

## Participatory rural development in Albania: The status-quo and future challenges

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### Background

Rural areas in Albania suffer from inefficient use of resources, poor economic performance, scarce development opportunities and mobilization of local communities into grass root initiatives. Empowering local communities, public and private stakeholders to work together to achieve shared goals remains the core challenge for a full-fledged participatory rural development approach. Social capital in a given territory facilitates networking and coordinated action of a variety of development stakeholders such as local and central governments, regional development agencies, civic groups, farmers associations, research institutes.

Rural development as a cross-cutting reform includes many interventions such as in public infrastructure, education, health, diversification of economic activities, environment, gender and social inclusion. The difference between agriculture and participatory rural development stands at the role played by private, civic and non-state actors. Their services consist in offering capital investments, providing financial and rural services, enhancing community empowerment and fostering knowledge spillover and innovation.

This policy brief offers a critical analysis of Albanian participatory rural development dimension in the context of European rural development policies. It further elaborates on main challenges by drawing policy alternatives for decision-makers in the design of the new Agriculture and Rural Development Strategy 2014-2020.

In doing so, the brief offers a short review of existing European, South Eastern European and Albanian rural development policy, while seeks to set some broad participatory rural development directions for the upcoming strategic changes. Finally, the policy brief provides a series of recommendations for creating opportunities and promoting participatory rural development in Albania.

Rural development represents an opportunity to integrate bottom up and top-down policy approaches

Successful implementation of rural policies implies creation of synergy and better coordination among public, private and civil stakeholders.

Authorities should acknowledge the unique role of the rural network as a platform for advocacy, transfer of knowhow and innovation spillover.

### State of Play

#### a. European dimension of participatory rural development

The EU's Rural Development (RD) policy assumes that other sectors complementary to agriculture are also playing a key role in rural areas. Hence, rural development is a broader concept than merely agriculture, whereby the focus is on different dimensions of economic activities, sustainable land use

and environment. It also means creating opportunities for enhancing social capital in rural areas as a key challenge for more competitiveness, innovation and growth.

In this context, Rural Development as a process involves a multiple set of stakeholders at different levels, based on the bottom-up participatory approach. The backbone of participatory rural development in EU is the LEADER (Liaison Entre Actions de Développement de l'Économie Rurale), which was initially implemented as a Community Initiative during the periods 1989-1993 (known as LEADER I), 1994-1999 (LEADER II) and 2000-2006 (LEADER+). Under the current program framework 2007-2013, LEADER is no longer a separate Community Initiative but rather “mainstreamed” as an integral part of Rural Development Programmes (RDPs) in Member States. It is supported through the European Agricultural Fund for Rural Development (EAFRD) – which is Pillar 2 of the Common Agricultural Policy (CAP).

This local development approach requires a strong and vital public-private co-operation at local level between public administrations, the private sector and other societal stakeholders. Its key institutional settings are based on a strong *tripartite partnership model* through the Local Action Group (LAG). *Networking* is the other key element for a successful Rural Development policy implementation. The Council Regulation No 1698/2005 lays out an obligation for each EU member state to create the Rural Development Networks. Countries can financially benefit from the European Agricultural Fund for Rural Development (EAFRD). The LAGs are at the heart of the functioning rural networks across the EU.

The new Common Agriculture Policy in EU and its Rural Development pillar will evolve shortly in the next programming period 2014–2020. However, LEADER with a renamed policy intervention called Community-Led Local Development shall be considered as a key approach to rural development. In this context Albania and other candidate / potential candidate countries will need to adapt to the new rules.

### **b. SEE rural development trends**

The rural development policy in South Eastern European countries varies in the degree and speed of development reforms. The historical background in rural development indicates a different path for the involved countries of the region. Public authorities of SEE countries are members of the Regional Rural Development Standing Working Group, as an organization that encourages cooperation among the Members within the scope of their responsibilities to the ongoing integration processes in the EU and stimulates initiatives and activities related to rural development on a national, regional and global scale.

The new EU member countries of 2007 enlargement process Bulgaria and Romania lead ahead in this process. Their rural networks have been established in accordance with EU legislation in force. They bring together organizations and administrations involved in rural development. The Croatian Network has been founded in early 2006 by seven civil society organizations and its membership expanded at the moment to 16 member organizations (10 CSOs and 6 LAGs). The Serbian network has been established in 2007 and is financed annually by the budget of the Managing Authority. This highlights the support and capacity building of relevant stakeholders required, in advance to accessing IPARD and receiving the candidate country status. The process of establishing the union of civil associations "Rural Development Network of the Republic of Macedonia" was launched in February 2010 as a spin-off organization of previous donor support programmes. Montenegro after receiving the candidate country status is on the process of speeding policies in order to comply it with the EU rural development policy.

IDM from Albania and other CSOs from SEE countries have signed the Networking Declaration in 2011 initiated by the Regional Rural Development Standing Working Group, which expresses their willingness to work together on improvement and strengthening of cooperation of the rural development networks. However, Albania, Bosnia and Herzegovina and Kosovo lag behind in the rural development policy in the region. Evidence from SEE countries mentioned above indicates that national policy support is extremely important for the success of the idea. In the overall, Albania can benefit from the lessons learned from SEE case studies.

### **c. Participatory rural development in Albania under current (2007-2013) and upcoming (2014-2020) national strategies**

Albanian rural areas are offering a vague picture of rural development based on a mostly agriculture model with strong structural problems and lacking a wide range of public services. Lack of employment opportunities and social upgrading does not guarantee community prosperity. Still, a poor understanding of modern rural development is noted, especially towards an endogenous model of rural development based on bottom-up participatory approach as the LEADER.

Albanian Rural Development Strategy 2007-2013 draws significantly from EU's Common Agriculture Policy. The Participatory Rural Development measure is included as one of its priorities following the LEADER approach. In this context, one of the strategic objectives has been the support of LAGs and the creation of the National Rural Network. The RD Strategy has foreseen to allocate the appropriate funding to support this strategic objective. De facto, these new approaches to RD have not yet been accompanied with required resources as prescribed in the Strategy.

What is missing is an approach on how to develop an adequate legal framework in place for creating and supporting LAGs and the National Rural Network. Currently, some ad-hoc and spontaneous initiatives funded by international donors have been developed isolated from a national strategic framework. Another recurrent issue, which is not being addressed by the existing Albanian Rural Development Strategy 2007-2013 is the social inclusion in rural areas. Women comprise the majority of the agriculture labor force contributing 55% of the total labor in agriculture, forestry and fishing in 2009. At the same time, agriculture employs more than half of women in Albania (56.5% of female labor force in 2010). Taking this into account, it is observed that the involvement of vulnerable groups, especially rural women is not addressed by the actual Albanian Strategy of Rural Development 2007-2013.

The rural development governance system in Albania remains under the umbrella of the Ministry of Agriculture, Food and Consumer Protection (MAFCP). Its RD Directorate is responsible for formulating rural development policies within the Ministry. The Paying Agency is established as a financing and implementation body of the rural development programmes.

In addition, the creation and development of the Rural Extension Directorate within the MAFCP and its related subordinate regional and local structures is considered a positive step. However, there is ample room for more vibrant contribution to the participatory rural development by other actors such as local government units, farmers or group of producers, farmers' cooperatives, rural women networks, agri-businesses, academic and research institutions, think tanks and Rural NGOs.

The main concern is how to integrate rural development policies which are often sector-based into the National Agriculture and Rural Development Strategy 2014-2020. Various needs, expectations and resources of stakeholders and rural territories need to be taken into account for the new cross-cutting

rural strategy. Giving voice to such stakeholders' inputs and priorities as a cornerstone of rural development will bring about the shift towards the modern sustainable endogenous model.

### Way Forward

Referring to the challenges presented in the previous section, an efficient national policy framework and a concrete action plan is needed. The bottom-up approaches of the LEADER methodology will be the guide to address them and support participatory rural development in Albania in the framework of the new Agriculture and Rural Development 2014 – 2020 strategy.

Networking is seen as a prerequisite for participatory rural development. Taking a **synergic** approach to national rural network would lead to positive outcomes. This synergic approach entails integrating the **communitarian view** with a focus at local level organizations, namely rural associations, farmers' cooperatives, young village clubs and civic groups, the **networks view** emphasizing the horizontal and vertical associations of people living in rural and semi-rural areas, organizational entities such as community groups and farms, agribusinesses, private firms etc., and the **institutionalist view** based on the quality of the formal institutions. Integrating core ideas of bridging social capital and state functioning at the community, local, regional or central level would be the complete and comprehensive perspective intended to analyze all relevant local stakeholders and their contribution in the rural development. It will ensure an inclusive and cohesive perspective.

As the civil society seems to be poorly represented in rural areas, the current strategy does not reflect on this challenge and other civic concerns. It is required by the cross-cutting Agriculture and Rural Development Strategy (2014 – 2020) to tackle the challenges of women and marginalized groups in rural areas. Gender mainstreaming allows for sector and national policies and plans to take those differences into account and ensure effectiveness and the achievement of intended policy goals.

### Policy Recommendations

Public administration typically experiences difficulties in managing the design and implementation of above-mentioned policies. Adaptation and coordination is required at a horizontal level between public, private and civic rural stakeholders and at the vertical level between the local, regional and central layers of governance. Developing a functioning partnership between public, private and civic rural stakeholders implies participation in decision making and also in implementing rural development strategies. These arrangements require strong commitment, effective knowledge sharing and competence through appropriate functioning networks.

#### Network Establishment

The establishment of the national rural network shall take into consideration various management scenarios. The national rural network might vary from the management within the Managing Authority (in the Albanian case within the MAFCP), partially outsourced to an external contractor performing some management duties and responsibilities or fully outsourced to an external contractor running the entire network.

Participation to the rural networks must be open to all relevant and interested stakeholders. Public institutions at central, regional and local level, LAGs, local government units, farmers or group of

The rural network:

- Brings together organizations and administrations involved in rural development
- Creates synergy among stakeholders and ensures the information flow between the local, national, and European levels.
- Facilitates the exchange of experience, supports the implementation and evaluation of the rural development programmes
- Provides a voice for rural communities and empowers civil society

producers, farmers' cooperatives, rural women networks, agri-businesses, academic and research institutions, think tanks and rural NGOs are the potential members of the national rural network.

*The appropriate action plan* for creating Albanian Rural Development Network needs to be set with the support and involvement of key stakeholders. This process could be correlated to the new RD Strategy for 2014-2020.

The LAGs' creation as *formalized tripartite partnerships* will be a significant step forward in the rural development. There is a need for clear legal framework which will allow them to be officially recognized by the MAFCP and benefit from the funding opportunities under the RD programmes and participate in the Rural Development Network.

### Legal Framework

The legal framework related to the creation of the National Rural Network needs to set the formal criteria for membership in the network, modes of organization and functioning, management structures and funding of the network. The formal or non-formal issue status of the network should be included in the legal framework. Complete legal framework provides the formal model and statute of a LAG to be recognized by MAFCP. Endorsed LAGs need to be registered as a legal person. In this way, officially registered and recognized LAGs will have the proper legitimacy to draft the Local Development Strategy as a binding document.

### Funding sources

Adequate financial support for the functioning of Rural National Network and LAGs must be addressed in the New Rural Development strategy. Failing to guarantee funding for the functioning of the National Rural Network and Local Development Strategies drafted by the LAGs, could seriously hamper the positive momentum in the advancement of participatory rural development in Albania.

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