



## Agricultural Policy Forum 2018:

### *Agricultural Policy: Determinant of the Regional Rural Development and EU Perspectives of SEE*

16 – 18 October 2018  
Jahorina, Bosnia and Herzegovina

### Jahorina Agenda 2018

The Agricultural Policy Forum (APF), hereafter referred to as the “Forum”, is a comprehensive regional platform enabling all stakeholders - from academics and policy makers to farmers - to get together and address key concerns about the future of agriculture and rural development, and their role in the prosperity of the South Eastern European region. The current and future state of agriculture and rural development, in relation to the dynamics of the European Union (EU) integration process, is among the central topics of the APF.

The 18<sup>th</sup> Agricultural Policy Forum, “Agricultural Policy: Determinant of the Regional Rural Development and EU Perspectives of SEE”, was held in Jahorina, Bosnia and Herzegovina, on 16<sup>th</sup> – 18<sup>th</sup> October 2018. It addressed the reform of the EU Common Agricultural Policy and the trends in EU agri-food trade policies and their impact on SEE. It also discussed the challenges of rural depopulation and migration, and critical policy initiatives to foster economic growth by increasing rural competitiveness and productivity, to enhance the social, economic and environmental well-being of rural areas. In this context views were exchanged on key policy issues, such as diversifying rural economic activities; land market and small farmers’ access to land; agri-environment policy and the sustainable use of genetic resources; good practices in the meat processing sector; and building partnerships between stakeholders and governments for achieving sustainable and balanced development in the region.

The Jahorina Agenda 2018 summarizes the main outcome from these discussions.

The upcoming **reforms of the EU CAP** present a challenge to the SEE countries, in view of aligning their agricultural and trade policies with the EU policies, and, among the SEE countries, to mutually benefit from the trade opportunities it represents. All countries must meet the same rules and standards at the time of accession. The SEE could therefore benefit from harmonizing policies already during the pre-accession period. This is particularly the case in the field of trade policy and common health, hygiene and marketing standards. In addition, the SEE could benefit from increasing the added value in exported agri-food products, which requires policies that support skills development and removal of trade barriers.

In terms of the general **agricultural and rural policy development in SEE**, the Forum recommends that there should be more transparency in the policymaking process. Agricultural policies must have a long-term orientation and should apply the principles of evidence-based policymaking, in line with EU principles. A particular effort should be made to introduce measures to help improve the competitiveness of small farms and rural businesses. In this regard the



LEADER approach is an important tool to promote cooperation and local economic development and should be implemented as soon as possible.

The Forum assessed the new Strategy for EU Regional and Territorial Policy and IPARD, set out in the Communication on a credible enlargement perspective for and enhanced EU engagement with the Western Balkans. It deliberated on policy measures to **enhance competitiveness and socio-economic development of small farmers and rural businesses** to release the potential for income generation and job creation in rural areas. In this regard, it identified two areas in the Strategy, which could be of particular interest to the economic development in rural areas, namely the flagship on supporting socio-economic development and the flagship on supporting reconciliation and good neighbourly relations.

The Forum considered ways to improve the competitiveness of small farms and rural businesses in the Western Balkan region. This group of businesses represents the majority of private businesses in rural areas, essential for income, employment and sustainable rural livelihoods. It was acknowledged that these businesses are, with a few exceptions, not targeted by any policy measures under national schemes, or even IPARD. Nevertheless, they represent a high potential for economic activities, income generation and job creation. The Forum concluded that diversifying economic activities in rural areas would increase economic performance, especially emphasizing the agri-food production and rural tourism. The Forum reflected that in most countries these businesses have a very low degree of integration in value chains due to the informal economy, the inability to supply sufficiently large quantities with uniform quality, the limited level of knowledge and capacity to apply modern business management skills, as well as remoteness from the main markets.

The Forum recommended that traditional investment support or direct payments alone would not address the most critical needs of this group of businesses. It, therefore, recommends that policymakers introduce a mix of policy measures, including investment support, intensive and consistent knowledge transfer and support to establish and manage various types of cooperation. In this regard particular attention should be given to education and training of young people, including new entrants into agriculture and agribusiness. The Forum also recommended that the EC, in the preparation of IPARD III, introduce a new measure encompassing these elements.

**The meat production and processing sector**, identified as one with high potential for added value, is characterized by small farms/processors with low productivity and high production costs, lack of a strategic value chain approach, lack of communication, coordination and access to information. Effective strategy implementation for livestock development is needed. In order to get quality and competitive product at local/regional market based on traditional knowledge, small farmers/processors should be supported through education, training and funds for start-up investments. Promotion through raising awareness amongst consumers and the retail sector about traditional products, including protection of geographical origin, is needed. IPARD presents a unique opportunity for this sector to invest and modernize.

The Forum discussed the challenges of the implementation of **agri-environment policies** in the SEE countries and their intersection with the agriculture and rural development. It concluded that the agri-environment policies are developed to a different extent in different SEE countries. Although included in the national strategies and existing development plans, they are not the top priority in implementation. To improve the design, implementation, monitoring and evaluation of

agri-environment policies there is a need for a coherent legal framework, enhanced institutional capacities and active cooperation among all stakeholders. It is crucial to develop an innovative, integrated information system for agri-environmental indicators and all other issues related to agri-environment policies, in order to ensure evidence-based policy design. These will also be a prerequisite for entrustment of agri-environment measures within IPARD.

**Agrobiodiversity** is an issue of great importance, which needs special attention also in the agri-environment policies. In general, the SEE countries are lagging behind in defining and implementing support policies for preservation and sustainable use of their rich agrobiodiversity. To address the importance of agrobiodiversity, the SEE countries need to: (i) define policies and legislation related to agrobiodiversity in compliance with EU and other international conventions and treaties; (ii) improve institutional capacities and invest in human capital; (iii) establish a monitoring and information system to assess and report status and trends; (iv) improve in-situ and ex-situ conservation; and (v) increase awareness and explore the economic potential of agrobiodiversity and its products.

With the aim of improving the **agricultural land market** and to increase the small farms' access to land, a well-defined land policy is needed. Data and digital information systems regarding the agricultural land market should be established/updated and harmonized. National Land Consolidation Programmes should be adopted with improvement of agricultural infrastructure and solving land registration problems, in one integrated process. The Forum recommends introducing land tax on unutilized agricultural land, to stimulate land markets and reduce land abandonment. The restitution and denationalization process must be completed. Legislation should be created/implemented to prevent further fragmentation and loss of agricultural land. State Land Bank / Fund support for land consolidation and the development of land markets should be established.

**Depopulation of rural areas** is a complex phenomenon of broader socio-economic factors, including poverty, limited employment opportunities and limited access to social services, poor infrastructure, natural resource depletion and adverse impacts of environmental degradation. The Forum recognized that particular efforts must be geared towards improving competitiveness of small farmers and rural businesses, to release the potential for economic growth and job creation in rural areas. In this regard, the Forum acknowledged that development and strengthening value chains, creating clusters and business partnerships, and the introduction of innovative business and investment approaches that exploit territorial diversity, fosters growth and employment, would help prevent rural depopulation.

The Forum recommends that the SEE countries should further strengthen **regional cooperation** in the area of agriculture and rural economy using the existing regional platforms such as SWG, with the aim of smoother EU accession through mutual harmonization of policies. It would also lead to improved competitiveness of the sector and facilitated trade among the SEE countries, increased cooperation among the private operators across the borders and more value added created in the region. Finally, it would contribute to strengthening the neighbourly relations among

the countries of the region, as well as the economic, social and environmental well-being of the rural population.

The Forum agreed that:

- The Agenda will be presented and discussed at the 12<sup>th</sup> Annual Working Meeting of the Ministers of Agriculture from South Eastern Europe on the 15<sup>th</sup> of November 2018 in Struga, Macedonia;
- The Agenda will be conveyed to the EU institutions, UN agencies and other relevant national and international institutions and organizations;
- The 19<sup>th</sup> Agricultural Policy Forum will take place in the autumn of 2019 in Macedonia, which holds the SWG Presidency for 2019.

The Agricultural Policy Forum 2018 in Jahorina was held under the joint auspices of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina and the Regional Rural Development Standing Working Group (SWG) in South-Eastern Europe.

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