

Major Challenges in the Western Balkans – FAO's Focus and Approach to Technical Assistance and Policy Advise

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Main objectives of the presentation

- Overview regarding the situation in the Region
- The approach/demand for a framework for technical assistance in the Western Balkans (WeBe)
- The content of the framework
- Next steps - Conclusions



Geographical Focus

Albania
Bosnia and Herzegovina
Croatia
FYR of Macedonia
Kosovo
Montenegro
Serbia



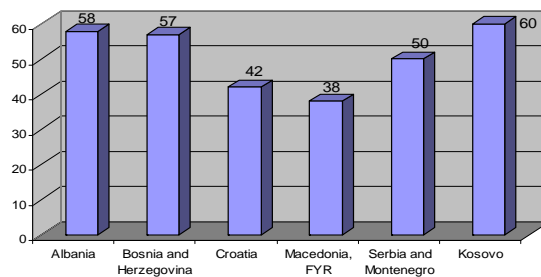
Classification of the Countries

- **Candidate Countries**
 - Croatia, FYR of Macedonia
- **Potential Candidate Countries**
 - Albania, Bosnia and Herzegovina, Montenegro, Serbia
- **Others**
 - UNMIK Kosovo



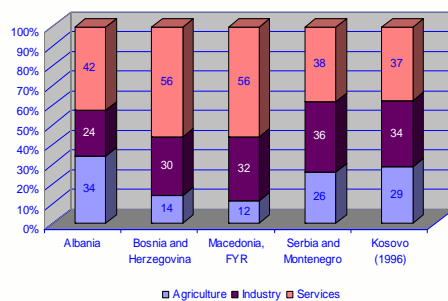
Situation - Rural Region...

% of people living in rural areas



...Situation - Importance of Agriculture

share of agriculture in the economy in %



It implies...
The WeBa countries must count with the agricultural sector to sustain their growth

But...
Non-farm employment must be also addressed in rural areas to improve the competitiveness of agriculture



Source: WB WDI 2001

...Situation – Regional Issues

- Ethnic Tensions and destruction of both physical and institutional infrastructure through wars (BIH, Croatia, Kosovo)
- Disintegration and nationalization
- Poor business environment and lack of banking infrastructure for development
- Lack of foreign investment in the agriculture sector
- Lack of sector strategies considering modern rural development approach



Institutional Challenge...

- **Requirements on the road to EU Membership**
 - Increasing regional, as well as international competitiveness of the agriculture and food sector;
 - Formulating policy measures towards and improved and more coherent and efficient rural development
 - Management and marketing skills for high value crops
- **Cross Border Collaboration and Regional Integration**
 - Rural Development and income generation in rural areas could reduce ethnic tensions.



FAO Activities up to 2004

- Emergency based field programme at the beginning of 2000;
- Scattered TCP requests from countries;
- No FAO Representations but Project Offices
- Priorities endorsed by the Regional Conferences for Europe
 - Poverty Reduction, through sustainable rural livelihoods and food security
 - Food Safety and quality
 - Sustainable management of natural resources
 - + Capacity building to support the process of transition



Process to develop a technical assistance framework

- Collection of information on best practices from project activities (activities shifted from emergency to rehabilitation)
- Consultations with project personnel (national and international) as well as other key stakeholders on a regular basis (2004 and 2005);
- Stakeholder consultations at country level in order to discuss priority areas (e.g. FYR of Macedonia and UNMIK Kosovo)



REU-SEUR-LOBR Coordination Meeting

Objective of the TA Framework for WeBa

- Coherent Framework for the FAO Field Programme with emphasis on donor funded activities;
- Should serve as a reference for member countries and donor organizations on FAOs supporting the resource mobilization and improved collaboration



Focus of the Framework...

- Support increasing competitiveness of the agriculture and rural sector – THROUGH: **grass roots support, pilot examples of projects**
- Support the formulation of policy measures for agriculture and rural development – THROUGH: **Training and capacity building of stakeholders in policy formulation at local and national level**



...Focus of the Framework

- Improvement of knowledge and data situation – THROUGH: **Sector reviews and project formulation**
- Forum and platform for information exchange and policy dialogue – THROUGH: **Regional Meetings, Workshops**
- Intensifying cross-border cooperation – THROUGH: **Cross-border projects and local workshops, awareness raising**



Competitiveness of the Agribusiness Sector

- Food chain approach – food chain analysis at country level;
- Group formation – training of farmers and promotion of contract farming;
- Linking farmers to markets, processors and retailers
- Facilitate links to local banks/microfinance institutions or revolving funds
- Mobilization/Integration of local expertise



Capacity building of stakeholders

- Training in Ag+RD Rural Development Policy Analysis and Formulation
- Participatory planning of rural development (land inventory in BIH);
- Certification of organic farming (Croatia)
- Forest sector development (Albania, MCD, Kosovo)
- Farmer field schools – IPM (Regional)
- Biotechnology and Biosafety (awareness)



Sector Reviews

- Participating in the Economic Sector Work of the World Bank
- Investment Centre Reviews
- Assessment of Research and Extension (Albania, MCD, Kosovo)
- Sector Reviews or Sub-Sector Reviews



Forum and platform for policy dialogue

- European Regional Conference – Government Level;
- European Commission on Agriculture – Technical Meeting
- Dinaric Arc Initiative (UNESCO, WWF, IUCN etc.)
- Regional Workshop on Biotechnology in Prague in 2006
- CEI- Meeting in Albania
- East-West Agriculture Forum 2007 – The Potential of Bioenergy for Rural Development in Europe
- Regional Workshop on Land Consolidation for CEEC Countries in Prague 2007



Cross-border und Regional Collaboration

- At regional level
 - Assistance in networking for e.g. food safety, phytosanitary and veterinarian services in order to adopt common approach in the implementation of the recommended preventive measures
- At local cross-border level
 - Development of projects in line with the proposed approach of RD



Focus of Policy Assistance ...

- Capacity Building at regional, national and local level
 - Strengthening food safety in the Western Balkans
 - Food Safety Strategy
 - Strengthening sector coordination capacity of MOA e.g. Kosovo
 - Support Capacity Building for Agriculture and Rural Development Policy Analysis and Formulation in view of EU-Accession of Western Balkan Countries – TCP Project



...Focus of Policy Assistance

- Policy Components in projects e.g. Masterplan for rural markets in Albania;
- Policy Dialogue by promoting tested approaches at local level and feeding them into the overall policy framework
 - Livestock development in remote areas in Serbia;
 - Workshop on: Rural Development in EU-Accession Countries
 - Lessons Learnt from New Member States of the EU - Challenges and opportunities for Western Balkans and Turkey in April 2007 in Prague



Future Steps

- Stakeholder consultations is a continuing process;
- Links to the EC and the World Bank will be further strengthened
 - Institutionalized coordination meeting with EC DG Agriculture;
 - Initiate country coordination meetings;
- Closer collaboration with UN country teams and integration of the approach in UNDAF;
- Using the TCP-Facility to guide/facilitate the implementation of the approach (e.g. FYROM – Rural Development Project Formulation)
- Using Joint initiatives e.g. DAI for donor resource mobilization



Conclusions

- Comparative advantage of FAO has to be considered in framework definition
- Close collaboration with major players e.g. WB and EC but also UNDP must be improved
- Frequent stakeholder consultations are a must in absence of FAORs
- Close linkages to donors to facilitate the resource mobilization

