

First Meeting of the Carpathian Convention Working Group on SARD and Forestry

Carpathian Mountains in Serbia

Assessment of policies, institutions and processes

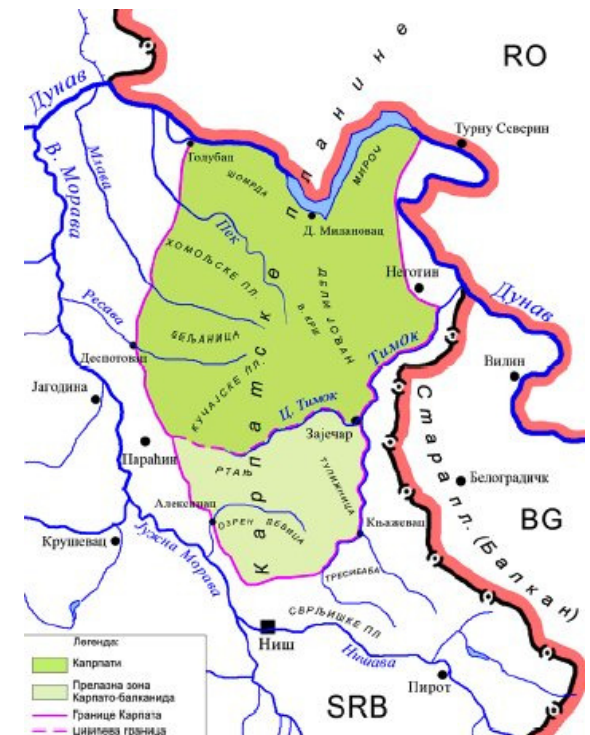
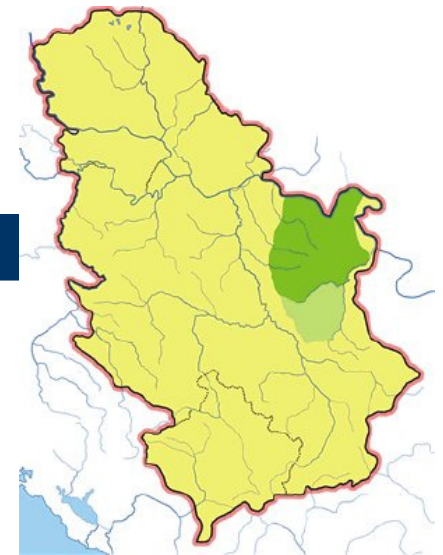
9-10 July 2007, VIC, Vienna, Austria



Sustainable Agriculture
and Rural Development
MOUNTAIN POLICY PROJECT

General Facts

- Expansion of territory; Total 9.7% of the Serbian territory, with 7.3 in narrow and 2.4% in wide
- 13 municipalities in 4 districts
- Population 224.036
- The highland and mountainous terrain (up to 1500m)
- Partial positioning in the border area (BG, RO)
- The river Danube
- Recent history of unsustainable development
- Slow growth rate



Agriculture and Forestry

Multifunctional rural economy

Land use: half of total surface agricultural land

40% of forests

1) **Traditionally oriented agriculture**

2) **Market oriented agriculture**

dominant field crops

dominant livestock production

Potential for organic agriculture



Rural Development

- Rich natural resources (10% NP Djerdap)
- Inflexible economy base
- Negative demographic trends – migration and aging
- Poverty 11.4%
- Underdeveloped local infrastructure
- Weak local institutions
- Rich cultural and historical heritage



Entry Point for the Assessment

Issues:

Persistence of the regional disparities

Depopulation trends

Sector approach



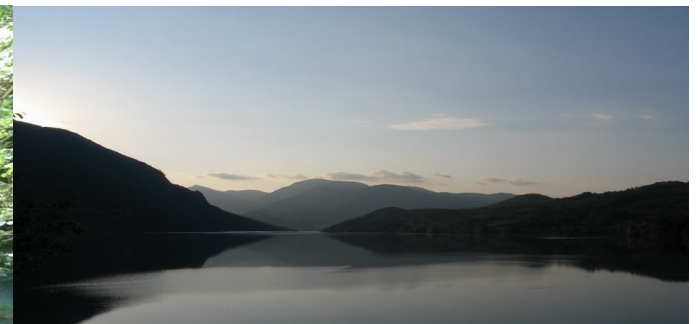
Involving local resources
Strengthening social capital
Diversification initiatives

Integrated rural development

National Policy Framework SARD-M/Policies

Construct from various sectoral policies referring to rural areas, mountainous areas or territories with increased vulnerabilities (environmental fragility, infrastructure, poverty..)

- PRS, National Environmental Programme, Spatial Plan, Strategy of the regional development, Tourism strategy, Forest Development Strategy, Agricultural Strategy,
- Rural development policy nominally the responsibility of the MAFWM



National Policy Framework

SARD-M/Policies

- **MARKET SUPPORT: Cancellation of the price support and replacement with input subsidy (decrease from 90% to 38%)**
- **STRUCTURAL SUPPORT: Establishment of rural development payment and investment support (25% of the total support)**
- **CREDIT SUPPORT: short and medium term credits (22%)**
- **INCOME SUPPORT: Establishment of income support (12%)**

- Development of new financial instruments
 - Established structure for rural development payments
 - Support of **off-farm activities** (agro-tourism, artisan)
 - development and improvement of **rural infrastructure**
 - Awareness of **public goods** related to agriculture and rural development
- Support to highlands establishing pastoral systems in mountain regions, support to mowing natural pastures for fodder
- General RD support: diversification of farm activities, promotion of local products, support to farmer organizations, organic farming

National Policy Framework

SARD-M/Policies

Breakdown of spending in favour of already financially established entities, targeting large companies.

Structural spending:

Infrastructure development takes 73%, support to production improvement 23% and than others like organic farming 0.1 or environment related activities 2.2%

131 out of 1655 and 16.58% of funds distributed in the Carpathian

- Low level of decentralization and delegation of implementation
- Lack of support for application in project preparation
- Lack of effective procedures for selection and clear eligibility conditions

National Policy Framework SARD-M/Institutions

Government institutions not only lead but dominate
(Ministries of agriculture, forestry and water management, environment protection, infrastructure development, tourism, energy and mining...)

Decentralisation process fragmentary and ongoing

Underdeveloped private and civil sector organisations

Research and extension institutions are in process of restructuring

Almost complete absence **of advices in non-agronomic fields** such as farm economics, marketing, post-harvest management, diversification, etc.

Weak institutional capacities and control bodies

A bit above 13.000 farms or 5% of the total in Serbia

National Policy Framework SARD-M/Institutions

Potential structures and networks:

Standing Conference of Towns and Municipalities

Centres for development of SMEs

Transborder cooperation Danube 21

Strengthening of local governance

- improving communication and participation
- “mesne zajednice” (local communities)

Further support to professional
and interest groups



(SARD-M) Policy Formulation and Implementation Processes

Policy formulation

Poor inter-ministerial coordination

(Economy, Capital Investment, Public Administration and Local Self-Government, Capital Investment, Tourism)

Rudimentary public involvement

Yearly programming cycle

No policy analysis from SARD-M

Implementation:

Incomplete compliance – no secure check

Weak monitoring and evaluation

Weak institutional capacities and control bodies



Strengths

Weaknesses

Opportunities

Threats

Env.	richness of resources, low input agriculture, presence of protected areas of natural, good position	Black spots Poor management practices, lacking infrastructure
Ecc.	growing relevance of SMEs, agricultural base for development	Monostructural and inflexible economy base, Low investment, slow growth rate
Soc.	Small but active network of NGOs,	Inaccessibility and distance, low employment participation, migration trends
Pol.	New strategic laws and documents adopted	No SARD-M Lack of concrete measures

- **Proximity of Danube and corridor VII**
- **9/13 LFA municipalities**
- **Prospects for organic and traditional food products**
- **Timber and NWFP**
- **Medicinal herbs**
- **Niche tourism**
- **Negative demographic trends**
- **Limited mobility and remoteness**

Strengths Opportunities

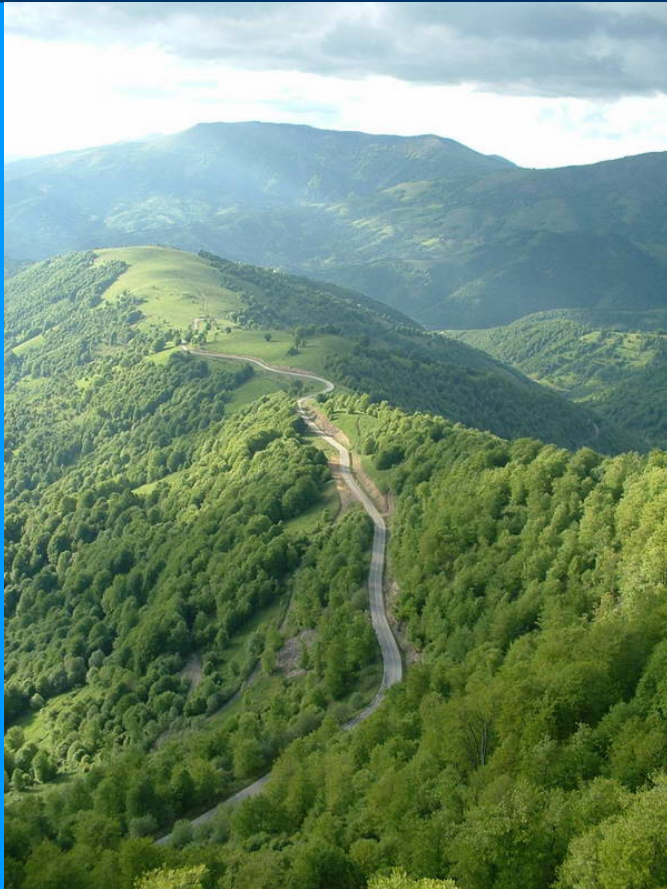
Weaknesses Threats

Improved institutional support: business incubator, SME regional agencies, production cluster, public civil sector partnerships in provision of social services	Lack of political commitment to SD, lack of capacity, staffing, slow decentralization process, lack of professional organizations, low use of IT...
Available donor funding for capacity building, start of collection of baseline data	Low level of regionalization, Lack of M&E practices (and culture)

Institutions and processes

Emerging partnerships, Fiscal and general decentralization Existing potential network for participatory involvement	Ineffective control and compliance Weak communication channels Low intersectoral coordination Slow institutional building (farmer&citizen)
Involvement in regional projects (Carpathian initiatives, Danube region 21) Gradual introduction of GAP	Insufficient response to curving regional disparities. Civic initiatives funded externally

Conclusions



What is Carpathian Serbia today?

What's ahead of Carpathian Serbia?

- Preserve and enhance natural and cultural heritage
- Reinforce economic environment
- Improve the capabilities of local communities

Recommendations

Promote Carpath. Conv. as multisectoral frame

Rural grant support schemes in strive for rural diversification

Strengthen regional resource management-decentralisation and capacity building

Growing regional disparities

Depopulation

Increase awareness on SARD-M context

Endogenous development principles





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Thank you !