



Republic of North Macedonia

Ministry of agriculture,  
forestry and water economy



# Diversification of economic activities in rural areas in SEE

Ohrid, North Macedonia  
9 – 10 October





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# Main Purpose of the WG

1. Key barriers for diversification
2. Key drivers for diversification
3. Ways forward - recommendations



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# Key Barriers

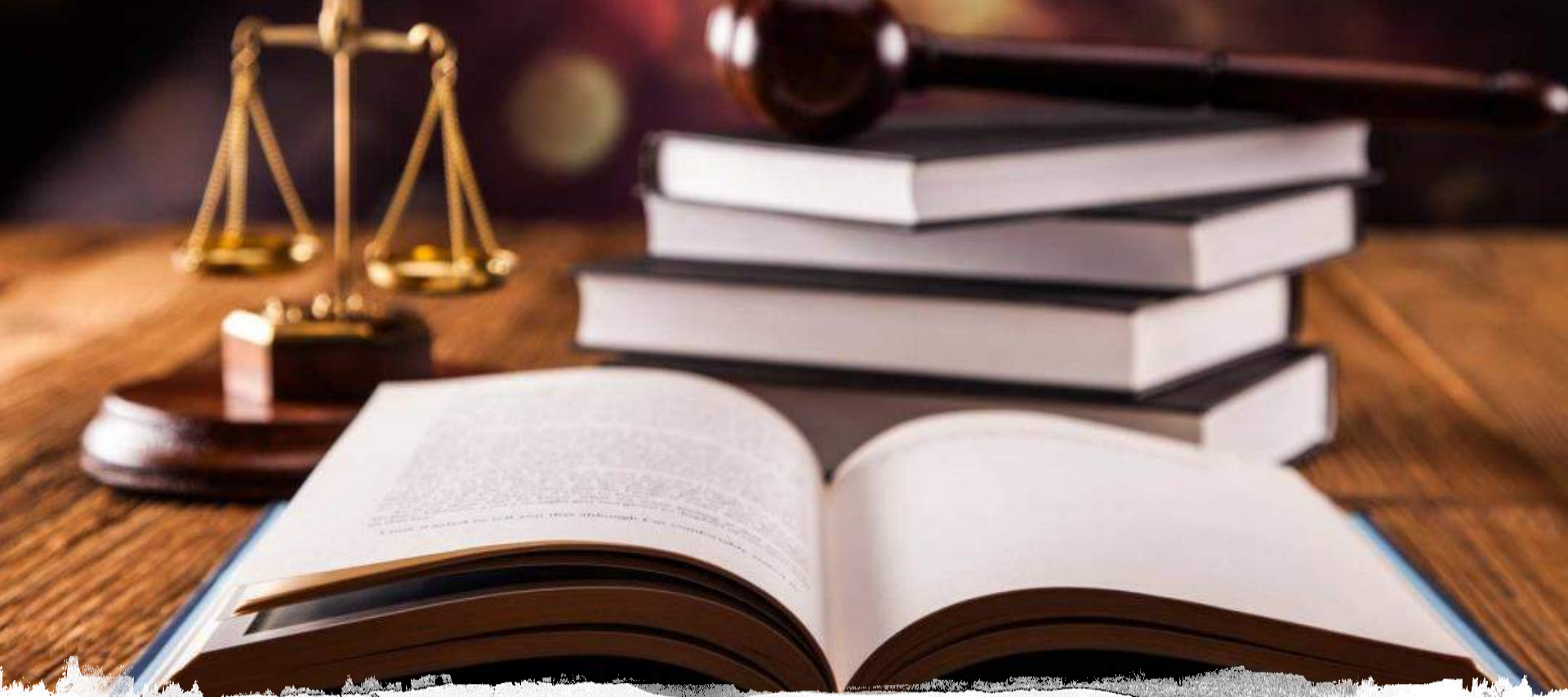
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# Lack of infrastructure

- National vs Local Level only at the state level
  - local governance not responsible enough



# Alignment of the legal framework

- No proper alignment of the legal framework in line with the new changes of the EU acquis;
- Approval procedure for new laws and amendments



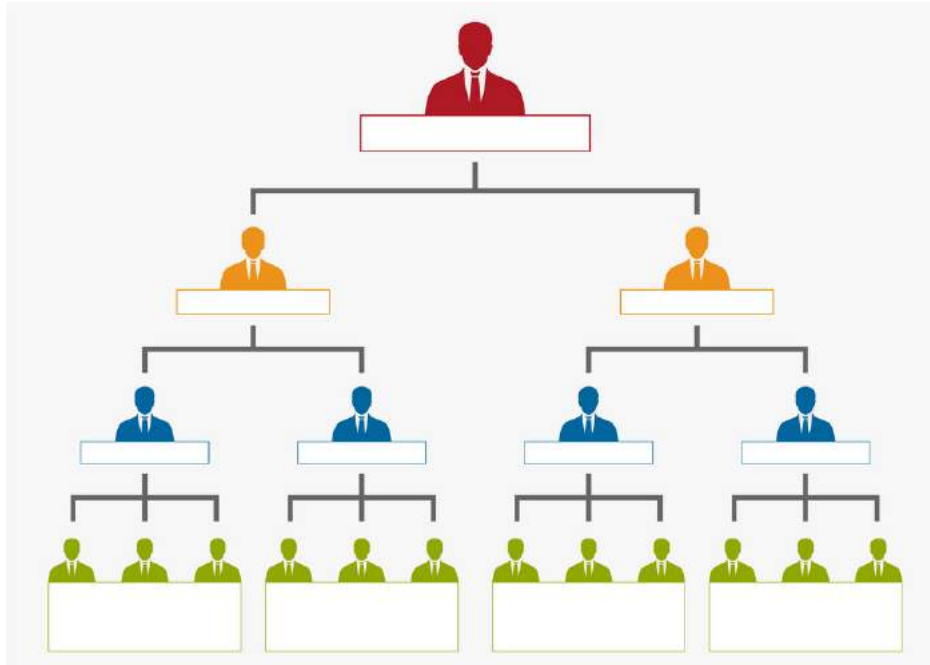
Younger generation - Depopulation – aging of the managers -employment - women not managing

## **Lack of interest of youth in farms**



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- Cooperation and adequate organization structure:
- Missing of the intersectoral cooperation

# Lack of Cooperation



# Lack of Cooperation

- Lack of cooperation and organizational structure:
  - Missing Intersectoral cooperation of relevant stakeholders. Ministry of agriculture being the only one;
  - Lack of organizational structure in charge of the diversification aspects;
  - Lack of Cross sectorial cooperation activities (associations of various crops working together);
  - Lack of cooperation among producers – ( cooperatives, Associations, producers' organizations); lack of networking and cooperation among interest groups;
- Some farmers being hesitant to new changes, to new technologies, etc.;





## Key Drivers

- Capacity building, transfer of knowledge to new and among farmers;
  - New generation of farmers to be involved in policy and decision-making procedures



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# Key Drivers

- Support the rural tourism through various activities from the rural tourism sector;
  - Working from tourism through and towards the quality scheme (PDO & PGI);
  - A scheme to support network;



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# Key Drivers

- Draft National Strategies and Local community development strategies
  - Ensure proper representation of all stakeholders, including regional;
  - Active participation of the Local action groups – where different types of stakeholder's work on drafting strategies and implement them towards diversification;
- Establishment of proper communication and exchange of power among the central and local administration institutions;



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# Key Drivers

- Coordinated International Donor activities
  - Any type of support provided either technical or on the job training), thus, to ensure there is no overlapping of activities;
- EU CAP – Common Agriculture Policy to be introduced to the policies of the SEE countries – as the base driver (not necessarily as the key driver);
- Education and Knowledge exchange in various fields – production or renewal energy – vocational education to producers at all ages;





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# Ways forward



- What the recommendation to address the above-mentioned barriers by using the key driver?



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# Ways Forward

- Initiate legal changes / amendments – draft the Properly aligned legal framework in line with the new changes of the EU acquis
- Further alignment of the legal framework of the national countries with the relevant EU acquis;



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# Ways Forward

- Strengthen the capacity building of the public administration
  - Public administration being the driver also for the diversification, therefore, they should be trained and properly structured so that they can cooperate with other stakeholders, so that they can help the farmers and other stakeholders for diversification;
- To bring together rural development and tourism policies with the help of the global sustainable destination development standards - a complete and systematic approach to a good destination management.



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# Ways Forward

- Flexibility and the policy creation – agriculture system being different to other sectors.
  - Farmers need to have some delegation and the implementation of the law from one side. As there is no flexibility, it is hard to apply to get the grant as the rules as strict, bureaucratic , and not familiar (moreover, hard to understand for farmers).
- Policies to support cooperatives (producers' organization) to establish networking among producers;





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# Ways Forward

- Analysis on the various tax regimes and other fiscal policies to support farmers;
- Strengthening of the capacity building for the association of farmers, training in the field of project proposals, project implementation, grant applications, and how to get support from various donors;



## Main conclusion

In order to support the diversification of economic activities in rural areas there is a need of adequate rural development policies aligned with the EU CAP addressing the challenges of the SEE countries face.

Consequently, inter-sectorial cooperation and coordination among various stakeholders in horizontal and vertical level is essential. Therefore, timely active involvement of rural communities into planning and implementation of policies is strongly recommended.

Additionally, it is advisable to strengthen the capacities of the national and local administration, advisory services, civil society organizations, producers and service providers in rural areas.

It is important for the SEE countries to focus on the advancement of continuous collection, evaluation and analysis of consistent reliable data, in order to monitor and evaluate the impact of rural development policies.