

**Inception visit, 16.09-21.09.2015**  
**Mission report**

**16.09.2015**

Travel from Tallinn to Zagreb

**17.09.2015**

**(1)** 9.00 to 12.30 Meeting in Croatian Ministry of Agriculture.

Attendances: Kadri Tillemann & Kristiina Timmo (Estonian Leader Union), Vlatka Pavlinič and Ivan Čiprian (Croatian Ministry of Agriculture), representatives from the monitoring department of the Croatian Ministry of Agriculture (Annex 1, attendance list).

- Presentation about the Estonian experiences from the last implementation period and information about the LEADER period 2014-2020. Presentation by Kristiina Timmo (Annex 2, Kristiina Timmo presentation)
- Presentation about the main findings from the background data analysis about the IPARD-implementation period and RDO 2014-2020 of Croatia by Kadri Tillemann (Annex 3, Kadri Tillemann presentation).

Discussion: IPARD program allowed Croatian LAGs to fund running and animation costs. Establishment of the LAGs started in 2008, in 2013 first 24 LAGs were selected to implement IPARD programme. The amount of funding was approximately 120 000 EUR per LAG for the period of 2 years. During IPARD period LAG's did not arrange project calls/funding/evaluation. For the new period 3% of the RDP funding is planned for LEADER, mono-fund approach is going to be used. The total amount of support for LEADER is around 67 MEUR. Ministry have started to implement RDP sub-measure 19.1 and 54 applications have been collected from the LAGs for the preparatory support for LDS drafting, relevant activities (in total around 3 MEUR, approximate average 40 000 EUR per LAG, detailed list of activities and budget was not submitted with the application). The funding decisions are going to be made in mid-October, after that LAG's have 6 months to prepare and submit the strategies (around April of May 2016). LAG's need guidance and support, are willing to attend seminars and trainings to be able to seek and find the necessary focus for their LDS's. Around half of the LAGs face similar problems, such as bad demographic situation; economic situation is not good (decreasing population), low running costs, lack of human resources.



Three different form of national cooperation: (1) one network administered by the Ministry; (2) HMRR and (3) LEADER network (the newest network, established in 2011). Somewhat confusing situation.

Main requirements for the LDS: clear accordance between DLS support measure and RDP priorities, relevant types of operations. There is a plan to arrange a workshop about evaluation in order to raise the LAG's capacities to evaluate the projects. The guide should include suggestions about the mandatory chapters of the LDS (according to the RDP, Annex 91). Description of measure should be connected to the RDP measures directly. Should follow the pre-described list types of operations (by the Ordinance). Selection criteria are not to be set at the level of measure but for type of operation.

It was agreed that consultants prepare the web-questionnaire to collect background data from the LAG's, it will be sent to the representatives of the ministry to be approved prior sending out to the LAG's (distribution is going to be arranged with the help of HMRR). The Guide itself is at first prepared, discussed and approved in English, the final version will be translated into Croatian.

The implementation of the RDP sub-measure 19.3 (co-operation) is not mandatory. The level of experience of the LAGs in terms of national and international co-operation varies a lot, but most of them have had certain co-operation projects. It is possible to get funded up to 100 000 per LAG for co-operation initiatives.

**(2)** 14.00 to 17.00 Meeting with the Croatian Rural Development Network (HMRR) representatives Mrs Višnja Jelić Mück (previous president of the network), Mr Tomislav Panenić (current president of the network) and Mrs Marina Koprivnjak (coordinator).

Discussion: The network consists 36 LAG's and other rural development related NGO's. A number of LAG's face the problem where they just recently (2 years ago, only minor statistical changes are going to be needed) prepared strategies for the IPARD implementation and carried out necessary activities (data collection, meetings etc). From the procedural part it might be adaptation of the old strategies for some of the LAGs.

Previous strategies allowed to incorporate all the LAG area needs, but now they allow only to integrate RDP-related objectives. LAG's interests and needs are broader than RDP's objectives. For example rural tourism.

It is a common practice that LAG's use external consultants for LDS preparation and drafting. However the representatives from research institutions and universities might not be familiar with local conditions. There might raise the issue of the expert's independence as well.

The new requirement to have at least 5 municipalities within the LAG has caused a certain amount of confusion - some LAG's merge and some divide. It could happen that local stakeholders could not make a difference between LDS process and local & regional strategies' preparation.

Strategy itself gives 30 points out of 100 when it comes to the accreditation of the LAG's and allocation of funds. 3 other components are related with size of the LAG, population, number of municipalities. Distribution of funds should be separated from the LAG's accreditation process. Otherwise LAG's are not motivated to prepare and submit a high quality strategy if they are not big enough. Evaluation sheet consisted several components, but only 30p are related with quality of the strategy. It is not reasonable to be too EAFRD-centered, there should be more possibilities to integrate local needs, take into account the LAG's uniqueness and differences.

So far there has been a several support systems for the LAG's, in addition to the workshops provided by the ministry local and regional NGO's and agencies have provided consultancies and training (under the financial support of other programs). There is definitely a need for more trainings, especially for the LAG's evaluators. It should be recognized that regional development is not the same as the rural development. Croatia is very diverse, important to find proper goals for LDS's, they should take accordance the uniqueness. Impact assessment is very important. Should be somewhat internal on LAG-level. Mid-term evaluation results come to late. The human resources of the LAGs are limited, up to 5 employees, average is around 1-2 employees.

For the evaluation process there should be a minimum evaluation model provided either with the guide or separately. It is necessary that is going to be a first time for the LAGs to conduct evaluation. E-literacy is not very high, E-system might exclude some potential applicants.

Guide should indicate that innovation in rural development does not mean high-tech solutions. LAG's would like to implement more activities related with urban-rural interactions, but it is procedurally complicated. Investments outside the rural areas are not possible even if the beneficiaries are from the rural area.

## **18.09.2015 to 20.09.2015**

**(1)** Travel to Terra Liburna LAG area, site visits and field inspection

**(2)** Desk review of the background documents and collected data with following outputs:

- RDP takeouts (Annex 4)
- First structure of the Guide (Annex 5)
- Web questionnaire for the LAGs (Annex 6)
- Mapping of data gaps, necessary enquiry for the representatives of the ministry (Annex 7)

## **21.09.2015**

**(1)** Meeting with LAG Terra Liburna, represented by the President ANGELA XXXX in Matulj.

Discussion: Established in 2013 2-3 months before the second tender of IPARD and was not qualified for IPARD funding. LAG consists 8 municipalities and 66 members. Without IPARD-funding they had more freedom and time for their scene-setting. Others were kind of stressed with rules and reporting. LAG have become quite important association in the region. Trying to consult local people to how to register the business, how to gain public money. Leaflet to be out in next months about agricultural business, made especially for that region. Salary came from the local municipalities + regional authority gave every LAG (4 of them) certain amount of money to cover the costs.

LAG have used different funding sources, ie INTERREG together with 12 international partners.

Local production is an important topic. LAG is trying to provide support to access markets, they'll make co-operation agreement with Slovenian LAG, focus on local productions. Small local producers need support, some of them are not registered, a bit scared of the bureaucracy.

Have an number of foreign LAG partners, it might be useful to follow their experiences with LDS drafting (Slovenia, Lithuania, Italy, Bosnia & Herzegovina). LAG needs a simple strategy for simple people.

LAG already started with LDS preparations in small scale. Started with small activities, some meetings in municipalities with presentations. One municipality arranged business day. They are waiting for the results of the tender (sub-

measure 19.1). 8 thematic teams are working, representatives from the universities and research institutions are included (Tourism management university in Opatija + economic branch in Rijeka + some more). Absolutely necessary to work together with R&D institutions, LAG kind of translates the research info for local people. Mostly have done meetings with university people, tried to make SWOT together.

A bit concerned about the monitoring, LAG is small and not prepared to act as an agency. Do not have necessary resources. The main focus areas for the LAG are: production & small changes, rural tourism and rural development as a whole. Cooperation with regional and local tourism boards is necessary, destination management organization. LAG wants to initiate co-operation. To attract and occupy young people, to make good pre-conditions. They see a role of the LAG as an animator who makes things happen. They make trainings in their co-working office as well as at LRA's at partners (associations). Avoiding overlaps, they try to empower them, do not have to do everything ourselves.

As the challenges of the LAG have changed they plan to draft a new LDS rather than to update the existing one. A further guidance/support is needed to how to evaluate the projects, how to make things work. It is unpredictable what is going to happen after the LDS approval. Our members/applicants have to implement the LDS, not the LAG. During IPARD it was different. A low awareness about the LEADER-funding is going to be a problem in Terra Liburna. People do not have a lot of ideas, they do not have vision.

LAG tries to promote and set up co-operation networks for small food chains. Have used guidelines from northern Italy, similar climate. They have 30-40 years of experiences. Italians are willing to help. Italy implements LEADER a bit differently. Mentality is different. Study visits to Styria took place recently. Austrian trip was very fruitful – 5 producers started to work together in an effective way.

National co-operation is also present - an agreement of co-operation with 4 neighboring LAGs + consultants, agency. They do statements together and other co-operation. This was the first this kind of partnership, and were the first to get the money from the region. Now there is an new partnership in Croatia somewhere else as well. They are now making new a new co-operation agreement with 2 LAGS from Istria, mount Utchka region connected with local food (olive oil etc).

From the LAG's perspective it would be perfect if the applications are going to be submitted electronically, but some of the potential applicants definitely would have difficulties (an example of the local cheese producer with a low

administrative capacity). One system by private developer is available, but rather expensive for the LAGS (7000 eur per year).

**(2) Meeting with LAG Gorski Kotar in Lokve, represented by the LAG-manager SVETLANA KASUNIC**

Discussion: LAG was established 2007, at first supported by Dutch government (projects for rural areas in Croatia, pilot project area). Several other projects to fulfill time for IPARD tender/call for proposals. Provided training for other LAGs on voluntary basis. IPARD started officially in February 2009. In 2013 was the first call. The call had different requirements for the strategy, so the initial strategy had to be changed and shortened (there was a length limit). Initially there was a plan to include the requirement that at least 2 members of the board should be younger than 25, eventually it was managed to raise up to 29 years.

Successfully applied from IPARD 202, but needed to apply for pre-financing from other measure as well. LAG has to have money in advance, after 3 months they report and maybe will be refunded. It is a problem for LAG's and will occur for the RDP sub-measure as well.

LAG Gorski Kotar includes 9 municipalities. According to the current situation there is a chance that it will not have chance to implement LEADER because qualification criteria might exclude them even if the strategy is going to be very good (development index, population etc).

A lot of stakeholder involvement work was done during measure 202/LDS preparation, also questionnaires to know about intentions, a lot of workshops. For the new LDS they will mainly work themselves, but will include an external consultant as well. According to their knowledge they can not design their own support measures - number of RDP objectives / measures to implement are 3, 4, 6,7, 8, 9, 16. No room for local creativity.

They would not mind to use necessary software or e-solutions for application collection, but they tend to be too resourceful, probably will collect paper copies.