

STRENGTHENING RURAL SOCIAL CAPITAL AND NETWORKS

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December 2009

List of Acronyms

APDRP	Paying Agency for Rural Development and Fishing (Agentia de Plati pentru Dezvoltare Rurala si Pescuit), Government of Romania
CBC	Cross Border Cooperation
DARD	Directorates for Rural Development and Agriculture, Ministry of Agriculture and Rural Development, Government of Romania
EAR	European Agency for Reconstruction
EC	European Commission
EU	European Union
FYR	Former Yugoslav Republic
ICDT	International Centre for Democratic Transition
IPARD	Instruments for Pre-Accession Assistance for Rural Development
LAG	Local Action Group
LAP	Local Action Plan
LEADER	Liaison Entre Action de Développement de l'Économie Rurale
MAFRD	Ministry of Agriculture, Forestry and Rural Development (Romania)
MAFWM	Ministry of Agriculture, Forestry and Water Management (Serbia)
MFA	Ministry of Foreign Affairs (Romania)
NGOs	Non-governmental Organizations
NRDN	National Rural Development Network
ODA	Official Development Assistance
PACT	Partnership for Community Action and Transformation (Romanian NGO)
PCM	Project Cycle Management
RBEC	UNDP's Regional Bureau for Europe and CIS Countries
RD	Rural Development
RSD	Republic of Serbia Dinar
SAPARD	Special Accession Program for Agriculture and Rural Development
SEE	South East Europe
SME	Small and Medium Enterprises
SWG RRD	Standing Working Group on Regional Rural Development
UNDP	United Nations Development Program
USAID	United States Agency for International Development

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FOREWORD



Dear Reader,

As Serbia works toward greater regional cooperation and integration in its efforts to secure the highest standards of human development, it continues to receive unwavering support from the United Nations Development Programme (UNDP) in reaching its objectives. UNDP is a committed partner in building sustainable capacities in order to foster the most advantageous environment for all of Serbia's citizens, irrespective of gender, ethnicity or creed.

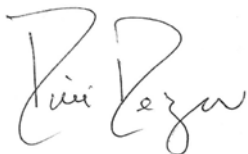
Although the quality of life in Serbia is improving, there are strong regional and rural-urban disparities in economic growth and availability of services. While the poverty rate was declining prior to the economic crisis, the most recent data show that the country is now backsliding and the number of poor is increasing, especially in rural areas which represent 48% of the country's population. Targeted measures are needed to close the economic gap between rural and urban populations, including through diversification of rural economies in environmentally and economically sustainable ways. Rural Serbia possesses immense development potential, which remains to be tapped.

It is thus with great pleasure that I introduce this publication as a means of highlighting the recent achievements to improve the competitive nature of Serbia's rural communities. The project "Strengthening Rural Social Capital and Networks" is a pioneering effort in promoting the EU's rural development policy and methodology in Serbia. In this task, the experience and expertise of Romania as a new EU member state has been valuable, and the

project benefitted from the sharing of information between these countries. In addition, the project highlighted lessons learned from Bulgaria, Hungary, Poland and Slovenia, whose experts and concrete project examples helped to illustrate the challenges of the accession process.

The concept of rural development needs to be based on more than improvements in the market orientation and competitiveness. Local cooperation and partnerships are essential for fostering well targeted project initiatives and ownership. This, in essence, is capacity development through the strengthening of social capital. The following report provides an overview of the project activities, recommendations for future actions, and descriptions of successful local initiatives.

In closing, I would like to take this opportunity to thank our partners – the Ministry of Agriculture, Forestry and Water Management, the Provincial Secretariat for Agriculture, Water Management and Forestry, and the Romanian Ministry of Foreign Affairs – for their support and cooperation. Their enthusiasm, energy, and resources over the course of this project have demonstrated their commitment to a prosperous future for the Western Balkans.

A handwritten signature in dark ink, appearing to read 'Rini Reza', with a stylized, cursive script.

Rini Reza
Acting Resident Representative
United Nations Development Programme, Serbia



Dear Reader,

Our rural economies face opportunities and challenges in equal measure as they try to compete in domestic and foreign markets. Currently, the socio-economic differences between the rural areas of the EU and Serbia are vast and eliminating disparities within our own borders is a critical step in increasing Serbia's competitiveness in the region – as well as Europe.

The rural population is highly dependent on the agricultural sector, which represents over 12% of Serbia's total foreign trade. As Serbia continues on the path of ensuring a prosperous future for its citizens, it has enhanced its efforts to address the mounting regional and urban-rural disparities in economic growth. In order to keep pace with the EU standards in this sector, measures supporting a diverse rural economy can lower poverty and raise the quality of life for Serbia's rural population.

To this end, this report for the project "Strengthening Rural Social Capital and Networks" provides considerable insight on the accomplishments of ongoing rural development efforts, while offering recommendations for future action. Building on the success of the National Rural Development Network, this project continued to encourage collaboration among actors at local and national levels, including through development of joint projects. Municipalities are being given the tools necessary to address their development needs collectively, which is an important prerequisite for sustainable growth and development.

As a closing remark, I would like to emphasize the positive implications that such projects have for regional cooperation. Serbia not only shares its largest border with Romania, but it also shares its objectives in improving the quality of life for all citizens and promoting sustainable development for the entire region.

It is my hope that cross-border cooperation projects in the future will experience similar success and continue to develop a more diverse, equitable and prosperous rural community.

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, likely representing the name Sasa Dragin.

Sasa Dragin

*Minister of Agriculture Forestry and Water Management
Government of Serbia*

Dear Reader,

As Elie Wiesel, a Nobel Peace Prize Laureate of Romanian origin, once said, *“Not to transmit an experience is to betray it”*. This line of thinking was instrumental in Romania’s decision to share its experience with neighbouring countries and provide development assistance.

In 2007, Romania launched its own development cooperation policy that corresponded to its increased visibility in the international arena as a new EU member state. As Romania assumes an enhanced role as a donor state, it joins international efforts to address issues such as poverty, enhancing governance and decentralization, and climate change. The Romanian Official Development Assistance (ODA) was directed primarily at the priority states of Republic of Moldova, Georgia and Serbia, with the objective of strengthening regional cooperation and developing these countries’ capacities as the integration process moves forward.

With this in mind, the decision by the Government of Romania to support the project “Strengthening Rural Social Capital and Networks” demonstrates a clear commitment towards sharing experiences and fostering regional co-operation. The inspiration for this project stems from Romania’s engagement in the EU accession process and the challenges that were encountered in the implementation of rural development policies.

The rural-urban disparities in Serbia are not unlike those once faced by Romania's rural population. Pursuant to the National Strategy of Cooperation for Development, the Ministry of Foreign Affairs (MFA) is aiming to increase the diversity of rural development strategies and initiatives. As you review this publication, it will be evident that our collaborative efforts have greatly contributed to inform and inspire rural groups to take an active role in their communities.

If the project activities and achievements outlined in this report are any indication of future success, further collaborative efforts will surely be beneficial for the citizens of Serbia, as well as the entire region. We look forward to continue sharing our experiences and cooperation in the future.

A handwritten signature in black ink, appearing to read 'Mihaela Rutjens', with a large, stylized initial 'M'.

Mihaela Rutjens
Head of the Assistance for Development Division
Ministry of Foreign Affairs
Government of Romania



Dear Reader,

The period of transition and European integrations, especially in economically poor surroundings, has gradually brought a socio-economic decline. The reasons for this trend lie in the fact that the rural population is mainly engaged in agriculture, local potentials are not fully utilized, and specific challenges come from the depopulation, age structure and outdated infrastructure.

The Rural Development Programme of the Autonomous Province of Vojvodina provides support in several areas, thus helping to activate local potentials, decreasing the migration of population to urban centres, and supporting economic diversification. Improving rural development in AP Vojvodina should be a continued process, which the EU supports as its own concept and the Provincial Secretariat for Agriculture, Water Management and Forestry also actively promotes.

The Provincial Secretariat for Agriculture, Water Management and Forestry supported the project "Strengthening Rural Social Capital and Networks" within its initiative to pilot the establishment of local action groups in five municipalities in AP Vojvodina. Within this process, we noted that the support from experts in the field of rural development and cooperation with all stakeholders involved in this project will create the pre-conditions necessary for development of a regional network of contacts, which is essential for all forms of cross-border cooperation.

I am personally very pleased, primarily as the Provincial Secretary in charge of agriculture, but also as the President of the National Minority Council of the Romanian Minority, that this project has been successfully finalized. I strongly believe that similar projects will be implemented in the future with the aim of promoting the development of rural areas.

A handwritten signature in black ink, appearing to read 'DP' followed by a long, sweeping horizontal stroke.

Daniel Petrovic

*Provincial Secretary Agriculture, Water Management and Forestry
Executive Council of the Autonomous Province of Vojvodina*

EXECUTIVE SUMMARY

The project “Strengthening Rural Social Capital and Networks” supported Serbia’s economic development by straightening local partnerships and helping to diversify local development strategies. Funded by the Government of Romania, the project was carried out in 2008-2009 by the Ministry of Agriculture, Forestry and Water Management (MAFWM) and UNDP Serbia.

This project represents a continuation of past rural development activities. The Vojvodina Secretariat for Agriculture supports the development of local action groups and local development strategies in seven municipalities. Moreover, the MAFWM supported the creation of the Network for Rural Development covering 140 municipalities in Serbia with the aim of promoting rural development. The project “Strengthening Rural Social Capital and Networks” used these resources and further developed capacities of the municipalities of Alibunar, Zitiste, Mali Idjos, Coka, and Irig.

Serbia’s rural economies face a growing number of challenges, as well as opportunities, as they try to compete in domestic and foreign markets. A competitive rural economy requires a balance between agricultural production, other economic activities, environmental protection, and social development. In the past, rural development has focused on improving agricultural performance, increasing competitiveness, consolidating land and improving market orientation. More recent rural development policies focus on the integration of environmental protection principles in agricultural production and the sustainable use of resources. Measures supporting the diversification of the rural economy in socially, economically and environmentally sustainable ways are needed for rural Serbia to improve its quality of life, lower poverty and fight social and environmental degradation of natural resources.

Local administration and partnerships represent key factors for the successful definition and implementation of development strategies, especially

concerning the quality of life in rural communities and the socio-economic stability of small rural households. The involvement of actors at the local level includes the population at large, civil society organizations, as well as public and private sector representatives. To this end, the use of the LEADER approach fosters collaboration among local actors, which involves highly individual projects designed and executed by local partnerships to address specific needs in the community. In addition, by initiating Local Action Groups (LAGs) in the target municipalities, individual efforts are consolidated towards common objectives, using a bottom-up approach for sustainable rural development.

An initial 'Conference on Rural Development through Establishment of Local Action Groups' was held on 12 November 2008, in Novi Sad. The event hosted over 100 stakeholders and local representatives from the Autonomous Province of Vojvodina. The purpose of the conference was to educate participants on the experiences of new EU states (Bulgaria, Hungary, Poland, Romania and Slovenia) in the creation of LAGs. Problems experienced by new EU members led to difficulties in absorption of funding, thus hampering sustainable development efforts. It is crucial that Serbia's policy makers learn from this experience and strengthen inter-sectoral cooperation.

The conference was followed by the training needs assessment, which indicated the participants' interest in learning about good practices from the new EU member states, in addition to project management and other key topics. In addition, the project supported the 'Training of the Trainers', which increased the number of people who can provide information to the local communities on the LEADER approach, local planning and Local Action Groups.

Overall, the trainings were geared towards actual project development and implementation. The exercises were designed as a practical experience, as five LAGs produced projects in accordance with the LEADER guidelines. The best project proposals were rewarded with seed funding. For example, in Alibunar, this small grant was used to organize a Fair of Honey, Herbs & Fruit (www.leader.org.rs/) as part of promotion of the commercial development opportunities in the Deliblato Sands. Similarly, in Irig the small grant was used to develop souvenirs and train local women to produce them. By pro-

viding links with the private sector and especially rural tourism potentials, these examples represent a practical approach that not only encouraged local partnerships but also fostered regional cooperation.

As a pioneering initiative, the project “Strengthening Rural Social Capital and Networks” yielded promising results for rural development and encouraged local communities to participate in addressing the specific problems they face. Nevertheless, the progress is in its early stages and continued efforts are needed to strengthen partnerships between the public, private and civil society stakeholders.

BACKGROUND

2.1 Serbia's Rural Economy

Agriculture is the primary occupation of a large part of Serbian population. Just under half of the total population lives in rural areas. Agriculture represents an important factor in the Serbian economy, as well as foreign trade (trade of agricultural products makes for around 12% of the country's total foreign trade). These facts put agriculture in a specific position in the country's economic, social and ecological system.

Main characteristics of urban/rural Serbia

GDP for 2004 ¹	Serbia	Urban Total	Rural Total
GDP (mill. EUR)	14,101	8,334	5,768
% Primary sector in domestic product	19.33	10.23	32.48
% Secondary sector	39.48	38.34	41.12
% Tertiary sector	40.79	50.99	26.06
% Public sector	0.40	0.44	0.34
% Agriculture, hunting, forestry, water management	16.33	7.01	29.81
GDP per capita Serbia =100%	100.00	132.82	73.60

Serbia's rural economies face a growing number of challenges, as well as opportunities, as they try to compete in domestic and foreign markets. A competitive rural economy requires a balance between agricultural production, diverse economic activities, environmental protection, and social development. In the past, rural development has focused on improving agricultural performance, increasing competitiveness, consolidating land

1 More recent data is not available. Bogdanov N. (2007): "Regional Dimensions of Rural Serbia", draft version, for Baseline Analysis Report for Rural Development Programming, EU Project "Support to a Rural Development Programming and Payment System", Belgrade Serbia.

and improving market orientation. More recent rural development policies focus on the integration of environmental protection principles in agricultural production and sustainable use of resources. Measures supporting the diversification of the rural economy in socially, economically and environmentally sustainable ways are needed for rural Serbia improve its quality of life, lower poverty and fight social and environmental degradation of natural resources.

In spite of economic growth over the past eight years, regional and rural-urban disparities, and social exclusion of vulnerable groups still remain concerns in Serbia. While the poverty rate was reduced from 14% to 6.6%, due to the effects of the economic crisis data now indicate its rise to 9.2%. It can be assumed that the rural-urban disparities have only worsened in the last year. Since rural areas represent 85% of Serbia's territory, 55% of its population², and 41% of GDP, this problem is of key importance for the country. Roughly 75% of the rural population is engaged in subsistence agricultural production, with only an estimated 20% producing for markets. These statistics show that, while the Serbian economy is highly dependent on agriculture and the rural sector, many rural economies remain underdeveloped. While official unemployment Serbia-wide is 18%, in many rural regions it approaches 25%. Per capita GDP in most rural regions throughout the country is 70%-85% of the Serbia-wide per capita average. Due to this situation, rural development has been a priority of the government and international donors in Serbia.

The main differences in the socio-economic situation between rural areas in Serbia and in the EU are given below. We can see that rural areas in Serbia are lagging behind in development, but possess important development potential.

2 Official Census, 2002.

Main characteristics of rural areas of EU and Serbia³

Basic features	EU Countries	Serbia
Socio-economic structure	<ul style="list-style-type: none"> • 18% of total population in EU lives in predominantly rural areas • 8% of economically active population is employed in agriculture • 20% of active rural population working in agriculture 	<ul style="list-style-type: none"> • About 55% of Serbian population live in rural areas • About 33% of those employed are working in the primary sector • 75-80% of active rural population is somehow involved in farming
The State of agriculture	<ul style="list-style-type: none"> • High productivity • Well equipped farms with average size of 20 ha • Support to agriculture since the 1860s 	<ul style="list-style-type: none"> • Low productivity, small farms (3.5 ha), poor equipped with low use of inputs • Low and uncertain governmental support
Rural infrastructure	<ul style="list-style-type: none"> • Well developed 	<ul style="list-style-type: none"> • Poor infrastructure (economic and social)
Development potential	EU Countries	Serbia
Human Resources	<ul style="list-style-type: none"> • High level of local resources 	<ul style="list-style-type: none"> • Low level of local capacity, education and initiative
Cooperating association	<ul style="list-style-type: none"> • Setting up partnerships • Network of projects 	<ul style="list-style-type: none"> • Without partnerships, only individual projects • Small progress in setting-up producers and groups associations
Local Community	<ul style="list-style-type: none"> • Developed profit organizations and Local Action Groups • Innovative and effective local entrepreneurs 	<ul style="list-style-type: none"> • Small influence and power of local community and informal groups • Ineffective decision making process (top-down), low entrepreneurial capacity
Programs and financial support	EU Countries	Serbia
Funds, financial sources	<ul style="list-style-type: none"> • Structural Funds and LEADER I, II, LEADER + • National programs 	<ul style="list-style-type: none"> • Donation, pilot projects • Small amount of money from Municipal budget (mainly for communal infrastructure)
Actors	<ul style="list-style-type: none"> • Governmental institutions • Science/Research • Powerful non-governmental sector • Local action groups 	<ul style="list-style-type: none"> • The MAFWM, since 2005, established department for rural development • NGO (small influence and funds) • Local entrepreneurs and authorities

³ Bogdanov, Natalija (2007), Small Rural Households in Serbia and Rural Non-farm Economy, p. 63-64.

Development priorities	EU Countries	Serbia
Main rural development objectives	<ul style="list-style-type: none"> · Competitiveness of agriculture · Environmental protection by reform of farming practices 	<ul style="list-style-type: none"> · Increasing productivity · Trade, processing, SMEs
Medium term aim	<ul style="list-style-type: none"> · Diversification of economic activities 	<ul style="list-style-type: none"> · Developing infrastructure · Strengthening institutions and organizations of all actors
Strategies components and respectable factors	<ul style="list-style-type: none"> · Focus on viability of local community, by mobilization of local potentials · Development of local sector of services, private-public partnership and network 	<ul style="list-style-type: none"> · Focused on SMEs and rural tourism · Poor funds and financial support · Low level of employment and possibilities for new business opportunities · Local actors without initiative

2.2 Position of Women in Rural Serbia

In Serbia, women make the largest percentage of “family helpers”, in other words people engaged in a family business without being paid for the work done. While this category of active persons is vanishing in the EU (0.9% of total employment), according to the 2007 Labour Force Survey, family helpers account for 6.7% of total employment in Serbia – over 180,000 people – and 74% of them are women⁴. In addition, an overwhelming majority of helping household members (93%) are engaged agriculture related activity (Labour Force Survey 2006).

Gender Best Practices

In order to promote equitable gender balance and representation, the following good practices should be applied:

⁴ Babovic, Marija and Vukovic Olivera, *Rural Women as Helping Members of Agricultural Household: Position, Roles and Social Rights*, UNDP (2009), <http://www.undp.org.rs/index.cfm?event=public.publicationsDetails&revid=C6DD9061-3FF2-8C75-2CF84B8B062E458D>.

- Ensure project staffing takes into consideration gender balance desired in project outputs.
- Use community leaders, both women and men, to serve as examples of success.
- Specifically target both women and men engaged in business and farming activities.
- Incorporate gender responsive programming that seeks inclusion of both women and men in project activities.

The UN General Assembly resolutions 62/136 and 62/206 deal specifically with improving the situation of women in rural areas and propose the following activities:

- Create an enabling environment for improving the situation of rural women and ensuring systematic attention to their needs, priorities and contributions. This includes their full participation in the development of policies and programs.
- Pursue the political and socio-economic empowerment of rural women and support their full and equal participation in decision making at all levels.
- Promote participation of women with disabilities in rural development programs and strategies.
- Integrate gender perspective into the design of development policies, and ensure that the disproportionate number of rural women living in poverty is reduced.
- Ensure that women's unpaid work is recognized; support remunerative non-agricultural employment of rural women.

2.3 Official Development Assistance of the Government of Romania⁵

Starting in 2007, the launch of Romania's own cooperation policy for development has allowed for the diversification of diplomatic approaches beyond classical political-military actions, in line with Romania's increased visibility

⁵ Ministry of Foreign Affairs, Government of Romania, Report on Romania's Foreign Policy 2005-2008, p.21, http://www.mae.ro/poze_editare/2008.11.26_RaportMAE_eng.pdf.

and new status in the international arena. In its new capacity as an Official Development Assistance (ODA) donor, Romania has joined the international community's efforts to address issues such as poverty, climate change, illegal migration, etc. This has favoured the development of national expertise in new specialized areas, both at governmental and non-governmental levels. In putting into practice Romania's objectives in the cooperation policy for development, the Romanian Ministry of Foreign Affairs has implemented the *Government's Decision 747/2007 on specific actions related to financing assistance in the national policy for international development cooperation*, thus creating the institutional structure and the internal framework that regulates Romania's official assistance for development.

On the national level, Romania reported in 2007 an ODA contribution of 0.07% of the Gross National Product (about 80 million Euros). Those funds were directed to priority states (Moldova, Georgia and Serbia), Romania's strategic interests (Afghanistan and Iraq) and a series of regional projects (in the Black Sea basin and the South Caucasus). As Serbia is a priority country for Romania's ODA, the Romanian Government contributed USD 592,000 for two projects, one on the notions of justice and the other on rural development. Moreover, the 2007-2009 Romania-Serbia Cross-border Cooperation (CBC) Program was launched on 8 May 2008, followed by the launch of the first call for proposals on 30 April 2009. The framework for Cross-Border-Cooperation between Romania and Serbia has been put in place and made operational through the 2003 European Border Initiative and the 2004-2006 Neighbourhood Programmes financed through the EU pre-accession (PHARE) programmes for Romania.

Serbia remains one of the main partner countries for Romanian ODA. Opportunities for further cooperation and identification of priority sectors and projects for Serbia, to be addressed by Romanian ODA, are the objects of continuous dialogue between the two countries.

DESCRIPTION OF PROJECT APPROACH AND ACTIVITIES

Local administration and partnerships are crucial for the successful application of development strategies and other interventions concerning the quality of life in rural communities and the socio-economic stability of small rural households. The involvement of actors at the local level includes the population at large, civil society, as well as public and private sector representatives. In order to foster capacity development and increase social capital and partnerships in rural areas, a bottom-up approach must be adopted, involving:

- Awareness raising, training, participation and mobilization of the local population to identify the strengths and weakness of the area (analysis);
- Participation of different interest groups in drawing up a local development strategy;
- Establishment of clear criteria for selection of appropriate local actions (projects) to implement the strategy.

The process of building social capital is dependant on the availability of public and private sector participation. The social capital shapes, both in positive and negative terms, the capacity of local institutions to support development projects and strategies. In other words, communities with a high level of social capital have stronger planning and implementation capacities.

Involvement of multiple stakeholders within local communities is desirable at the initial phase of the development process and throughout the course of implementation. Desired outcomes are attained using:

LEADER approach⁶: LEADER is an approach that mobilizes and delivers development at the local level in rural communities that

6 "Liaison entre actions de développement de l'économie rurale" (meaning 'Links between the rural economy and development actions').

encourages rural communities to explore new ways to become or remain competitive by planning and implementing sustainable strategies. It is strongly focused on strengthening local partnerships and networks for the exchange of experiences and examples of best practices. From 2007 LEADER is no longer a separate program but should be integrated in all EU national and regional rural development programs. Serbia will soon be eligible for EU pre-accession funds to support development of local partnerships for strategic planning and LAG formation as a mechanism for rural development.

Local Action Groups: A LAG is a local partnership that plans and implements Local Action Plans, rural development strategies, allocates financial resources, and manages implementation. LAGs are an important feature of LEADER, as they aggregate human and financial resources, associate local players through cooperative initiatives, strengthen dialogue and cooperation between rural actors, and facilitate local actors to adapt and improve.

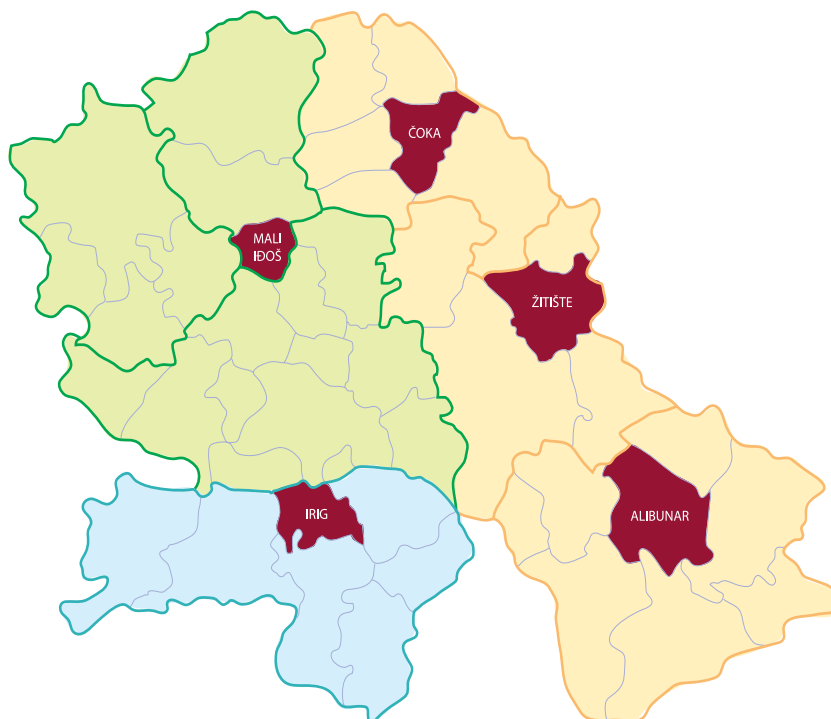
The LEADER approach and Local Action Groups are important for improving Serbia's rural planning processes through measures for rural economy diversification, strengthening social capital and environmental protection. Moreover, they represent the foundation for the future implementation of the Instrument for Pre-accession Assistance for Rural Development (IPARD). It should be noted that LEADER funds constitutes only 5% of total IPARD funding. This percentage was lower in Romania and Bulgaria (2.5%). However, some EU member states (e.g. Germany, Ireland) supplement this amount through their national budgets and have increased this sum to 10% or more.

This project is linked the existing potentials of individual rural municipalities in the Autonomous Province of Vojvodina using the LEADER approach methodology. The project was implemented in **five municipalities of Vojvodina, namely Alibunar, Zitiste, Mali Idjos, Coka, and Irig**. These municipalities were targeted because of their:

- Small size (less than 30,000 inhabitants);
- Multi-ethnicity (including the number of ethics groups and their percentage as a portion of the population);

- Low GDP per capita and high % of GDP from agriculture, hunting, forestry and water management;
- Population change (high levels of depopulation and high level of the emigration of women); and
- High levels of poverty, unemployment and people with only primary or no formal education.

THE AUTONOMOUS PROVINCE OF VOJVODINA



For detailed characteristics of the target municipalities, please see the following table:

Key Municipal Statistics	Mali Idjos	Zitiste	Alibunar	Coka	Irig
Geographic Indicators					
# of Settlements	3	12	10	8	12
Human Development Indicators					
Population	13,494	20,399	22,954	13,832	12,329
Working Age Population (15-64)	8,923 (66%)	13,055 (64%)	14,673 (64%)	9,087 (66%)	8,090 (66%)
Education, >15 years old					
No Formal Education	24%	34%	32%	32%	28%
Primary School	29%	30%	29%	28%	28%
Secondary School	41%	31%	32%	35%	36%
Faculty/College	6%	5%	6%	5%	5%
Unknown	0.3%	0.4%	2%	0.3%	3%
Unemployment: Total	26%	17%	21%	17.5%	28%
Unemployment: Women	29%	17.8%	21.5%	18.5%	31.3%
Economic Indicators					
GDP (RSD)	906,565	2,348,193	1,796,757	1,109,024	1,196,685
GDP per capita (RSD)	67.18	115.11	78.28	80.18	97.06
GDP per capita (Serbia = 100%)	48.93	83.85	57.02	58.40	70.70
Agriculture Indicators					
% of agricultural land as total area of municipality	93.38	90.85	85.60	91.87	74.87
Agricultural land, Total (ha.)	16,746	46,272	46,309	23,087	16,058
Number of Farms	1,925	4,672	3,805	2,985	1,721
Up to 1 ha.	803	1,488	1,020	1,091	495
1 to 3 ha.	637	1,118	855	1,098	479
3 - 10 ha.	394	1,445	1,240	703	612
Over 10 ha.	91	621	690	93	135

Project activities promoted the diversification of the rural economy by strengthening rural social capital and improving the capacity of local actors for program development.

The project represents a continuation of past rural development activities. The Vojvodina Secretariat for Agriculture financially supported the development of local action groups and local development strategies. In addition, the Serbian MAFWM supported the creation of a Network for Rural Development in 140⁷ municipalities in Serbia, which aims at promoting rural development while strengthening existing partnerships and creating new ones.

The project “Strengthening Rural Social Capital and Networks” contributed a bottom-up approach to these efforts in order to ensure that changes are well grounded and sustainable. The training and support provided to LAG coordinators, representatives of the local self-governments and Network for Rural Development focused on the LEADER approach, project proposal development, financial planning, and the project management cycle. The key results of this project are 12 new rural development projects, the creation of new LAG-type partnerships, and the strengthening of existing partnerships in target municipalities using the LEADER approach. Ultimately, five communities received seven small-grants as seed funds for their project proposals. These pilot projects will serve as successful practical examples on the implementation of the LEADER approach and positively influence the creation of LAGs as sustainable development strategies.

The project consisted of the following activities:

- Recommendations for LEADER and LAG development in Serbia
- Recommendations for the National Rural Development Network
- Conference on Rural Development Through the Establishment of Local Action Groups, held on 12 November 2008 in Novi Sad, Serbia
- Study Visit to Romania, 30 June – 4 July 2009
- Support for establishment of the National Expert Group for Rural Development

7 Ministry of Agriculture, List of Rural Development Network Centres, http://www.minpolj.sr.gov.yu/index.php?option=com_content&task=view&id=218&Itemid=79&lang=lat.

- LEADER and Local planning Training of Trainers, held on 6-10 April 2009 in Andrevlje, Serbia
- Trainings on Financial Planning, held on 31 March and 1 April in Novi Sad, Serbia
- Trainings on Project Cycle Management, held on 6-10 April 2009 in Andrevlje, Serbia
- Local projects supported through small grants, and 12 project proposals developed.

PROJECT RESULTS

4.1 Recommendations for future LEADER and LAG development in Serbia⁸

There is a growing awareness in Serbia that modern concepts of local and rural development management require transformation of outdated organizational and managerial structures and that the government needs to delegate and share some of its competencies with other interested parties. Decentralising government competencies is especially important for the rural areas and agricultural sector, as well as locally developed strategies that will take into consideration specific needs and limitations of the communities. This can be addressed by strengthening the capacity of local communities to become leaders in sustainable rural development through the establishment, training, and operation of LAGs.

The inclusion of the LEADER approach and the formation of Local Action Groups as part of rural development processes in Serbia are highly recommended, given that the LAGs:

- facilitate the inclusion of various stakeholders in the local development process, including the marginalized groups
- promote local dialogue and cooperation
- breed the development of new and creative ideas for the regeneration of rural areas
- encourage cooperation with other territories for experience exchange, with the final aim of making the rural areas an attractive place to live and work.

The following recommendations should be considered for any program dedicated to supporting the formation of LAGs in Serbia:

⁸ This chapter was written based on analysis and recommendations provided by Natalija Bogdanov, PhD, expert for rural development

Build the LAGs around valuable local resources: The new territory created under the LEADER program should not be an artificial administrative delimitation, but united around some valuable, underused local resources. It could be the bank of a river, a mountainous area, a historical site, a local tradition. All these resources could be brought into consideration and be given economic value, making the rural area a more attractive place to live.

Invest as much as time/resources as needed in the facilitation of the local partnerships: The quality of local partnerships is the foundation of subsequent development activities of the LAG. Although partnerships can occur organically under the influence of strong local leadership, it often requires facilitation and intervention to foster and enhance cooperation.

- Partners do share common interest for the development of their territory, even when adhering to their own agendas
- Communication within the partnership is transparent and constructive
- The partnership is in itself independent and not taken over by one particular individual or group
- The partnership reflects the criteria established through the LEADER program.

Selection and training of LAG animators (facilitators): The animators need to be selected through an open, nation-wide competition. It is recommended that a target of at least 30 practitioners be trained as LAG animators. They will support local communities in the LAG formation process, drafting and implementing the local development strategies and managing the project cycle. The selected participants that are successful in the initial training modules will proceed to advanced training (LAG management, organizational development, designing local development strategies, project management cycle) and then finally tested in order to be approved as LAG animators.

Some of the recommended criteria for selecting animators are educational background; experience in working on community development issues; experience in strategic planning and/or moderation of groups; awareness and knowledge of European and national level rural development policies; good communication skills; willingness for intense travel around the country and the dedication required for several weeks of training.

In addition to the training and skills development, the facilitators would also require encouragement, given that the work needed to initiate and develop a LAG is challenging for many reasons:

- the power imbalance: the facilitators are usually concerned citizens or NGO leaders who deal with local politicians and business people
- the need to negotiate/balance different agendas: each party comes with its own agenda and interests in the formation of LAGs.

Selection of participating communities (partnership applications): The scope of the information campaign(s) for LEADER-type partnerships depends on whether the project intends to cover the entire territory of a country or focus on just a particular region. The informative materials need to be written in simple language to explain what kinds of support could be received. They should also contain eligibility criteria and application procedures. The community interested should submit a letter of interest that demonstrates motivations and a commitment to establish a LAG partnership. The letter should also be signed by a minimum of 3 representatives of the local government, NGO and private sectors. The recommended criteria is a population size in the area of **10,000-150,000** inhabitants; potential and coherence of the territory; representativeness and coherence of the proposed public-private partnership; human development index (if available in UNDP reports); unemployment rate, diverse workforce characteristics e.g. out-migration, age, skills, ethnicity; availability of unused or under-utilized resources; prior experience with donor-funded community development projects.

As a pilot initiative, it is advisable to begin program development in **areas where there is a history of citizen participation, public-private cooperation, community projects, and NGO activity**. A major obstacle in the facilitation of LAGs in Central and Eastern Europe and the Balkans is the limited history of democratic cooperation in local development processes. There is a traditional mistrust between the citizen and the state, between the state and the NGOs, or between the NGOs and businesses, which makes it difficult to work in private-public partnerships. For this reason, it is recommended LAG facilitation begins where there is any history of community cooperation. In order to achieve this, one can make an inventory of the recent community development projects which had previously taken place in the region.

Supporting LAG formation and management: Once prospective LAG partnerships are selected, the involvement of animators at the stage of actual LAG formation will bring in independence and a capacity building effect. The biggest threat to a LAG is that it starts and stays as a “**small circle**” activity, where funds are shared predominantly within the circle. A bottom-up development approach will succeed only if sufficient information is available to as many stakeholders as possible and the entire process is open to the media. LAG members should represent all interested stakeholders – local government, NGOs, private sector, professional associations, cooperatives, agricultural producers, youth groups, other public servants (for example, teachers), etc. In principle, the commitment of mayors is strongly encouraged, however, the Mayor’s influence on the LAG should be regulated through a maximum number of representatives in the LAG Board (for example of max. 30%).

An appropriate size of a LAG which can ensure wide representation and operational effectiveness is **25-30 persons** and shall elect a Managing Board (recommended size **5-9 persons**). Board members shall live permanently on the territory of the LAG to ensure local ownership and strong ties to the community.

The project’s overarching approach should be to gradually build the administrative autonomy of LAGs. It should provide the newly formed LAGs with funds to cover their everyday operation costs during project duration⁹. LAGs will also need financial resources and human capacities for **public outreach activities** – to spread information about their work and organise meetings in the settlements outside of the municipal centre. It is recommended that the respective municipal administration provide adequate office space to facilitate LAG operation.

The work of LAGs also means **creativity and innovation**, which can be challenging to achieve. Experiences within community projects have shown that without fresh and creative sources of inspiration community groups tend to replicate older, outdated initiatives. Therefore, providing LAG representatives with sources of inspiration and guidance is very important. For example:

⁹ In the initial phase of administration of smaller LAGs, no more than 1-2 full-time paid positions per LAG are required (in addition to office management, communications, travel, and other costs).

- written case studies to be shared through websites, workshops
- site visits
- common activities with other LAGs

Developing local strategies: Sufficient project resources should be allocated to the development of area-based local strategies and the accompanying training of LAG members. LAG members need to complete a series of workshops in the following areas:

- Strategic planning
- Project identification
- Participative methods
- Project cycle management
- General introduction to LEADER principles and processes
- Analysis of community needs and resources.

It is also strongly recommended to train especially the LAG Managing Board members in public relations and project cycle management.

It is also recommended that the external consultants' input to the local development strategies should be mainly with respect to the SWOT analysis. Stronger local ownership of the strategy correlates to success. The local development strategy needs to evolve in parallel with individual project ideas. No projects should be financed prior to finalization of the strategy. LAGs should be encouraged to think about concentrating the limited funds available into a particular development area (thematic and/or geographic), critical for the local development. Animators need to play a leading role in the strategy development process to ensure that LAGs stay focused on key priorities for the area and do not overstretch to unrealistic income generating activities (for example tourism development) which may be irrelevant to the area.

Creating a 'Demonstration Projects Fund' for LAG projects: Practicing project development and implementation prior to IPARD application, as recommended by international experts, plays an important role in maximizing the absorption of IPA funds once they become available (especially in the poorest regions). It is highly recommended that preparatory activities include a Demonstration Projects Fund. Its objective will be to finance projects related

to the implementation of local development strategies. The amount of funds available for the demonstration projects depends above all on the overall budget, but it seems that **up to 50,000 EUR** per project and **2-3 projects** per LAG might be appropriate to ensure some impact. It is recommended that the duration of individual projects is **10-18 months**. The beneficiaries can be local governments, registered agricultural producers, agricultural, forestry, eco-tourism or other businesses, professional associations, cooperatives, non-profit organizations, and individuals on the territory of the LAG.

LAG members should make extensive communication efforts to inform local communities about the project results (e.g. permanent job places created, sales volumes, generated incomes, etc.). Regular **reporting to local communities** is critical for building trust, retaining local ownership of the projects, and demonstrating tangible results for local people. LAGs should include extensive public relations and communication strategy in their operational plans. Currently, the LEADER approach and the work of LAGs are known to only a small group of rural development professionals and community leaders. Given that the aim of this mechanism inclusiveness and participation – and any community member is a potential member of the LAG – it is essential that the approach is well known to the general public. It is therefore recommended that LAG activities should be extensively advertised and everyone in the community should be invited to participate, if they so desire. Several different mechanisms could be used for an extensive advertising campaign, for example: local media, local channels of communication (school, church, local bar), using posters or fliers.

The LAG, as an independent local development organization, is not bound to function exclusively under the LEADER program. Ideally, the LAG mechanism should be created to remain within the community for an extended period and bring an important contribution to the process of local and regional development. LAGs could tap into alternative sources of funding to continue their activity while partaking in policy development.

4.2 Recommendations for the Strengthening of the National Rural Development Network¹⁰

The MAFWM is undergoing an important period of harmonization with EU standards in various areas, and the preparation for the LEADER approach and support to Local Action Groups is a key aspect of this process. The National Rural Development Network (NRDN) was established by the Ministry of Agriculture, Forestry and Water Management to meet specific needs and strengthen the support for rural development at local level. This section provides a summary of recommendations for the NRDN's development in 2009-2010.

The goals of the Network are to provide:

- access to information for rural areas, such as agricultural and rural development policies and other national and European policies relevant for the rural population.
- continual dissemination of information to all network members through demonstration of the best practices and successful initiatives from Serbia, Europe and the world at large, in order to improve the expertise of local stakeholders and stimulate creativity and new ideas for development and deployment of the existing rural development potentials at the local level.
- equal opportunities for all rural areas in the country to apply for funding from the government budget.
- continuous and sustainable support for the NGO sector working in the area of rural development, covering its social, economic and environmental aspects.
- continuous training for the Network members and improvement of the Network's functioning through a variety of educational programs focusing on the work methodology and implementation of the national and regional projects.

Currently, the Network is working to improve the dissemination of information among beneficiaries using funds from the national budget allocated for rural development and agricultural support. The emphasis is on the direct distribution

¹⁰ This chapter was written based on analysis and recommendations provided by Suzana Djordjevic Milosevic, PhD, Serbian expert for rural development

of relevant information to potential beneficiaries in sub-regional and regional centres – through farmers' markets, visits to villages, and panel discussions. Such direct communication efforts are also complemented by indirect methods such as information distribution through the media and the use of leaflets, and brochures. The Network is supporting local communities by helping them to identify the priorities and select the best means to achieve their objectives (for the time being this is limited to Participatory Learning & Action/Participatory Rural Appraisal training programs organized in one pilot village per municipality). In addition, the Network continually assists the beneficiaries of the Government funding schemes, particularly in navigating the administrative procedures.

The Network has started distributing information on the best practices and most successful initiatives in Serbia to the rural population in order to increase their knowledge and stimulate creativity and new ideas for development and deployment of the existing rural development potentials at the local level. To improve on past information campaigns, precise criteria of best practices should be defined and stronger links between the Network and consulting services provided by the Ministry should be present. To better promote successful initiatives, provide information on agricultural and rural development policies and other national and European policies, and improve access to information on the process of planning, design and locating professional assistance needed to develop business plans, the Network could expand its effort in several areas.

The Network must **secure links with national networks, especially the Chamber of Commerce, regional economic development agencies and regional SME development agencies**. It should also focus on facilitating partnerships and joint action of the local government bodies, NGOs and the civil sector for the purpose of development of efficient services for local communities. Moreover, the Network must work to secure the involvement of currently inactive organizations, while promoting the establishment of new ones, in order to support cooperation with the private and public sector, government organizations and other local rural development stakeholders. Growth of these partnerships will help integrate local community interests through the establishment of LAGs. It will also stimulate dialogue for the establishment of the foundations needed for future deployment of IPARD funds.

It is therefore important that **information, expertise and experience are provided to beneficiaries** (and potential beneficiaries). Particularly important is the information acquired through implementation of various development projects in the areas of agriculture, rural development and general economic development, environment protection and development of civil society, education, health care and other areas of relevance for rural development. The Network must also provide support to the individuals interested in applying for the Government's funding programmes in the area of project planning and drafting, as well as the formulation of strategic objectives and project implementation.

However, the current activities of the Network are limited in terms of financial and human resources. The number of personnel, expertise, and in some cases support from local government bodies and institutions is limited (including media and political organizations). Current activities in most cases include support to registered agricultural households in claiming their rights to receive subventions or in apply for the rural development support programs.

In order to carry out other activities and achieve other objectives as planned it is necessary to provide **continual training** for the Network members and keep improving the Network functioning through a variety of educational courses covering methodology and implementation of individual projects of national and regional significance.

Training needs assessment for building of an institutional rural development support system

MAFWM: In order to effectively support the work of the National Rural Development Network, the Sector for Rural Development at MAFWM needs further capacity development, especially in non-agricultural economic activities (i.e. agro-ecological issues).

Regional Centres of the Rural Development Network: Regional centres are mostly perceived as territorial centres, but in the future they will have to "outgrow themselves" and become capable of covering all aspects in the whole terri-

tory they are in charge of, operating as a single unit in conjunction with the sub-regional centres in their areas.

Sub-regional centres: In order to preserve motivation in sub-regional centres, careful attention should be paid to the complexity of tasks assigned, as available funds for their activities are relatively small. Engaging young underemployed professionals could also lead to strengthening the teams in these centres while concurrently introducing new tasks. Of course, in the process of team development it is necessary to take care to avoid any duplication of capacities with the municipal agricultural departments or agricultural centres.

Networking at the regional level within South East Europe: The establishment of cooperation with the Standing Regional Working Group for Rural Development of Southeast Europe (SWG RRD)¹¹, which has a seat in Skopje, FYR Macedonia, could be a major asset for the Serbian Rural Development Network.

Networking at the international level – EU: Rural development networks are mandatory for all EU member countries and are attracting growing attention from the countries that are still in the process of accession. The key benefit is the possibility of cooperation with the LEADER program, but also exchange of experience and the best practices.

Assessment of Human Resource Needs

As we have emphasized already, no segment of the rural development support system has been the subject of a detailed analysis by experts. However, the work procedures already conducted within the network and meetings with employees have provided some indications. Skill building should focus on the motivational techniques needed to engage stakeholders in local communities and at the government level, while generating public awareness (public and media relations). To this end, developing communications and

11 The Standing Working Group consists of the Ministries of Agriculture from Albania, Bosnia & Herzegovina – Federation and Republika Srpska, Bulgaria, Croatia, FYR Macedonia, Montenegro, Romania, Serbian Government and the authorities of the AP Vojvodina, Slovenia, and UNMIK Kosovo. For more information, please see <http://www.seerural.org/>.

computer skills also requires attention. A general curriculum for the education of experts on national policies, fundraising, PCM, and monitoring and evaluation of RD support measures should also be considered important human resource requirements, while specialized areas should focus on LEADER principles, the establishment of LAGs, the management of LAGs, and LAGs network development.

Many of the network needs can be projected only through analysis of the envisaged tasks. This calls for adoption of the Network work plan. Based on the required dynamics and tasks in the area of rural development support in Serbia the tasks and required expertise for the period 2009/2010, should focus on four areas: advancement of the system (network), situation analysis (triangulation), strategic planning, and action planning.

4.3 The Conference on 'Rural Development through the Establishment of Local Action Groups

From the moment of implementation, the project "Strengthening Rural Social Capital and Networks" focused on the establishment of partnerships. The conference, held in Novi Sad on 12 November 2008, was the first joint event where organizations such as GFA and ICDT had the opportunity to present their experience related to rural development initiatives and LAGs.

GFA provided experts from Poland and ICDT from Hungary. The conference also included presentations from experts from Romania, Bulgaria and Slovenia.

Participants of this event therefore had the opportunity to learn more about LEADER from top experts from five countries in different stages of implementation.

After this first event ICDT continued to support the project by organizing 'trainings of trainers' on the LEADER and local planning. These activities are covered in subsequent chapters.

This event was co-organized by the MAFWM, the Vojvodina Secretariat for Agriculture, UNDP Serbia, ICDT Hungary, and private consulting firm GFA. It gathered over 100 policy makers and local stakeholders from the Autonomous Province of Vojvodina. It included presentations by these regional experts:

- Roxana Florescu, Consultant from the PACT Foundation, 'Romania Experience in the establishment of LAG in Romania'
- Kiril Kiryakov, expert from Bulgaria, 'Experience in Establishing Local Action Groups in Bulgaria'
- Bogoj Filipic, BSC Business Support Centre Kranj, 'LEADER and Rural Tourism in Slovenia'
- Marta Marczis, Rural Development Foundation Hungary/UNDP RBEC
- Judit Tothne, LAG manager Volgy – vidék LEADER community
- Sandor Coles, International Centre for Democratic Transition, Hungary
- Urszula Budzich-Szukala, Cooperation Fund Poland / Polish Rural Forum Board
- Halina Siemaszko, Executive Director of the Centre for Business Promotion & Entrepreneurship in Sandomierz (Southeast Poland)
- Natalija Bogdanov, Serbian key expert in area of rural development

Experience from the new EU member states showed that the path to development of Local Action Groups was not easy and the challenges of rural development actually limit these countries' access to EU funds. It is therefore crucial that local and regional actors in Serbia begin to adopt the LEADER approach and establish LAG-type activities as appropriate mechanisms for rural development initiatives. Some forms of partnership between the civil society, private and public sectors already exist in Serbia, but the rural social capital and inter-sectoral cooperation are generally underdeveloped.

For an overview of the lessons learned in LEADER implementation in new EU member states, please see the table below.



Ms. Roxana Florescu, expert from Romania, presenting at the Conference on Rural Development through Establishment of LAGs

Lessons learned in LEADER implementation		
Romania	Bulgaria	Poland
<ul style="list-style-type: none"> • There were difficulties in the creation of adequate legal entities and structures. • Getting all 3 sector partners interested and still maintaining independence can present a challenge. • Political and financial independence can be challenging, especially in election periods. 	<ul style="list-style-type: none"> • The need to agree upfront on a common specific goal within a specific area. It was vital for each partnership to find clear answers to the questions: "What are we partnering for?", "Who are we partnering with?" and "How are we partnering?" • Finding key persons in each community were one of the most important factors for success, as these leaders acted as catalysts within each partnership. They can be official or unofficial and may come from various organizations or companies. 	<ul style="list-style-type: none"> • The lack of trust and partnership practices can cause problems. • Thinking in strategic terms, rather than operational terms, can be challenging. • It is more difficult to include in the partnership the private entities, especially enterprises.

Slovenia	Hungary
<ul style="list-style-type: none"> • Regional development agencies can play an important role in the establishment of Local Action Groups. • Demonstration projects before the implementation of LEADER are very important to learn about this methodology. • Slovenia is among the first countries whose LAGs were officially recognized. 	<ul style="list-style-type: none"> • Developing local action plans needs to be the first common action. • Role of LAG animators is very important for the success and continuity of their work.

4.4 Support for Establishment of the National Independent Expert Group for Rural Development¹²

As the process of EU integration and national rural policy implementation moves forward, Serbia faces numerous challenges. Its institutions included in rural development need to be properly equipped to efficiently respond to the implementation of regulations and measures required for such a demanding process.

One of the constraints is insufficient and undereducated national human resources for rural development. There are numerous reasons for this: an absence of collaboration between the MAFWM and the scientific and educational institutions, outdated curricula, limited mobility of scientific and research staff, lack of access of domestic experts to research and development projects, lack of investments into training and additional education of administrative staff, and others. This situation might jeopardize not only the improvement of institutional organization in the rural development area, but also the (self) sustainability of the national support system for the state policy.

At this moment, the research and analytical potential is noticeably lagging behind when it comes to knowledge of EU policies in comparison with other

¹² This chapter was written based on analysis provided by Suzana Djordjevic Milosevic, PhD, and Natalija Bogdanov, PhD, Serbian experts for rural development

areas of public administration. Those dealing with analyses do not have sufficient access to the official documents of the MAFWM and the Government. This creates gaps in the information required by analysts and researchers. A gap is also noticeable compared to other sectors, where it is possible to find examples of greater enthusiasm and rapid progress among local stakeholders in comparison with public administration institutions. Communication and cooperation among key stakeholders (state level and local partners) does not currently exist in any standardized form. The participation of actors inconsistent and often carried out ad hoc.

To address the above challenges, a National Independent Expert Group should be established. Such a group would apply its knowledge, experience and authority to help establish more efficient communication at all the levels, and build the capacities of all the rural development stakeholders – from the state level to the local partners.

The terms of reference for the proposed National Independent Expert Group are as follows:

1. Support to the activities of the Rural Development Sector of MAFWM

- a) Expert assistance to Sector in the preparation of a new program of rural development – review of all the prepared documents and comments on them;
- b) Evaluation of policies, support measures, budget consumption and other funds – review and analysis of all the prepared documents and comments on them;
- c) Participation in the consultative process of MAFWM and other partners – preparation of position papers for discussion, participation in meetings and public debates, participation in drawing of conclusions;
- d) Participation in working meetings of MAFWM and EC, preparation of meeting reports and their dissemination
- e) Establishing of active collaboration with similar bodies in Europe and in the region – organization of joint working meetings to exchange experience and participation in these meetings

2. Support to capacity building of the Rural Development Sector of MAFWM

- a) Analysis of employees' needs in the Sector and the Rural Networks – preparation of methodology and/or preparation of ToR for an institution that would take over this process. If the latter takes place, evaluation of proposals and methodology;
- b) Definition and/or evaluation of training plans and materials suitable for the needs of various beneficiaries;
- c) Preparation and dissemination of leaflets and newsletters on the current activities of MAFWM and other stakeholders, with examples of EU and regional practice;
- d) Participation in the consultative process for establishing the National Rural Development Council.

3. Support to the activities of the Rural Network

- a) Capacity analysis of the network and NGOs included in rural development preparation of methodology and/or preparation of ToR for an institution that would take over this process. If the latter takes place, evaluation of proposals and methodology;
- b) Definition of a standard form for monitoring the activities related to founding and expanding of LAGs, and creation of a consistent electronic database;
- c) Definition of a form for monitoring the projects, activities and initiatives that exist in Serbia at the moment (it would also be good to have success indicators, modelled after the LEADER evaluation criteria);
- d) Assistance to Rural Network and NGOs in establishing international co-operation – web presentations of projects, activities and capacities in English, uploaded on the MAFWM website;
- e) Preparation to publish the LEADER newsletter on local practice examples;
- f) Preparation of MAFWM LEADER feedback form and carrying out surveys for the policy creation needs.

4. Support to Project activities

- a) Definition of procedure and criteria for project evaluation in pilot municipalities

- b) Preparation of a public Call for Project Proposals
- c) Review of the evaluation commission's report, comments, remarks
- d) Dissemination and promotion of results – organization of final conference and workshop and participation in them.

4.5 Study Visit of the Serbian Delegation to Romania

This study visit was created to improve linkages between national authorities and individuals from the Banat region on both sides of the Serbian-Romanian border. As a new member of the EU, Romania's experiences in making structural adjustments to their agricultural and rural sectors through the implementation of SAPARD¹³ -funded initiatives proved a useful lesson for the Serbian delegation.

The Serbian delegation consisted of:

1. Zeljko Radosevic, State Secretary, Ministry of Agriculture, Forestry and Water Management
2. Radivoj Nadlacki, Head of Department for Rural Development and Advisory Services, Ministry of Agriculture, Forestry and Water Management
3. Nemanja Despotov, Rural Development Advisor, Autonomous Province of Vojvodina
4. Boris Ilic, LAG Coordinator, Municipality of Coka
5. Dejan Mijatov, Center for Rural Development, Rural Development Network
6. Serdjo Okolisan, LAG Coordinator, Municipality of Zitiste
7. Rasa Todorel, Romanian National Council, Municipality of Zitiste
8. Aneta Kampean, LAG Coordinator, Municipality of Alibunar
9. Aleksandar Ristin, MDF director, Municipality of Alibunar
10. Nenad Nikolic, LAG Manager
11. Olivera Filipovic Protic, Head of Department for Administrative Support, Municipality of Irig
12. Vladislav Ilkic, Deputy Mayor, Municipality of Irig
13. Predrag Markovic, Rural Development Coordinator, UNDP

¹³ Now part of the EU's Instrument for Pre-Accession (IPA).



Participants on a study visit to the Romanian Ministry of Agriculture, Forestry and Rural Development

Findings:

- Farms should be encouraged to diversify their production in order to become more profitable.
- It is important to use aggregate human and financial resources while strengthening dialogue and cooperation between rural actors.
- LAG development in Romania is encountering similar obstacles as other transition economies, such as the lack of private sector involvement.
- At the local level, lack of communication between the government, civil society and private sector can present a problem in the formation of LAGs.
- At national level, an inter-ministerial body for rural development is crucial for establishing communication among ministries to enable coordination of rural development projects.
- CBC projects are an important means of strengthening relationships between two countries and forging collaboration among participating institutions.
- Cultural heritage and traditional artisan products should be preserved when conducting rural development projects.
- Lack of LAG infrastructure can result in IPARD funds absorption problems.

During the four-day visit to Timisoara, the participants visited examples of SAPARD-funded initiatives. Particular emphasis was placed on the need to

create LAGs, Cross Border Cooperation (CBC), and the implementation of the LEADER approach in a transition economy. The outcome was improved linkages between national authorities and individuals from the Banat region on both sides of the Serbian-Romanian border.

Upon arrival to Timisoara, members of the Serbian delegation were introduced to the preliminary efforts of the SAPARD payment agencies by Picor Liviu (Director, ADPRP Timisoara County), Lelesky Tiberio (Director, DADR Timisoara, and Simona Zurka (Deputy Director of Rural development and Agriculture Direction in Timisoara). Representatives from the ADPRP and DADR described how EU funds were used for various measures, and some of the challenges that were encountered. For example, despite the use of 90% of SAPARD funds, only 0.5% of the expenditures were dedicated to the creation of cooperatives, as experiences with creating cooperatives in Romania has not been positive.

Subsequently, a visit was conducted to several local farms which received SAPARD funds. The Serbian delegation learned that farms in Romania face similar challenges to production, such as competing imports (for example, imported raw milk poses a challenge for cow farms in both Serbia and Romania). As a counter measure, Romanian farms are encouraged to diversify their production in order to become more profitable. An additional visit to Cooperative Agricola Muntenia, a cooperative that has invested in a slaughterhouse and pig farm, demonstrated successful examples of cooperatives in Romania. Although these farming operations were similar to those visited in Timisoara, the cooperative does not import piglets, but instead purchases them from local markets. In addition to SAPARD funding, the pig farm was purchased with credit from the cooperative – to be repaid using fresh meat. This example of a cooperative initiative demonstrates the importance of using aggregate human and financial resources while strengthening dialogue and cooperation between rural actors – which are all features of successful LAGs.

As Romania is still in the preparatory phase of establishing LAGs, the Serbian delegation had the opportunity to learn about the challenges that are being encountered. According to Timisoara LAG representatives, Tisan Mihaela Gratianna (Microregiunea Timis Nord) and Duta Gheorghe (Timis Torontal), LAG development in Romania is encountering similar obstacles as other transi-

tion economies, such as the lack of private sector involvement. Lack of communication between government structures, communities, and the private sector creates problems in the formation of LAGs. Despite this, Timisoara LAG representatives emphasize that CBC projects are an important means of strengthening relationships between two countries, while also forging collaboration among institutions within the participating states.

A meeting between representatives from UNDP Romania and UNDP representatives from the Serbian delegation yielded a similar consensus. In sharing experiences of implementing rural development projects, Serbian farmers can learn from practical Romanian examples in reaching necessary EU standards. It was further emphasized by Monica Moldovan (Head of energy and Environmental section UNDP Romania), that cultural heritage and traditional artisan products should be preserved when conducting rural development projects.

During the final component of the study visit, the Romanian Ministry of Agriculture, Forestry and Rural Development (MAFRD) presented the National Rural Development Plan 2007-2013 and summarized various challenges that were encountered while implementing LEADER. As a condition for using EU funds, an inter-ministerial body for rural development was established. Adela Stefan (Head of Evaluation and Reporting Unit, MAFRD), noted its importance in establishing communication among ministries in coordinating rural development projects. This inter-ministerial body has 33 members, of which 50% is comprised of representatives of civil society.

As Romania begins to implement LEADER, Coasa Claudiu (Head of LEADER Program, Romania) revealed that only 2.5% of the EU's 8.8 billion EUR in IPARD funds would be spent through the LEADER program this year. The explanation for this was the lack of focus on LAG creation in the past.



The event "Serbia Naturally" was supported by the project with the aim of promoting Serbian rural tourism potentials, such as traditions, cultural heritage, natural resources and human capital.

Representatives from five different regions in Serbia had the opportunity to present specific products and traditions. The event held on 29 June 2009 at the main square in Belgrade.

4.6 Training of Trainers for the LEADER Approach and Local Planning

The trainings provided within the project started with an assessment of the participants' experience and interest in project management. The results of the assessment recognized that although a majority of stakeholders had experience in project proposal writing, most lacked experience with the EU project proposal format. Communications and business planning were also identified as priority areas of interest among the participants.

The MAFWM of the Republic of Serbia, in cooperation with the International Centre for Democratic Transition (ICDT), organized the 'Training of the Trainers' sessions on the LEADER approach and methodology with a special focus on Local Planning and Local Action Groups. The training took place in Andrevlje, Serbia, on 6-10 April 2009 as a follow-up on the previously organized conference in Novi Sad 'Rural Development through Establishment of Local Action Groups', held on 12 November 2008.

The training program was based on previous experiences from the first regional training for representatives of the institutions from the SEE that was

organized by ICDT, in cooperation with the Standing Working Group for Regional Rural Development in October 2008, in Hungary. This program was modified for identified stakeholders involved in rural development activities in Serbia, and adjusted to the actual needs of the project.

The trainings aimed at improving the management capacities of the Serbian Network for Rural Development concerning future management of LEADER and other local rural development programs. The team of experts consisted of:

- Marta Marczis, Regional and Local Development Councillor, UNDP Bratislava,
- Kjell Roger Karlsson, Senior Advisor, ICDT, and
- Erika Bodnar, Regional coordinator, Hungarian Rural Development Network, Education & Advisory Institute, Hungary.

The experts led the 5-day participatory training session for representatives of the Serbian Network for Rural Development and Local Action Groups to gain knowledge about the LEADER approach and methodology. In addition, the experts also addressed the creation and launch of activities related to the LEADER concept through the establishment of LAGs and the management of rural development policies.

The participants of the training sessions were representatives of the National Rural Development Network from Bor, Zajecar, Alibunar, Novi Knezevac, Valjevo, Kraljevo, Surdulica, Leskovac, Indija, Tomasevac, and NGOs from Vojvodina, as well as staff from the MAFWM. There were also guests from Albania, Bosnia and Herzegovina, FYR Macedonia and Croatia. All international guests represented different stakeholders of rural development.

Following a synopsis of the EU Rural Development Policy 2007-2013¹⁴, the experts provided a comprehensive overview of the LEADER approach, LAGs, and addressed project management methodology.

¹⁴ For more information, please see
http://ec.europa.eu/agriculture/rurdev/index_en.htm.

The following topics were addressed during the training sessions:

• Approaches to Sustainable Local Development (SLD) – the scope of integrated rural development
• Building partnerships between public and community sector
• Strategies, objectives, priorities, measures – how to differ key structures of local planning?
• Budget and technical assistance in rural development programs
• Management and financial engineering of Local Action Groups
• Local planning – the composition of LAGs and responsibilities
• The necessary steps in elaborating Local Action Plan (LAP)
• The LEADER – approach in the Serbian context
• Local planning in LEADER program in Hungary
• Integration through area-based program – the fourth important “cross-cutting” Axis, the LEADER approach
• How do LEADER and LEADER-type program work in practice
• Monitoring and assessment of LEADER program
• How to achieve sustainable local development through logical elements of a program cycle?
• Planning in practice – The logical content of a Local Action Plan
• The necessary steps in elaborating the Local Action Plan

The participants were given a homework **assignment which was intended to generate rural development action plans and project ideas**, based on the actual needs of their municipalities and using the training they had received. The assignments were then evaluated by the consultants in order to award the certificates of completion. A number of project ideas that emerged from the training sessions qualified for small grant (seed) funding (see section 4.9).



The interactive approach during this training helped all participants to better understand the LEADER approach

The trainings yielded several **positive outcomes**. In addition to strengthening partnerships between the 21 representatives of Serbia's NRDN, the training provided them with extensive knowledge of EU's rural development procedures and policies. The participants now have improved capacities in LAG formation and project development at the local level. The various training exercises also created new rural development project ideas at the local, national (via MAFWM), and international level (via cooperation with rural networks, particularly in SEE countries). The result of the capacity building training session was also the development of project proposals, which will be investigated for future possibilities of national and/or other sources of funding.

The experts that participated in the training also made a number of suggestions concerning the future implementation of the MAFWM program on rural development:

Capacity development of public stakeholders	Developing the local pre-LAG initiatives	MAFWM and UNDP to facilitate rural networking
<ul style="list-style-type: none"> • Providing methodology-oriented capacity development training on LEADER approach and its implementation to stakeholders of rural development in Serbia (MAFWM staff, researchers, representatives of different public institutions and Serbian Network for Rural Development) • Building up communication channels and partnerships between the local pilot and the public stakeholders. This process helps both, locals and public representatives to understand each-other's needs and importance of subsidiary in implementation of rural development policy and programs • Study visit to one of the new EU countries with participation for getting experience on implementation of EU rural development programs in transition 	<ul style="list-style-type: none"> • Build up more territorial cooperation involving Serbian Network for Rural Development, local and public actors of rural areas (e.g. cooperation in different rural areas in Serbia) • Enhance rural initiatives to improve local capacities in the field of rural development using knowledge gained of LEADER methodology. Small scale, LEADER-type pilot projects should be implemented in Serbia's rural areas to test adaptation and develop organizational capacity of the local rural communities. These "learning projects", with guidance of the MAFWM and UNDP, could highly contribute to local project generation process, increasing participation and better understanding of the PCM. Implementation of these learning projects needs to be carefully evaluated with clear a analysis of all benefits and outcomes of invested funds 	<ul style="list-style-type: none"> • Networking on local level (information, participation, action, decision) • Building up bottom up national rural network in Serbia using the LEADER methodology. • International networking – build up cooperation with international and national rural networks (bottom up and formal national networks) • Facilitating cross-border and interregional cooperation of rural areas (SEE, South-European Cooperation)

4.7 Expert Trainings on Financial Management

The objective of this training, held in Novi Sad on 31 March and 1 April 2009, was to educate beneficiaries about the basic financial analysis needed for setting up a business in the context of a rural economy. The trainings were held by Milos Todorovic, PhD, and Evica Petrovic, PhD, and covered the following topics:

- What is financial planning
- How to recognise potentially good business case in rural economy
- Key elements of business plan
- When and why client need business plan
- Basic elements in Business analysis
- What is most important facts before taking the credits
- Basic financial analysis in evaluating the project proposals



Prof. Evica Petrovic PhD stressed the importance of economic analysis in rural development

Participants of the training were local stakeholders who have the opportunity to advise farmers about using government subsidies and credit schemes. It was recommended that this kind of training should be provided more broadly for potential entrepreneurs, especially from marginalized groups. There is a lack of access to information and good practices in financial planning in rural areas. Information on the practical examples for estimating different business case options, the internal rate of return and net present value help the participants understand how to assess and develop their ideas.

4.8 Expert Trainings on Project Cycle Management

The purpose of the Project Cycle Management trainings was to inform participants about the key principles and standards in this field. The participants received training on application procedures for EU funding programs, project management, problem solving, budget creation, and monitoring of project results. The focus of these trainings was on completing the project proposal forms for CBC initiatives.

As a follow up to the initial two-day training, 25 expert visits were subsequently organized for each target municipality. Through small workshops, the main objective of the expert's engagement was to provide further mentoring for interested participants on the preparation of project proposals for CBC. The experts also addressed proposal preparation for introductory activities that would be financed from small grants (see section 4.9). In addition to the experts' presence at training sessions and the individual visits, participants were encouraged to contact them via email or phone concerning further questions on processes. This individualized approach contributed to the quality of project proposals resulting from the trainings.



The number of participants in Project Cycle Management trainings was the highest in Irig

The number of field work days in each municipality was not identical, and depended on the specific interest and needs of the LAG. For example, the Municipality of Irig requested additional expert visits due to an increased demand from highly motivated training participants.

Municipality	PCM Training dates	# of participants	# project proposals developed	# of expert visits
Irig	15 – 16 Jan 2009	32	4	6
Alibunar	22 – 23 Dec 2008	15	3	5 (+2 in Lokve)
Coka	19 – 20 Jan 2009	14	3	3
Mali Idjos	12 – 13 Jan 2009	8	2	3
Torak	31 Jan – 1 Feb 2009	10	2	6

4.9 Local Projects Supported through Small Grants

Project proposals were assessed by the Commission for Small Grants, consisting of the MAFWM, the Secretariat, UNDP and the project team. The small grant was provided only for an introductory activity, while the entire proposals are being submitted for CBC Calls for Applications. The highest grant amount was 1,100,000 RSD (11,750 EUR) per municipality, i.e. 20% of the total available funds (5,500,000 RSD or approx. 59,000 EUR). In some municipalities, the small grant was divided between two projects, but their sum could not exceed 1,100,000 RSD (11,750 EUR).

In order to qualify for funding, the project proposal had to be submitted in EU format. Following the assessment of each project, the Commission for Small Grants issued detailed comments regarding any modifications that were necessary. Project proposals were submitted in May and assessed in June 2009.

The Commission has two independent teams that separately examined the project proposals:

First team:

Mr. Bojan Djuric, training provider “Mobilis”

Mr. Nenad Bozanic, Rural Planning Consultant

Ms. Suzana Djordjevic Milosevic, Programme advisor
for Rural Development, UNDP

Second team:

Ms. Sladjana Milosevic, training provider "Mobilis"
Mr. Goran Milenkovic, Rural Development Network
Mr. Boban Ilik, Secretary of the Standing Working Group
for Rural Development

Support team:

Mr. Nemanja Despotov, Rural Development Advisor, Autonomous Province
of Vojvodina
Ms. Natalija Bogdanov, Rural Development Advisor, UNDP
Mr. Predrag Markovic, Rural Development Coordinator, UNDP

Past experience has revealed significant differences in the NGO sector in these five municipalities, not only in the number of registered organizations, but also the level of experience in project implementation. One of the objectives of these grants was to increase the number of NGOs with the expertise needed for the realization of similar projects in the future.

In cases where a project had been approved, but the Commission felt that a more effective preparatory procedure was available, it suggested the procedure to the applicant for further elaboration. At a later date, the Commission for Small Grants also assessed whether the budget amounts required for implementation of the preparatory activities were justifiable, for which reason the budgets should have been as specific as possible. In cases of projects covering two municipalities, the funds were assigned to the municipality in which a majority of the grant beneficiaries reside. The number of applications by a single applicant was not limited.

The following criteria were used to assess justifiability of the proposed preparatory project activities:

(a) Requirements to be met by the representatives of the institutions applying for a grant:

- The NGO is registered and has a seat or a local office in one of the listed municipalities (scanned copy of the registration document to be enclosed with the project proposal)
- Initial tripartite partnership of NGO sector, private sector and local government in one of the municipalities (Alibunar, Zitiste, Mali Idjos, Coka and Irig) is secured.
- Proposed activity is harmonized with the municipal development strategy.
- The activity can be clearly defined as inter-municipal and affects the population in rural areas of two or more municipalities.
- Secured minimal financial participation in amount of at least 10% of the total sum needed for implementation of activity, or participation in the form of goods and services.
- All activities financed from the grant shall be finished by 30 September 2009.
- Additional points may be assigned if realization of project activities involves at least one partner with a seat located outside the applicant's municipality. The applicant shall submit a memorandum of understanding executed by both parties to prove such partnership. Additional points may be assigned to the partners who can prove a history of jointly implemented projects. Also, the points assigned shall reflect the following: number of partners and size of each group, level of partner's participation and partner's impact on the community. Establishment of partnerships is strongly recommended, not only between municipalities, but also within each municipality.

(b) Only the following activities were eligible for the small grant:

- Organization of training programs, workshops, seminars, expert visits and services
- Study trips that must meet specific needs through organization of visits to successful project sites in Serbia and the region.
- Marketing of rural products: Activity that is focused on improvement of marketing for certain products and at the same time is linked to other planned activities within the project proposal. Examples of activities that may affect the marketing of rural economy products:
 - Development of marketing plans

- Preparation and production of promotional materials and advertising
 - Improvement of marketing for products coming from Vojvodina (promotion of products in major restaurants in Novi Sad, Belgrade or in tourist resorts in Serbia)
 - Exhibitions, festivals and fairs of rural products (traditional food or other traditional products from Vojvodina to be promoted outside the region)
- Assessments, analyses, studies, collection of project documentation. Activities that aim to establish what information/documents are necessary in order to finalize the project proposal. This includes provision of expert assistance to applicants. The purpose of this activity is to improve the quality of services and the project documentation if improvement is required.
 - Development of links between rural producers, establishment of producer networks e.g. producers of decorative plants, owners of accommodation facilities in rural tourism, producers of traditional products.
 - Development of rural tourism through networking with other institutions/organizations operating in this field.
 - Printed materials aiming, for example, to raise ecological awareness (information on ecological damage and economic consequences that may result from inappropriate use of pesticides, impact of water pollution on rural development, and similar).

The Small Grant Commission had the authority to give priority to some activities based on their significance for rural development in any given area.

For the complete list of project activities that received a small grant, please see the table below. A detailed description of each project is presented in the next section.

Project activities approved by the Small Grants Commission				
Municipality	Applicant	Project Title	Summary	Grant Amount
Čoka	Rural Development Center	Regional cooperation as a prerequisite for development / CRD 2 Project	Project aims to enhance rural tourism in the municipalities of Čoka and Novi Kneževac. Activities include the preparation and organization of a bird watching and tagging camp, production and printing of promotional materials	498,000 RSD (5,320 EUR)
		Banat green energy	Project aims to promote renewable sources of energy, assess of the current situation, and raise public awareness	774,500 RSD (8,275 EUR)
Irig	Civil Action Centre "Akcija"	Establishment of a souvenir manufacturing school through the organization of creative workshops	The project is a preparatory activity for a larger-scale project to contribute to the development of rural tourism in the municipality of Irig. It aims to train personnel to disseminate their knowledge and skills for the production of souvenirs and thus create conditions for the future operation of a souvenir manufacturing school with permanently trained instructors	590,000 RSD (6,300 EUR)
		The branding of regional wines with geographic origin data (southern slopes of Fruska Gora)	The project is a preparatory activity for a large-scale project to contribute to the development of rural tourism in the municipality. Study trips to countries in the region is planned in order to help establish cooperation in branding locally made wines	670,000 RSD (7,150 EUR)

Zitiste	Ecological Association Torak	Oasis of Healthy Learning	The project aims to promote ecological and healthy lifestyles. Activities include the organization of a seminar entitled "Environmental Protection" to educate children and adults, and the printing of educational/promotional materials and flyers to attract local participants. Also, as a part of the promotion of healthy lifestyles, a round of "Games Without Frontiers" shall be organized for children	1,100,000 RSD (11,750 EUR)
Alibunar	Association of citizens "LEADER+ Banatski Karlovac"	Support for rural development in the municipality of Alibunar, by unleashing the commercial potential of the Deliblato Sands	This project aims to develop the Deliblato Sands. Activities include delivering three workshops (honey, plants, fruit), researching target markets, developing plans to promote and market rural products from the Deliblato Sands, a developing a web site in three languages. A study trip for the representatives of all three groups (plants, honey, and fruit) will be organized to a LAG in one of the EU countries cooperating with the municipality of Alibunar in the realization of CBC projects. A Festival of honey, plants and fruit will be planned for Deliblato Sands in 2009	1,100,000 RSD (11,750 EUR)

Mali Idjos	Women's Forum of Mali Idjos	For Them – For Us	The project aims to strengthen the human resources at educational institutions and relevant NGOs in Mali Idjos, prepare the education system for introduction of inclusive tuition, and support the preliminary operations for accreditation of the Differential Diagnostics Centre. Activities include training NGO sector volunteers, organizing a study trip to visit an educational institution that has applied the principles of inclusive tuition in its functioning, and developing a work program for the Differential Diagnostics Centre in Mali Idjos	440,000 RSD (4,700 EUR)
Total Amount of Approved Funds:				5,172,500 RSD (55,250 EUR)

Budgeting

Grants were limited to amounts between 500,000 RSD (5,350 EUR) and 1,100,000 RSD (11,800 EUR) per project. Maximum duration of the approved activity was 3 (three) months.

The applicants participated in the project with 10% of the budget. In case that financial participation cannot be provided, the applicant has the option to participate through provision of goods or services. The projects offering higher level of applicant's participation received a better rating.

The expenses for realization of individual activities were clearly justified in the PPF annex (budget annex I), including the full specification of expenses and detailed description of activities. Expenses related to the recruitment of technical staff in the course of implementation (a local expert) included a clear explanation as to why the person in question was selected for the task. Travel expenses for the persons engaged in the project were accepted only if the original documents (receipts, tickets, etc.) were provided.

Unjustified expenses:

- Expenses in connection with infrastructural projects.
- Expenses for purchase of equipment, vehicles, agricultural machinery (cars, tractors, special purpose vehicles...).
- Expenses that provide benefits for a limited number of people and generate no benefit for the community.
- Expenses for individual trips that generate no benefit for other partners in the project or the farmers.
- Unrealistic transport expenses, if a trip was not necessary or a more adequate form of transport was available.
- Expenses that are not in congruence with the municipal objectives and strategies.
- Any expenses that occur outside the timeframe approved by the Commission.
- Expenses to be financed by the municipality, government, another international project or any other institution.
- Sub-contracting expenses that increase the price and do not increase the project value.

- Per diem payments for employees of municipal administration or other institutions, if their engagement is included in the project and constitutes a part of their daily duties at work.
- Expenses for preparation of the project proposal.

80% of the funds were released upon the signature of contract, while 20% were paid only after approval of the narrative and financial reports, along with the relevant receipts.

Reporting

UNDP requested the submission of narrative and financial reports that followed the pre-determined templates.

In case that a project included multiple accompanying activities, the budget presented the expenses for each accompanying activity separately. On the basis of narrative and financial reports, the Project Manager could request an evaluation or termination of the project if the approved project proposal and budget were not strictly observed. Monitoring spot checks were also conducted.

Municipality of Alibunar

Number of inhabitants	22,954
Number of settlements	10
Unemployed (Total)	21%
Unemployed (Women)	21.5%
Unemployed (Men)	20.5%

Project Title	Support for Rural Development in the Municipality of Alibunar by Realizing the Commercial Potential of the Deliblato Sands
Implementation Partner	Association of citizens "LEADER+ Banatski Karlovac"
Grant Funds	1,100,000 RSD (11,750 EUR)

This project conducted a three-month preparatory activity for the commercialization of rural products from the Deliblato Sands. The planned event, "Days of Honey, Plants & Fruit" assessed the commercial potential of this area and its products in order to motivate possible stakeholders. The goal of the event was to promote the development and use of traditional forest and meadow products from the Deliblato Sands.

Traditional products of Deliblato Sands include the locust-tree and meadow honey, some 20 species of medicinal plants, and 3 varieties of forest fruits. The current levels of commercial production have not yet reached a volume sufficient enough to compete on the market, despite their abundant availability. Furthermore, the level of added value remains low as there is no capacity to process the goods and most of local produce is sold raw. Despite this, there are entrepreneurs who are interested in investing in the processing facilities for all three classes of product: honey, plants, and fruit.

What is missing is an initial concentration of stakeholders to exploit the rural products. Current development of these products is relatively poorly organized. For the most part, it is carried out by vulnerable social groups in the rural population. In order to prompt change, it is necessary to involve the entire local community, local government and experts in the field by implementing the proposed preparatory activities.



The aim of project implemented by NGO "Lider+" was to promote the sale of local products. This picture was taken at the promotional event in Alibunar on 12 July 2009

Project activities included:

- Three workshops examining the optimal use of natural resources, their preservation, and opportunities for increasing their value through processing.
- Research of target markets, including end users, distributors and producers of honey, plants and fruit of Deliblato Sands. The research concluded that:
 - The growth rate of annual planting of medicinal herbs is expected to continue, perhaps more rapidly as forward contracting is being arranged between processors, exporters, new farmer associations, and cooperatives.
 - Acacia honey from Deliblato sands is extremely favorable for the process of protection of geographical origin, which would bring long-term benefits for honey producers in the municipality of Alibunar.

- Plans for production and marketing of rural products (adding value to local products and services, especially through collective actions that will facilitate access to markets).
- Development of web-site "The Deliblato Sands: flavours and scents" (in English, Serbian and Romanian, <http://www.leader.org.rs/>).
- Study visit to LAGs: 8 participants working in the production/processing of plants, honey, and fruit met with the Greek LAGs, which already have an established cooperation with the Municipality of Alibunar.
- Festival of Honey, Plants and Fruit of the Deliblato Sands held on 19 September 2009.

Municipality of Coka

Number of inhabitants	13,832
Number of settlements	8
Unemployment (Total)	17.5%
Unemployment (Women)	18.5%
Unemployed (Men)	17.5%

Project Title	Regional Cooperation as a Prerequisite for Development: Bird Watching Camp
Implementation Partner	Rural Development Centre, Novi Knezevac
Grant Funds	498,000 RSD (5,320 EUR)

The activities conducted within the framework of the micro-regional development strategy, included an analysis of environmental quality. This study revealed that there is significant potential for development of tourism based on the wealth of the local natural environment.



At the bird watching and tagging camp the participants learned about the importance of nature protection

One example of this potential is the bird habitats located in this region, which are an untapped resource that may be of interest to tourists. The project supported the organization of a bird watching and tagging camp, as a practical step for informing the local population about this tourism opportunity. In addition to a theoretical component, which familiarized the camp participants with prerequisites for the development of rural tourism (for example, accommodation and catering), the camp also included a component aiming to develop practical skills (how to show birds to the tourists, where to find the different species, where to find and hire guides, and which areas are known as bird habitats).

Project activities included:

- Production and printing of promotional materials (preparation of materials distributed among the camp participants).
- Organization of the bird watching and tagging camp (establishment and strengthening of cooperation among the stakeholders in the region, follow-up activities and preparation of foundations for this type of tourism). The camp lasted 6 days and welcomed 31 participants.

Project Title	Banat Green Energy
Implementation Partner	Rural Development Centre, Novi Knezevac
Grant Funds	774,500 RSD (8,275 EUR)

This project supported the use of renewable sources of energy through an assessment of the current conditions and public raising awareness especially among local policy-makers. Data collected through the project (energy consumption characteristics, database on energy consumption in public buildings, etc.) will support decision-making for future investments with the aim of energy savings. Moreover, the project also informed the agricultural workers and entrepreneurs about opportunities for better usage of bio energy and bio fuel in this part of Banat.

Project activities included:

- Database on energy consumption in 74 public buildings and farms.
- Power consumption analysis (identifying costs at the local community level).

- Meetings with agricultural workers and entrepreneurs promoting the use of renewable sources of energy and possible savings. Two brochures on using Biomass from agriculture were also produced.
- Feasibility study, including a cost estimate, for use of renewable sources of energy in public buildings. The purpose of this study was to raise awareness among local decision-makers regarding possible savings and effects.

Municipality of Irig

Number of inhabitants	12,329
Number of settlements	12
Unemployment (Total)	28%
Unemployment (Women)	31.3%
Unemployment (Men)	24.7%

Project Title	Establishment of a Souvenir Manufacturing School through Organization of Creative Workshops
Implementation Partner	Civil Action Centre "Akcija"
Grant Funds	590,000 RSD (6,300 EUR)

The project provided training on souvenir manufacturing to interested students. A pool of people skilled in the production of souvenirs is the first step for establishing a souvenir manufacturing school in the future. As the municipality already has a large number of visitors, the plan is to sell the souvenirs manufactured at the school and use the revenue to support local tourism development.

Project activities include:

- Visits to existing souvenir manufacturing and sales facilities in Backi Petrovac and Sremski Karlovci, seeking out best practice examples, and arranging contracts with instructors.
- Presentation s promoting the training and employment possibilities in souvenir production.
- Organization of 25 workshops for production of different souvenirs, and awarding 13 certificates for the participants.
- Promotion of the tourism event "Pudarski dani" on national television RTS 1

Project Title	Study Visits to Wine Producers with Established Brands and Geographic Origin in Slovenia and Croatia
Implementation Partner	Civil Action Centre "Akcija"
Grant Funds	670,000 RSD (7,150 EUR)

This project provided the participants with practical knowledge on the brand management of wines. Visits to wine producers in Slovenia and Croatia were organized because these countries have established wine brands of local origin and experience in branding procedures.

The knowledge gained in branding procedures during the study visit allowed participants to share experiences with more successful producers that have already achieved success in the branding of local products or services. The participants are currently working on the branding of wines from the southern slopes of Fruska Gora.

Project activities included:

- Four-day visit to the wineries "Goriška brda", "Šibau", "Prinčič", "Draga coolio" and "Štekar" in Slovenia.



The representatives of Irig municipality during their visit to the winery "Šibau" in Slovenia

- One-day visit to the “Knezović” winery, Regional Development Agency and Ilok municipality in Croatia.
- Development of a joint project with the municipality of Ilok in Croatia, and the collection of the necessary data. Wineries in the municipality of Ilok are currently better known, and the wine growing conditions are very similar to those in Irig, as both locations belong to the mountain of Fruska Gora. Therefore, the project will promote the joint development of this region through a coordinated approach to wine production and exchange of experiences.



One of 25 workshops for production of souvenirs where participants learned to make souvenirs from stones

Municipality of Mali Idjos

Number of inhabitants	13,494
Number of settlements	3
Unemployment (Total)	26%
Unemployment (Women)	29%
Unemployment (Men)	23%

Project Title	For Them – For Us
Implementation Partner	Women's Forum Mali Idjos
Grant Funds	440,000 RSD (4,700 EUR)

This project promoted the concept of inclusive education in Mali Idjos through promoting cooperation between primary school teachers and experts working with children with disabilities.



As an introductory activity on the project "For us, for them", workshops were organized for better inclusion of children with disabilities in mainstream education

The project also promoted the implementation of the Social Welfare Development Strategy of the municipality of Mali Idjos with respect to the objectives set forth for youth, persons with disabilities, and the Roma population. The specific objective is to launch innovative services for children with disabilities through the establishment of the Differential Diagnostics Centre. The detailed proposal for this purpose was developed thanks to support provided from the project “Strengthening Rural Social Capital and Networks”. The grant funding was used as seed money to prepare for the establishment of the Centre.

Project activities included:

- Training of 17 teachers from three primary schools in the inclusive education work methods (matching the individual needs and abilities of children). The following topics were presented:
 - Setting an index
 - Work with persons with special needs within the framework of a regular school
 - Work with persons suffering from behaviour disorders
- Training 13 NGO volunteers to collect the data necessary for differential diagnostics.
- Study visit to Budapest to visit an educational institution that has applied the principles of inclusive education. This visit enabled familiarized the participants with the EU standards in the area of education.
- Development of an initial program of work for the Differential Diagnostics Centre in Mali Idjos by consulting with experts from special schools in Novi Sad and Budapest. Nevertheless, further expertise is still needed for the operationalization of the Differential Diagnostic Centre.

Municipality of Zitiste

Number of inhabitants	20,399
Number of settlements	12
Unemployed (Total)	17%
Unemployed (Women)	17.8%
Unemployment (Men)	16.2

Project Title	Oasis of Healthy Learning
Implementation Partner	Ecological Association Torak
Grant Funds	1,100,000 RSD (11,750 EUR)

The project supported preparatory activities for a larger initiative, “Oasis of Healthy Living”, which aims to promote and organize an ecological school-yard for both educational and recreational purposes.



The “Games without Border” were held on 12 September 2009 at the village of Torak.

The competitive spirit of the students, their friendship and enthusiasm demonstrated the importance of social events for rural communities

The project approach is based on the concept that children are both the agents and carriers of our ecological consciousness for the future. By informing children about environmental protection, it is hoped that they will inform their families and promote these issues in the community.

Rather than focusing solely on education through workshops, the project showed practical examples and engaged participants in a large-scale public event – “Games without Borders”. With 10 games and 233 students, the event showed to the entire community the importance of healthy living and environmental issues.

Project activities included:

- Seminar entitled “Environment Protection” for 50 participants.
- Educational workshops for children entitled “Why Ecology Matters”.
- Study visit for LAG members to the ecological camp in Fruska Gora, in order to examine the possibility of establishing a similar camp in Zitiste.
- Organization of “Games Without Borders”, held on 12 September 2009, to promote healthy lifestyles and return to nature. Students from every school in the municipality participated in the event, and were accompanied by their teachers. Each team had 24 members (22 students and 2 teachers). In total, 233 students participated in the Games, as well as 22 teachers and 4 guests from NGOs and municipalities in Romania.

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