



European Rural Parliament 2015

National Report from Bosnia and Herzegovina

**Prepared by the
Network for Rural Development in Bosnia and Herzegovina;**

Review of the process and activities preceding the first Rural Parliament of Bosnia and Herzegovina and the second European Rural Parliament

A. Introduction

Activities that preceded the first Rural Parliament of Bosnia and Herzegovina and second European Rural Parliament, including the preparation of the Declaration as the final output document, have lasted for four months and included the following:

1. Analysis of the questionnaires completed by the first 106 rural animators in Bosnia and Herzegovina;
2. Defining priorities in the agriculture and rural development sector conducted by the participants of round tables "Introduction to the first Rural Parliament of Bosnia and Herzegovina";
3. Key priorities in role of civil society in rural development defined by the Network for Rural Development in Bosnia and Herzegovina;
4. Identifying the results of the FARMA¹ project;
5. Analysing inputs from the participants of the first Rural Parliament of Bosnia and Herzegovina.

B. Description of the process

1. Analysis of the questionnaires completed by the first 106 rural animators in Bosnia and Herzegovina

¹ The USAID Fostering Agriculture Markets Activity (FARMA), a six - year project launched in September, 2009, aims to stimulate the agricultural sector competitiveness of BiH economy. This program is implemented by Chemonics International, an international development consulting firm that promotes meaningful change to help people live healthier, more productive, and more independent lives.

The first activity in a series of activities prior to defining the Rural Parliament's Declaration was a training program for rural animators, which was a part of the ACoRD project². This program was designed for civil society organisations' representatives. The program was conducted in nine cities in Bosnia and Herzegovina, from September till December 2014. It included 160 participants, out of which 106 fulfilled all the pre-established criteria to obtain the title of rural animators.

The program was completed with a certificate awards ceremony in Sarajevo in March 12 2015. Rural animators are experts that are the most familiar with the problems that people living in rural areas face. They also know key priorities for future programs and activities that will foster rural development in Bosnia and Herzegovina. Therefore, we used the occasion of certificate awards ceremony for rural animators as an ideal one to present concept and significance of the EU Rural Parliament. We also distributed questionnaires and asked them to name three key problems that are the most important for the rural development in the areas they live in. In total, 39 questionnaires were filled and the problems identified in rural areas can be divided into 5 groups: underdeveloped infrastructure, lack of knowledge, brain drain, legislative issues and issues related to systematic problems in agriculture and rural development sector (the whole system is not functional). The related questionnaire is attached.

Group 1: INFRASTRUCTURE

1. Underdeveloped infrastructure (roads, lights, water, internet);
2. Lack of production capacities;
3. Lack of irrigation system and inadequate protection and control for floods.

Group 2: INSUFFICIENT KNOWLEDGE

1. Absence of entrepreneurial spirit among young;
2. Local communities are not informed and interconnected enough;
3. Rural population is not educated enough and is not involved in the economy – population does not perceive their environments as a resource/source of wealth;
4. Lack of information centres for farmers;
5. Lack of knowledge/information about the possibilities for rural development;
6. Rural areas are not recognised as significant resource;
7. Ecological awareness does not exist.

Group 3: BRAIN DRAIN / POPULATION MIGRATION

1. Young people leaving because they are unable to achieve acceptable economic, educational, cultural or any other standard;
2. Lack of care for rural areas and their population;

²ACoRD project is implemented by Agency for Cooperation, Education and Development ACED from Banja Luka, Regional Development Agency for Herzegovina REDAH from Mostar, Association of Citizens „Nešto Više“ from Sarajevo, Local Action Group – LAG Una Sana from Sanski Most and ELARD from Brussels. Project is financed by the EU and supported by the Swedish organisation WeEffect.

3. Absence of rural areas development strategy that would prevent population migration;
4. High unemployment rate and lack of prospects for development and work in rural areas;
5. Inadequate prerequisites for children to go to school in bad weather conditions, as for the adults to go to work safely.

Group 4: LEGISLATION

1. Discrepancy of laws on organic production on entities' levels (RepubliKA Srpska and Federation of Bosnia and Herzegovina);
2. Discrepancy of laws on agriculture;
3. Presence of GMO products;
4. Uncertified and low quality planting material;
5. Inadequate policies of rural development on local and state levels;
6. State, entity government and local strategies do not support rural development and EU standards;
7. Lack of subsidies for producers;
8. Lack for legal and tax reliefs compared to the ones for the urban communities.

Group 5: SYSTEM RELATED ISSUES

1. Illegal import issues;
2. Product placement problems (unfair competition, import lobby);
3. Ineffective usage of natural resources;
4. Lack of care for minority groups in rural areas;
5. Weak support to the civil society sector in order for them to be able to respond to the rural population demands;
6. Absence of larger number of agriculture producers' cooperatives (lack of cooperation between producers);
7. Issue of projects' sustainability in rural areas;
8. Small agriculture households and land fragmentation;
9. Lack of financial means for starting business;
10. Small economic investments;
11. Absence of clusters.

These problems were presented on two round tables held in Banja Luka and Sarajevo "Introduction to the first Rural Parliament of Bosnia and Herzegovina", which took place prior to the Rural Parliament. Afterwards, we organised consultations with professors from the Faculty of Agriculture. Based on the results of questionnaire analysis, these agriculture experts suggested the following subjects for the round table discussions:

1. Improving employment and self-employment opportunities in rural areas by increasing the level of investment in agricultural and non-agricultural activities;

2. Increasing the level of application of knowledge and of innovation in agriculture and rural development, including the improvement of entrepreneurial skills of the rural areas population;
3. Increasing the competitiveness of agriculture through the value chain construction and through the typical products valorisation;
4. Animation of the rural population and their capacity building for the purpose of self-organization and association, and the preparation of local development plans;
5. Improvement of agricultural markets by promoting the concept of production, purchase and processing of agricultural products;
6. Increasing export opportunities for agricultural products through the introduction of marketing standards and the control and food safety system;
7. Promoting sustainable agriculture and rural development with special emphasis on a support for less favoured areas;
8. Improving the quality of life of rural population through improved access to public services and through an improvement of infrastructure in rural areas.

2. Ranking of priorities in the agriculture and rural development sector by the participants of round tables "The introduction to the first Rural Parliament of Bosnia and Herzegovina"

Round tables *The introduction to the first Rural Parliament* were held in Banja Luka on 23rd April and in Sarajevo on 24th of April with representatives of public, private and NGO sector. The goal of the round tables was to define subjects for a discussion at the Rural Parliament and also to have inputs for the second European Rural Parliament. The participants talked about how to enhance opportunities for (self) employment in rural areas? How to include innovation in production in order to maximise the competitiveness of agriculture? How to inform agricultural producers about the contemporary market so they would have better export opportunities? How to promote sustainable agriculture? Also, emphasis was placed on the role of the rural population, their self-organisation and associations, and the creation of local development plans.

3. Key priorities in the civil society sector and its role in rural development defined by the Network for Rural Development in Bosnia and Herzegovina

Rural Development Network in Bosnia and Herzegovina (RDN Bosnia and Herzegovina) was established in Sarajevo on April 25th 2014 and it comprises of 18 member organizations - 13 civil society organizations and 5 Local Action Groups (LAGs). RDN operates on the overall territory of Bosnia and Herzegovina.

The goal of the Network is to achieve a strong and strategic partnership within the civil society sector that operates in the field of rural development in Bosnia. Rural Development Network intends to establish a serious partnership with a public sector and to contribute to the creation and shaping of public policies.

All the RDN were involved in the process of defining the priorities for the Declaration and discussed the role of civil society in rural development. RDN members used their professional experience and expertise in shaping a list of priorities to be included in the Parliament's Declaration.

The result was a creation of a part of the future Declaration – “The role of civil society in rural development of Bosnia and Herzegovina” (Declaration is attached to this report).

4. The inclusion of the inputs of the FARMA³ project

The Fostering Agricultural Markets Activity (FARMA) project – jointly financed by the United States Agency for International Development (USAID) and the Swedish International Development Cooperation Agency (Sida) — is helping Bosnia and Herzegovina expand its economy and prepare for accession to the EU through assistance that improves the competitiveness of agricultural producers and businesses.

FARMA project prepared some inputs for the Declaration. Also, Agricultural faculty staff at the University of Banja Luka revised a document that was created by the FARMA project and found that the structure and concept, as well as the provided information, are valuable as their content reflects the current situation in the sector of agriculture and rural development in Bosnia and Herzegovina.

Relevant research was conducted and revised information gathered from the FARMA project was included in component A of the Declaration – “Development of Agriculture”.

5. Analysis of the inputs from the participants of the first Rural Parliament of Bosnia and Herzegovina

The first Rural Parliament of Bosnia and Herzegovina was held on May 15, 2015. It took place at the House of Peoples of the Parliamentary Assembly of Bosnia and Herzegovina in Sarajevo. The Rural Parliament was organized by project partners of the Alliance for Common Rural Development project (ACoRD) in cooperation with the Rural Development Network in Bosnia and Herzegovina. This important event gathered around 130 participants from the whole Bosnia and Herzegovina. Participants actively took part in the discussion and by sharing their experience and knowledge gave their contributions to the creation of the Parliament Declaration. Representatives of all the relevant sectors discussed the key issues of rural areas development and came to conclusions and recommendations that will be forwarded to all the rural development actors, including government institutions, civil society organizations, cooperatives, associations, etc. The discussion was divided into three main subjects that represent the biggest challenges for the rural areas development: Agriculture Development Priorities, Rural Development Priorities and Role of Civil Society in Rural Development.

³ The USAID Fostering Agriculture Markets Activity (FARMA), a three-year project launched in September, 2009, aims to stimulate the agricultural sector competitiveness of BiH economy. This program is implemented by Chemonics International, an international development consulting firm that promotes meaningful change to help people live healthier, more productive, and more independent lives.

Panel speakers were representatives of public, private and non-governmental sector from Bosnia and Herzegovina. Each panel included presentation of the main recommendations, followed by a debate and voting. Those recommendations as well as the conclusions of the previous discussions make up a content of the Declaration that was adopted at the end of the Parliament. Participants of first Rural Parliament of Bosnia and Herzegovina had the opportunity to see the Declaration before the Parliament and to comment it. The all participants were consistent with the content of the Declaration and the comments on the content of the Declaration were very limited.

Representatives (participants of first Rural Parliament) of public, private and NGO sectors created and adopted a Declaration that contains key recommendations and conclusions related to the improvement of rural development sector in Bosnia and Herzegovina.

C. Conclusions

In order to create a Declaration of the first Rural Parliament of Bosnia and Herzegovina, the numerous activities were organised with participation of diverse stakeholders. The Rural Parliament presented a set of recommendations for sector of agriculture and rural development, as well as for the productive role of civil society in rural development. Parliament's panellists, experts in relevant areas, provided their professional opinion and suggestions related to the issues discussed.

The output document of the first Rural Parliament of Bosnia and Herzegovina is a Declaration adopted by all the participants (below).

DECLARATION

of the first Rural Parliament of Bosnia and Herzegovina

Participants of the first Rural Parliament of Bosnia and Herzegovina, held on 15th May 2015 in Sarajevo, taking into account the following issues in agriculture and rural development:

- low volume and productivity of production, an unregulated and unorganized market and poor protection of domestic production, as well as poor utilization and use of agricultural land;
- inadequate level of employment in rural economy, insufficient association of rural population, poor application of new knowledge and innovations as well as disharmony between organizational, legal and other conditions for the use of EU funds;
- low representation of civil society in decision-making, policy-making and implementation strategies in the field of rural development, dysfunctional relationships, coordination and partnerships with stakeholders of rural development, and undeveloped capacities and funding system of civil society organizations,

propose the following :

RECOMMENDATIONS

for the development of agriculture, rural development and the role of civil society in rural development

A. Development of agriculture

- 1. Increasing agriculture competitiveness and improving agricultural markets through promoting the concept of contract production, buying and processing into high-value products as well as through building specific value chains and valorisation of typical products*

Market improvement need to be achieved through vertical and horizontal connecting of producers, processors and distributors. This would mean organizing production for a known buyer, production of food products from local raw materials, provision of more favourable financing sources for producers and processors.

Also, it is necessary to perform the process of identification of typical products, then they need to be valorised in the market, their image built, sales and marketing improved and the level of processing of typical products increased. These products should be recognized by their geographical origin and they should meet the standards of product quality. Typical products, especially food, need to fully involve in the tourist industry. For manufacturers, facilitate direct sales on the farm and provide them with support for investments in processing products of high market value.

- 2. Increasing the volume and productivity of agricultural production including the use of new varieties and breeds of plants and animals*

In order to increase volume and productivity, in addition to efforts for a more efficient use of existing capacity and technology, it is necessary to improve the genetic potential in crop production and livestock rearing, to provide support programs for production of domestic seed and planting material, to improve reproduction in livestock breeding, to improve procedures and conditions for the import and production of genetic material from abroad.

3. Regulating the system and conditions of foreign trade business, greater protection and promotion of domestic production

When it comes to subsidized and excessive imports, the system should be regulated through protection of domestic agricultural production, establishment of a system for introducing a variety of measures that aim to equalize market conditions. Among other things, it is about the introduction of anti-dumping and countervailing duties. It is necessary to continuously perform needs analysis for entrepreneurs and citizens, to monitor the situation on the internal market, to monitor movement of goods, to define critical periods, determine action mechanisms and time frames. Also, it is necessary to constantly promote consumption of domestic products.

In order to increase export opportunities for agricultural products, it is necessary to establish a system which will ensure the fulfilment of export standards which means, on the one hand, the establishment of a chain of command between institutions in charge of control of food safety and, on the other hand, meeting standards at the farm and individual producer levels.

4. Managing land policy

In order to manage land policy it is necessary to establish a cooperation and exchange of information between the ministries responsible for agriculture and institutions which have data about land parcels. Managing land policy can be attained by establishing an Office for land management, land consolidation of agricultural land, creating a Land Parcel Identification System (LPIS) and changing the law on inheritance in order to prevent further splitting of parcels during the transfer of property rights to heirs.

B Rural development

1 Improving opportunities for employment and self-employment in rural areas by increasing the level of investment in agricultural and non-agricultural activities.

Investments should be increased through higher budget allocations for financing agricultural and non-agricultural activities, providing favourable investment loans, especially start-up loans for young people, while, at the same time, putting into operation the existing resources in rural areas (land, water, buildings, equipment, etc.). Participation in training and generally in activities for human resources capacity building in rural areas should be a precondition for obtaining funds for starting a business.

In order to improve the long-term competitive position of agricultural producers and establish a key prerequisite for the modernization and restructuring of agricultural production, it is necessary to invest in construction of new and reconstruction of existing production facilities, purchase of new equipment and agricultural machinery, and growing perennial plantations or purchase of livestock with improved genetic performance.

2 Animation of the rural population and capacity building for the purpose of self-organization and association, and also making local development plans.

Participation of the rural population in the implementation of rural development of their areas can only be achieved through animation and capacity building within this population. The rural population need to recognize their needs and interests to come together in associations, cooperatives, local action groups, machinery rings, clusters and other types of organization.

3 Improving the level of application of knowledge and innovation in agriculture and rural development including the improvement of entrepreneurial skills.

The level of application of knowledge and innovation in agriculture and other aspects of rural development should be raised through improving availability and through raising the quality and quantity of professional services in all rural areas in Bosnia and Herzegovina based on the partnerships between the public, civil and business sectors in providing advisory services. It is necessary to continuously work on increasing the number of organized training sessions in entrepreneurship, innovation and self-organization, creating a system of knowledge transfer and innovation in agriculture with providing adequate funding of applied research in agricultural production and rural development.

4. Creating organizational, personnel and other conditions for efficient use of EU pre-accession funds.

The creation of these conditions can be achieved through the creation of operational organizational structures in the sectors of agriculture and rural development with clear responsibilities on all levels of government in Bosnia and Herzegovina by raising the human resource capacity of organizations working in the sectors of agriculture and rural development, through the adoption and implementation of legislation in Bosnia and Herzegovina which is in line with legislation of the European Union, but is also fully adapted to local conditions.

C. The role of civil society in rural development of Bosnia and Herzegovina

1. Increasing representation of civil society organizations in decision-making processed, policy-making and strategy implementation in the field of rural development in Bosnia and Herzegovina

Civil society organizations (CSOs) need to build a system which would achieve high-quality representation in spheres where the issue of rural development is worked on at all levels of decision-making - from the municipal to the national level. Reaching a solution to a problem can be achieved primarily in cooperation with decision makers and stakeholders, defining the problem for which a good-quality solution will be offered. Constant presence in working bodies and participation in solving strategic issues of rural development will enable CSOs an adequate representation in all decision-making processes and implementation of plans.

2. Establishing functional relations, coordination and partnership of civil society organizations with all stakeholders in rural development

Civil society organizations can propose and establish functional processes of improving relations, coordinating and establishing partnerships with a range of stakeholders in rural development. Building a functional partnership between rural and urban areas as well as a direct relationship with beneficiaries contributes to solving problems through use of common human and financial capacities. By setting up professional and transparent work with beneficiaries and other stakeholders in rural development the degree of success of implemented projects and effects of rural development increases. Partnerships should be initiated by CSOs, and partnerships have the task to strengthen the consistency and responsibility of all participants in the process of rural development and, in such a way, contribute to a successful implementation of planned activities and ensure a continuation of cooperation.

3. Improving the capacity of civil society organizations so they could effectively contribute to rural development

In the area of rural development in Bosnia and Herzegovina there are CSOs that have developed capacities and act primarily from urban areas. Those CSOs need profiling which would build and focused capacity development of the organization's staff toward specialized fields of rural development, especially in areas related to the process of EU accession, development and implementation of work programs, research and education programs in the field of rural development. Building capacities of CSOs which are primarily engaged in advocacy should be focused on detailed exploring of issues in rural development. CSOs and other formally associated groups that act primarily from rural areas, often have insufficiently developed capacities to effectively contribute to rural development in Bosnia and Herzegovina. The development of the capacity of these CSOs represents a priority task and should be focused on sustainability of organizations and on specialized training in the field of rural development. It is necessary to make a development plan and strengthen capacities of CSOs in field of rural development in Bosnia and Herzegovina.

4. Establishing an adequate system of financing civil society organizations working in the field of rural development

Financing activities of CSOs that work on rural development takes place unsystematically and they are funded from international projects funds or loans, from international institutions or funds from budgets of Bosnia and Herzegovina institutions on all levels of government. Establishing an adequate system of financing CSOs would be achieved by applying defined criteria for a transparent distribution of funds on all levels, from local to national, to which decision makers will adhere. Another systematic way of financing CSOs could be establishing accreditation of CSOs so they could adequately carry out their activities and, also, a system of financing CSOs could be established through a permanent implementation of projects funded by international sources which requires developed organization capacities.

CONCLUSIONS

In order to implement the above recommendations, the inhabitants of rural areas of Bosnia and Herzegovina and other participants in rural development support the joint active operation of public, private and civil sectors in Bosnia and Herzegovina and, in that spirit, at the first Bosnia and Herzegovina Rural Parliament, the following conclusions are drawn :

1. We establish the Rural Parliament of Bosnia and Herzegovina as a permanent forum for an active dialogue between the various participants who live and work in rural areas - from individuals to civil society organizations, from economic and social entities to government institutions.
2. We suggest that the Rural Development Network in Bosnia and Herzegovina continues to monitor the implementation progress of proposals and conclusions of the First Rural Parliament of Bosnia and Herzegovina, and that it takes a particularly active part in the implementation of recommendations from Chapter C - The role of civil society in rural development. In addition, the Rural Development Network in Bosnia and Herzegovina is entrusted, together with other stakeholders, to continue the development of the concept and organization of future rural parliaments of Bosnia and Herzegovina.
3. We demand that the public sector makes appropriate strategic and operational documents, laws and bylaws from the scope of its jurisdiction, establishes an effective system of operation and provides the necessary resources for financing the implementation of the recommendations from the Declaration. It is required from all levels of government to increase the representation and participation of the civil sector in creating programs, plans, decisions, and the work of various bodies in the sectors of agriculture and rural development, and also that the civil sector is given a more significant role in the implementation, monitoring and evaluation of programs and plans.
4. We suggest that the private sector more actively cooperates with the public and civil sectors, undertakes initiatives towards the realization of investments in the field of agricultural and non-agricultural activities in rural areas, as well as activities in order to raise the level of knowledge and skills in the fields of production technology, entrepreneurship and local economic development.

5. We encourage the civil sector to carry out activities on engaging and capacity building of the rural population, and to contribute to building partnerships with all stakeholders in rural areas and in particular with representatives of public and private sectors in identifying the priorities and needs of development in rural areas.