding could be very attractive:
 - ▶ Appr. 100 to 1000 EUR / year / community citizen
- ▶ Scope and quality of projects very different.
 - ▶ What are the main drivers for differences?
- ▶ RD projects are limited:
 - ▶ For small village projects: food, heritage, trails, small working places in processing of goods and services

▶ **Drivers for success**

- ▶ Building capacity for EU affairs
- ▶ Networking at regional and lobbying at national and EU level
- ▶ New institutions!

Lessons for WB LA



- ▶ ***Application of the regional and rural development policy is important new tasks for LA!***
 - ▶ For many communities the only new source for development.
- ▶ ***Realism about the potentials in the pre-accession period.***
 - ▶ Limited scope of the projects
 - ▶ However, important lectures for the accession period. .
- ▶ ***After accession the main source are regional / cohesion policy instruments.***
 - ▶ Similar approach as RD policy.
 - ▶ Impact on programs. Getting the information. Building the capacity.

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**D. Recommendations
for better actions**

Awareness on EU policies



- ▶ ***EU is a real option for countries.***
 - ▶ Active approach by the stakeholders.
 - ▶ This increase the integration potentials.
 - ▶ Take EU accession as opportunity.
- ▶ ***Good LA cases are showing:***
 - ▶ standing information mining
 - ▶ impacts on programs at national levels
 - ▶ good organisation at regional / national level
 - ▶ project ideas development
 - ▶ serious selection of ideas
 - ▶ project preparation (start in pre-accession period)
 - ▶ finding private investors
 - ▶ networking building

Building capacity for EU policies



- ▶ ***TTN: Training – Teaching - Networking.***
 - ▶ knowledge and understanding
 - ▶ best cases and project development
- ▶ ***Institutions:***
 - ▶ specialisation and increase of competencies in the LA itself.
 - ▶ building support institutions at regional level
 - ▶ cooperation with other LA in the region
- ▶ ***Working with national authorities***
 - ▶ getting information
 - ▶ „selling“ the (developed) projects
- ▶ ***Working with potential beneficiaries.***
 - ▶ support networking (NGO)
 - ▶ discussion with private and state institutions
 - ▶ using e-platforms