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
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
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
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
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
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
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
<table>
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<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
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<tbody>
<tr>
<td><strong>Env.</strong></td>
<td>richness of resources, low input agriculture, presence of protected areas of natural, good position</td>
<td>Black spots Poor management practices, lacking infrastructure</td>
<td>• Proximity of Danube and corridor VII</td>
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<td>growing relevance of SMEs, agricultural base for development</td>
<td>Monostructural and inflexible economy base, Low investment, slow growth rate</td>
<td>• 9/13 LFA municipalities</td>
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<td><strong>Ecc.</strong></td>
<td>Small but active network of NGOs,</td>
<td>Inaccessibility and distance, low employment participation, migration trends</td>
<td>• Prospects for organic and traditional food products</td>
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<td></td>
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<td>• Timber and NWFP</td>
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<td><strong>Soc.</strong></td>
<td>New strategic laws and documents adopted</td>
<td>No SARD-M Lack of concrete measures</td>
<td>• Medicinal herbs</td>
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<td>• Niche tourism</td>
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<td><strong>Pol.</strong></td>
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<td>• Negative demographic trends</td>
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<td>• Limited mobility and remoteness</td>
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<td>Improved institutional support: business incubator, SME regional agencies, production cluster, public civil sector partnerships in provision of social services</td>
<td>Lack of political commitment to SD, lack of capacity, staffing, slow decentralization process, lack of professional organizations, low use of IT…</td>
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<td>Available donor funding for capacity building, start of collection of baseline data</td>
<td>Low level of regionalization, Lack of M&amp;E practices (and culture)</td>
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**Institutions and processes**

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