



## **Agricultural Policy Forum 2017: Sustainable Agricultural and Rural Development for Accelerated EU Integration of the Western Balkans**

10 – 13 October 2017  
Podgorica, Montenegro

### **Podgorica Agenda 2017**

The 17<sup>th</sup> Agricultural Policy Forum (APF), hereafter referred to as the “Forum”, held in Podgorica, Montenegro on 11<sup>th</sup> – 12<sup>th</sup> October 2017, is a comprehensive regional platform enabling all those concerned to get together and address key concerns about the future of agriculture and rural development and their role in development around the South Eastern European region. APF provides an open forum for stakeholders across the agricultural and rural development spectrum—from academics and policy makers to farmers—to participate in collaborative discussion and action around the current and future state of agriculture and rural development in respect to the dynamics of European Union (EU) integration process in South Eastern Europe.

The Forum this year focused on “*Sustainable Agricultural and Rural Development for Accelerated EU Integration of the Western Balkans*”. It addressed the need for adjusting the agricultural and rural development policies in SEE in line with the EU requirements; and the empowering processes of increasing rural competitiveness and productivity to enhance the social, economic and environmental well-being of rural areas. It also denoted the value of enhancing diversification advantages in rural communities, improving investment opportunities and building honest partnerships between stakeholders and governments for achieving sustainable and balanced development in the region.

The Podgorica Agenda 2017 resumes the main outcome from these discussions in the plenary and working group sessions:

Rural migration is a result of socio-economic factors, including poverty, limited employment opportunities and access to social protection, poor infrastructure, natural resource depletion and adverse impacts of environmental degradation. The Forum recognized that efforts must be geared towards a more productive agricultural and rural development sector, enabling employment and investments opportunities. The Forum acknowledged that strengthening value chain development and clustering, improving local capacities and supporting innovative business and investment approaches that exploit territorial diversity, creates more effective environment which fosters growth and employment, thus helping prevent rural depopulation.

Stemming population loss and enabling economic diversification of rural areas can be done through sustainable management of natural resources. However, inter-sectorial cooperation among authorities responsible for agriculture, rural development and environment is a major challenge, given that integrated policy development and planning as well as investment mechanisms are still rare. The Forum recommended the need for streamlining policy instruments and management of natural resources, along with creating synergies for multi-functional use of land and ecosystem





services as innovative approaches towards new levels of business development. These elements contribute to the development of sustainable income generating activities in the rural areas. They provide alternative livelihoods that relieve pressure on the natural resource-base while also reducing poverty, thereby helping to sustain integrated management and use of natural resources, while protecting critical ecosystem functions and biodiversity of national, regional and international significance.

Concluding from the Panel Discussion, the Forum recommended the following:

- There is a need to improve competitiveness of the agri-food sector and the rural economy and to address the constraints of small farms and rural businesses. Analysing farm efficiency and its links to subsidy measures is becoming central in applied policy analysis, that needs to provide policy-makers with useful and current insights. Such analytical tools will assist the Western Balkan countries in improving evidence-based policymaking, implementation and evaluation;
- CEFTA Parties should consolidate the actions needed to establish a regional economic area in compliance with the EU acquis to eliminate market access barriers, decrease the cost of trade and attract more investments. Trade facilitation and dispute settlement procedures are essential for improving trade flows among CEFTA parties;
- Policymakers should give higher priority to IPARD measures facilitating cooperation among small farmers and businesses such as setting up and running business partnerships and the development of short value chains. In this regard an efficient and effective legal, financial and administrative environment for rural businesses is of critical importance to enhance absorption of IPARD funds. The SEE countries should strengthen their cooperation and enhance the exchange of experience on the implementation of IPARD in the pre-accession period, concentrate on policies improving the competitiveness of these sectors and facilitating access to markets, both domestic and foreign.
- LEADER has proven to be a crucial tool for involving local people and partnerships in preparation and implementation of sustainable local development strategies. Government institutions at all levels should continue working on strategic and programming documents and the regulatory framework for introduction of LEADER. Strengthening capacities of relevant institutions and stakeholders as well as awareness raising for the LEADER approach and the setting up of local action groups are central to the process.

### **Focus topic 1: Improving competitiveness of the rural economy considering the farm structure in the Western Balkans**

The Forum deliberated on modes to improve the competitiveness of small farms and rural businesses in the Western Balkan region. This group 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. The Forum reflected that in most countries these businesses have a very low degree of integration in value chains due to the informal economy, their inability to supply sufficiently large quantities, and often their remoteness from the main markets.

The Forum emphasized that policymakers should also address this group of businesses to stimulate rural economic activities and job creation and thus reduce out migration. Consequently, the Forum recommends focusing on improving competitiveness of small rural businesses, by





investments as well as increasing their level of knowledge and skills in managing their businesses and forming partnerships or other types of cooperation, thus improving their ability to integrate in short value chains. Traditional products for niche markets should be the leading competitiveness strategy.

It was concluded that the ABD approach, though operating at a marginal level of financial input, has shown positive results in terms of providing a platform for networking among local partners, building trust and increasing the understanding and importance of working together to improve their economic performance. IPARD has tools to engage in such policy initiatives but only a few countries have included these measures in their programs. It is therefore recommended that national rural development measures, and/or IPARD, enhance support to local bottom up processes, partnerships, producer groups and/or other forms of cooperation for this type of businesses.

## **Focus topic 2: Agricultural products trade barriers in the Western Balkans**

Western Balkan countries/territories are very important trade partners. All of them are part of CEFTA, with the purpose of trade liberalization. However, they are still facing many barriers in the trade of agricultural products related to Non-Tariff Measures to Trade (NTMs). Some of those are: absence of mutual recognition of trade procedures, differences in regulations and methods for conformity assessments and excessive sampling by border authorities. These barriers contribute to the downward trend in the mutual trade of most of the Western Balkan countries/territories, recorded in the past period.

To overcome these barriers, the Forum recommends acceleration of harmonization of the relevant regulation of the Western Balkan countries/territories with the EU legislation. So as to avoid lengthy and costly double certification procedures, regional/bilateral agreement/s should be concluded about mutual recognition of certificates, which should enable movement of agri-food products across Western Balkan. In addition, inspection should be done through risk assessment analyses, which is expected to significantly ease the trade in the region. In order to ensure effective and efficient implementation of these recommendations, capacity building should be conducted for the relevant authorities of the Western Balkan countries/territories.

## **Focus topic 3: Sustainable rural development through the LEADER approach in the Western Balkans**

Local development policies should be implemented using a bottom up approach for better connection, participation and coordination of diverse rural actors. The Forum urges the National Governments to put more effort in setting up the required legislative and administrative procedures for making the LEADER approach operational under the National Rural Development Programmes and/or IPARD. This effort will validate the work done so far, to strengthen the support to stakeholders in rural areas and ensure sustainability of the LEADER approach.

The added value of the LEADER approach is to strengthen local social capital and improve local governance through empowering rural communities and enhancing partnerships. The Forum acknowledges the crucial role of local action groups in implementing the local development strategies and to animate local actors and networks. Furthermore, the LAGs can skillfully





communicate and cooperate with governmental bodies and a broad range of development partners, within and outside the rural areas. The art of animation involves highly diverse skills such as bringing various actors together to participate and jointly contribute, ultimately transforming divergent interests into opportunities for change towards common wellbeing. These capacities should be systematically strengthened.

The Forum agreed that:

- The Agenda will be presented and discussed at the 11<sup>th</sup> Annual Working Meeting of the Ministers of Agriculture from South Eastern Europe on the 17<sup>th</sup> of November 2017 in Jahorina, Bosnia and Herzegovina;
- The Agenda will be conveyed to the EU institutions, UN agencies and other relevant international institutions and organizations;
- The 18<sup>th</sup> Agricultural Policy Forum will take place in the autumn of 2018 in Bosnia and Herzegovina, which holds the SWG Presidency for 2018.

The Agricultural Policy Forum 2017 in Podgorica was held under the joint auspices of the Ministry of Agriculture and Rural Development of Montenegro and the Regional Rural Development Standing Working Group (SWG) in South-Eastern Europe.

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