A Review of National Agriculture and Rural Development Policy Frameworks

Assessment of relevant legislation and policy processes

A Synthesis Report for ESSEDRA Project by Yanka Kazakova and Vyara Stefanova, EFNCP-Bulgaria

June 2013
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A Review of National Agriculture and Rural Development Policy Frameworks

Background

ESSEDRA stands for Environmentally Sustainable Socio-Economic Development of Rural Areas. The ESSEDRA partnership is based on a shared concept of sustainability, whereby the partners are taking food production and consumption as the starting point from which to propose an environmentally and socially sustainable model of development, which could and should be mainstreamed in the policy formulation and implementation processes.

Agriculture is one of the most complex, sensitive and critical issues in the enlargement context, because of its significant size (share of GDP, high number of the population active in agriculture) and structural characteristics (subsistence and semi-subsistence farming). Conforming to the Acquis will not be easy and will take up a large part of the energies and capacity of the region’s Governments. The experience of accession in the EU 27 shows how essential it is that the IPA priorities in the agriculture, rural development and food fields are adopted sensitively and in a manner which is locally-adapted.

Positive engagement with CSOs is not only an important democratic check on the State, but an essential mechanism through which policy-makers, in what are still very centralised states, can ensure that regulations and support measures are well-targeted, well-designed and well implemented. At the same time, the role of CSOs as touchstones during the formulation of policy and the design and implementation of specific regulations and support measures cannot be overstated.

The current structure of civil society and CSOs in South Eastern Europe and Turkey has considerable limitations; the third sector still suffers from a lack of civic participation, both in breadth and depth; inadequate skills and resources within CSOs and underdeveloped linkages between CSOs. Citizens often lack the ability to network and associate to advance common interests and advocate for policy change, reinforcing the lack of accountability by national authorities in what are still relatively young democracies. In addition there is an identifiable urban-rural divide between CSOs, with fewer organisations operating in rural areas. The result is that political debates often neglect rural areas and their problems and policies addressed to agriculture and rural development are often off the national agendas. IPA is working towards encouraging civil society in general and NGOs in particular to become more assertive and Governments to better recognise their role. Within the region there are very few CSOs who could at present respond to the expected public consultations associated with aligning these states with the EU aquis and the EU model of participatory democracy.

The ESSEDRA project aims to support the EU integration process in selected IPA countries by strengthening the capacity of and giving voice and visibility to CSOs which focus on environment, agriculture, rural development and food quality. The project seeks to add value to the existing activities in the target region by facilitating knowledge and experiences exchange between CSOs, fostering closer relationships, collaboration and dialogue through a participatory approach.

During the inception period of the project (January – May 2013) the project team collected background information at national and European levels to ensure a better understanding of the needs and constraints in each country. These reviews are synthesized in the current report and are used as an important input for the development of the joint policy strategy.
Part I  ESSEDRA project countries and the EU integration process

There are eight South-East European countries in the ESSEDRA project. Their status in terms of EU accession varies from Member States to potential candidates (see table 1 and map 1). Three countries are member-states of the EU (Bulgaria, Romania and Croatia as of 1 July 2013); three are candidate countries – Macedonia, Serbia and Turkey - and two are potential candidates which were promised the prospect of joining the EU when they are ready – Albania and Bosnia-Herzegovina.

Table 1 Countries participating in ESSEDRA project and their EU membership status

<table>
<thead>
<tr>
<th>Country</th>
<th>Status</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Potential candidate</td>
<td>Promised the prospect of joining when ready</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>Potential candidate</td>
<td>Promised the prospect of joining when ready</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Member state</td>
<td>-</td>
</tr>
<tr>
<td>Croatia</td>
<td>Member state from 1\textsuperscript{st} July 2013</td>
<td>EU membership terms agreed</td>
</tr>
<tr>
<td>Republic of Macedonia</td>
<td>Candidate</td>
<td>Waiting to start negotiations</td>
</tr>
<tr>
<td>Romania</td>
<td>Member state</td>
<td>-</td>
</tr>
<tr>
<td>Serbia</td>
<td>Candidate</td>
<td>Waiting to start negotiations</td>
</tr>
<tr>
<td>Turkey</td>
<td>Candidate</td>
<td>Still negotiating</td>
</tr>
</tbody>
</table>


Map 1 Countries participating in ESSEDRA project

The ‘enlargement countries’ in the region are actively engaged in the EU integration process which is focusing on the harmonisation of their policies and legislation with the EU *acquis communautaire*. They have to adapt and improve their institutions and economic policies, strengthen the rule of law and develop market-oriented economies.

This apparently shared status masks significant differences between the countries’ socio-economic development, as indicated by indicators such as gross domestic product per capita (measured by Purchasing Power) – Albania, Bosnia-Herzegovina and Serbia are at the low end with 6500, 7400 and 8300 Euro respectively, while at the top end are Croatia and Turkey with 15 200 and 13 000 Euro. The most recent EU member states, Bulgaria and Romania, are somewhere in-between with 11 700 and 11 200 Euro. However, all of them are well below the EU-27 average of 25 200 Euro.

Looking at the territorial development indicator of population density, the least densely-populated countries are Bulgaria, Bosnia-Herzegovina and Croatia with 67.5; 74.5 and 78.5 people/km$^2$ respectively, while the most densely populated country is Albania - 118.5 people/km$^2$, a rural country with the same average population density as the EU-27. The fact that the majority of people still live in rural areas means that this difference in the population density is likely to be associated with widely varying degrees of dependence and pressure on natural resources in the ESSEDRA countries.

![Table 2](image)

Table 2  Key development indicators per country in ESSEDRA project

<table>
<thead>
<tr>
<th>Country</th>
<th>Area (1000km$^2$)</th>
<th>Population (million)</th>
<th>Population density (people/km$^2$)</th>
<th>GDP per capita (Purchasing Power Standard)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>27</td>
<td>3.2</td>
<td>118.5</td>
<td>6 500</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>51</td>
<td>3.8</td>
<td>74.5</td>
<td>7 400</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>111</td>
<td>7.5</td>
<td>67.5</td>
<td>11 200</td>
</tr>
<tr>
<td>Croatia</td>
<td>56</td>
<td>4.4</td>
<td>78.5</td>
<td>15 200</td>
</tr>
<tr>
<td>Republic of Macedonia</td>
<td>25</td>
<td>2.1</td>
<td>84</td>
<td>9 100</td>
</tr>
<tr>
<td>Romania</td>
<td>230</td>
<td>21.4</td>
<td>93</td>
<td>11 700</td>
</tr>
<tr>
<td>Serbia</td>
<td>77</td>
<td>7.3</td>
<td>94.8</td>
<td>8 300</td>
</tr>
<tr>
<td>Turkey</td>
<td>770</td>
<td>73.7</td>
<td>95.7</td>
<td>13 000</td>
</tr>
<tr>
<td>EU-27</td>
<td>4 234</td>
<td>502.5</td>
<td>118.6</td>
<td>25 200</td>
</tr>
</tbody>
</table>

*Source: Eurostat, 2012*

This variability in the key development indicators is also mirrored in the available data¹ for agriculture and rural development in ESSEDRA countries. Although outsiders often think of there being one ‘Balkan region’, in reality it the territory is extremely heterogeneous, both between and within the various countries. The ESSEDRA project team needs to take this into consideration in the design of the joint policy advocacy strategy, allowing space for adequate adaptations of the strategy implementation model at country level.

¹ This is valid despite the significant issues with agricultural data in the accession countries.
Pre-Accession Support for the Candidate and Potential Candidate Countries

The EU supports reforms in the 'enlargement countries' with financial and technical help via the Instrument for Pre-accession Assistance\(^2\) (IPA). The purpose of IPA support is to make political and economic reform easier in the beneficiary countries and prepare them for the rights and obligations that come with EU membership. Through IPA, the EU reinforces its guidance to the aspiring countries on the priorities necessary for aligning with EU standards and legislation.

IPA funding is delivered through five thematic components depending on the specific country needs and readiness to manage the funds:

1. **Transition Assistance and Institution Building** – Supports the transition to a democratic society and market economy. Helps strengthen democratic institutions, administrative and judicial capacity, and civil society.

2. **Cross-Border Cooperation (CBC)** – for cross-border cooperation between the enlargement countries; or between them and EU countries. Essential for promoting good neighbourly relations and regional cooperation and working towards a sustainable economic, social and territorial development of border regions. Prepares the countries for managing the Structural Funds, once they become EU members.

3. **Regional Development** – for investment in transport, environment and economic cohesion, and associated technical assistance. Participating in such programmes should help beneficiary countries to use EU regional funding more effectively once it becomes available (after they become EU member states).

4. **Human Resources Development** – supports the development of human capital and helps reduce social exclusion. IPA assistance in this area contributes to improving work skills, creating more and better jobs, and increasing social inclusion and equality.

5. **Rural Development** – contributes to the sustainability of rural areas. Assistance for restructuring agriculture and adapting it to EU standards. The CAP and nature conservation policies are key elements of the EU *acquis communautaire* and are particularly important for the Balkan countries with their high share of people still employed in agriculture (table 3).

### Table 3 Share of agriculture in total labour and GDP

The importance of agriculture in the GDP is highest in Albania and Serbia, lower in Bosnia-Herzegovina, Macedonia and Turkey and significantly lower in Croatia.

In terms of labour employed in agriculture, Albania stands out with 48% of the total workforce engaged in farming. At the other end is Croatia with ‘only’ 13% employed in agriculture, but this is still much higher than the EU average.

\(^2\) [http://ec.europa.eu/enlargement/instruments/overview/index_en.htm](http://ec.europa.eu/enlargement/instruments/overview/index_en.htm)
Table 4  IPA funding in the ESSEDRA enlargement countries in 2013 (Million Euro)

<table>
<thead>
<tr>
<th>Country</th>
<th>Component I Institution building</th>
<th>Component II Cross-border cooperation</th>
<th>Component III Regional Development</th>
<th>Component IV Human Resources</th>
<th>Component V Rural Development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>84,7</td>
<td>10,6</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>95,3</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>103,5</td>
<td>5,3</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>108,8</td>
</tr>
<tr>
<td>Croatia</td>
<td>17,3</td>
<td>9,7</td>
<td>30,1</td>
<td>8,5</td>
<td>27,7</td>
<td>93,5</td>
</tr>
<tr>
<td>Macedonia</td>
<td>27,0</td>
<td>5,1</td>
<td>50,3</td>
<td>10,6</td>
<td>20,2</td>
<td>113,2</td>
</tr>
<tr>
<td>Serbia</td>
<td>196,7</td>
<td>11,6</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>208,3</td>
</tr>
<tr>
<td>Turkey</td>
<td>238,5</td>
<td>2,3</td>
<td>366,9</td>
<td>91,2</td>
<td>204,2</td>
<td>902,9</td>
</tr>
<tr>
<td>Total</td>
<td>667,6</td>
<td>44,6</td>
<td>447,3</td>
<td>110,3</td>
<td>252,1</td>
<td>1522</td>
</tr>
</tbody>
</table>


The IPA funding in Albania, Bosnia-Herzegovina and Serbia is managed by the EU Delegations in the respective countries. They will have access to Components III to V when the countries receive accreditation to manage assistance under the Decentralised Implementation System.

Croatia, Macedonia and Turkey manage the IPA funds themselves under the Decentralised Implementation System, which means that they are in charge of procurement, contracting and payments for IPA projects with prior appraisal by the Commission represented by the respective EU Delegation. The only exception is Cross-border Cooperation assistance in Macedonia, which is managed by the EU delegation.

Support for institution building and cross-border cooperation (components I and II) reduces in relative terms with the introduction of more specialised support for regional, rural and human resource development (components III to V).

In absolute terms, the biggest beneficiary of IPA support is Turkey with 902,9 million Euro in 2013. At the other end is Croatia, which joins the EU on July 1st, 2013, with around one tenth of this IPA support, at 93,5 million Euro.

In relative terms - recalculating the IPA assistance per square kilometer of the total country area, the biggest beneficiary is Macedonia with 4500 Euro/sq.km in 2013. Turkey is at the low end with 1173 Euro/sq.km.
The same is true when recalculating the IPA assistance per inhabitant – Macedonia is the top beneficiary with 54 Euro/person, while Turkey is at the bottom with 12.3 Euro/person.

The specific sectoral focus of IPA assistance in ESSEDRA enlargement countries is presented in the table below. In the agriculture and rural development field the focus is on increasing the competitiveness of the farming and food sectors as well as building the necessary institutions and legislation to enable the harmonisation of support and regulation with the CAP.

**Table 5 Focus of EU assistance in ESSEDRA countries (2011-2013)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Agriculture</th>
<th>Environment</th>
<th>Social Development</th>
<th>Public administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Competitiveness of producers and more capable national policy implementation structures</td>
<td>Improving conditions in Albanian coastal regions</td>
<td>Pre-university vocational education &amp; training, and protection of vulnerable groups.</td>
<td>More professional, depoliticised, transparent, merit-based non-corrupt public administration</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>Preparing to use EU funds</td>
<td>Supporting social and economic development</td>
<td></td>
<td>Improving the capacity and efficiency of public administration</td>
</tr>
<tr>
<td>Croatia</td>
<td>Preparing to use EU funds</td>
<td>Preparing to use EU structural and cohesion funds</td>
<td>Preparing to use EU structural and cohesion funds</td>
<td>A modern, transparent, citizen-oriented public service</td>
</tr>
<tr>
<td>Republic of Macedonia</td>
<td>Preparing to use EU funds</td>
<td>Environment and climate change</td>
<td>Social development</td>
<td>Public administration reform</td>
</tr>
<tr>
<td>Serbia</td>
<td>Increase competitiveness and employment opportunities in the agriculture sector and related services</td>
<td>Nature conservation, water and air quality, climate action, renewables, energy efficiency</td>
<td>Social inclusion, employment, human resources development and human rights</td>
<td>Administration reform at local and central government level</td>
</tr>
<tr>
<td>Turkey</td>
<td>Adoption of EU law on agriculture and food safety</td>
<td>Adoption of EU law on environment, climate change and energy</td>
<td>Civil society, gender equality, disadvantaged and vulnerable groups</td>
<td>Rule of law and key reforms of the judiciary, especially re. fundamental rights</td>
</tr>
</tbody>
</table>
IPA assistance in the coming programming period 2014-2020

The Instrument for Pre-accession Assistance will continue to support candidate countries and potential candidates in the next programming period as they implement the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to EU values and align themselves progressively to EU rules, standards, policies and practices with a view to EU membership.

The implementation of the new IPA Regulation is expected to bring simplification and more flexible procedures. There is also a revision of the Financial Regulation, in particular the special provision for external actions, which is expected to help facilitate the participation of civil society organisations (CSOs) and small businesses in funding programmes - rules will be simplified, reducing the costs of participation and accelerating award procedures. Most of these provisions will be set out in the implementing acts for which the EC has to ensure that appropriate consultations are carried out during their preparatory work, including at expert level.

This is very important for CSOs, as in recent years EU Member States have been reducing the level of their bilateral assistance to candidate countries and potential candidates, acknowledging that coordinated action at EU level is more effective. Multilateral donor organisations have also largely phased out their support. Thus, designing appropriate rules and conditions for CSOs and small businesses is of utmost importance for the region.

Additionally, a new requirement is introduced whereby the EU assistance under the IPA Regulation should also contribute to the goal of raising the climate-related proportion of the EU budget to at least 20 %. While this is very important for meeting the climate challenge and, given the importance of Slow farming in both managing carbon-sequestering grasslands and in managing fire loads in Mediterranean habitats, provides a potential means of supporting such systems, the same policy change, if mismanaged, may become a serious threat for the rest of the ‘burning issues’ in the region not least related to nature conservation, marginal rural areas and extensively used grasslands.
Part II  Agriculture and Rural Development context in the ESSEDRA project countries

Data on agriculture land in most of the ESSEDRA project countries is mainly indicative as it varies a lot between the data sources and years, with changing methodologies, definitions and approaches to reporting.

The main challenge is the distinction between agricultural area and utilised agricultural area. Usually, the national statistics report the areas potentially available for agriculture and not the lands actually used in agriculture.

Another related and important gap is the recording of unused agricultural land: it is not easy to differentiate between fallow land, uncultivated land and abandoned land (Kazakova & Stefanova, 2011).

This is now a well-known statistical weakness that is the starting point of all reports focused on the region. In the current review we present this statistical problem by comparative use of Eurostat data and data presented in the ESSEDRA team country reports.

The division of agricultural land between arable land and permanent grasslands as defined by Eurostat reflects the countries’ geographic locations and natural conditions. Between the countries there are significant variations due to the region’s diverse landscapes and climates, which often change markedly over very short distances, producing a great diversity of crops and farming. On the plains and in the river valleys, land use is more intensive and cereals are the major crop. On the lower slopes of the mountainous areas, there are fruit orchards and vineyards and the upland areas are used for livestock, in particular sheep and goats. There are traditional olive groves along the Adriatic coast and in Turkey.
Land ownership
The majority of agricultural land is in private ownership – the highest share is in Bulgaria and Romania with 95% and 96% respectively. In the Western Balkan countries – the share is around 80%. The remaining close to 20% of agriculture land is mostly in state ownership and managed by the former Agrokombinats.

A distinct difference is observed in Macedonia where almost all pastures are still in state ownership and management.

Farm structures and farm size in ESSEDRA countries
There are very large numbers of small farms with numerous plots of land throughout the region and a small number of large and very large holdings, as shown in the table. Plot sizes are also small; farms are often fragmented.

<table>
<thead>
<tr>
<th>Country</th>
<th>Private agriculture land (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>80%</td>
</tr>
<tr>
<td>Fed. Bosnia-Herzegovina</td>
<td>67%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>95%</td>
</tr>
<tr>
<td>Croatia</td>
<td>-</td>
</tr>
<tr>
<td>Macedonia</td>
<td>80% of arable land</td>
</tr>
<tr>
<td>Romania</td>
<td>96%</td>
</tr>
<tr>
<td>Serbia</td>
<td>83,7%</td>
</tr>
<tr>
<td>Turkey</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: data collated from country reports*

<table>
<thead>
<tr>
<th>Table 6 Farm size in ESSEDRA Enlargement countries</th>
<th>Farms</th>
<th>Average farm size (ha)</th>
<th>Average plot size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt; 2ha</td>
<td>&lt; 5 ha</td>
<td></td>
</tr>
<tr>
<td>Albania</td>
<td>82,5%</td>
<td>-</td>
<td>1.26 ha</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>-</td>
<td>84%</td>
<td>No data</td>
</tr>
<tr>
<td>Macedonia</td>
<td>40%</td>
<td>-</td>
<td>2.5 to 2.8 ha</td>
</tr>
<tr>
<td>Serbia</td>
<td>-</td>
<td>70%</td>
<td>3.6 ha</td>
</tr>
<tr>
<td>Turkey</td>
<td>33,4%</td>
<td>64,9%</td>
<td>6 ha</td>
</tr>
</tbody>
</table>

*Source: data collated from country reports and other regional studies*

These averages, however, do not include arable land that is used by farmers under informal agreements, or common grazing land. Informal (non-registered) agreements for use of land are widespread in all countries of the region. These are very difficult to detect from the official statistics. These ‘hidden’ private arrangements may be of considerable significance for policy making. All this adds to the weakness of the statistical data outlined above. Of the project countries, only Macedonia has carried out an Agriculture Census since 2007, all other the countries are in the process of preparing for Eurostat-harmonised censuses at national level. Thus, we are not able to understand completely the dynamics of the farm size changes – experience in the field suggests that they should not be underestimated.

Lessons from the newest member-states Bulgaria and Romania and Eurostat data
An analysis of the number of holdings in Bulgaria and Romania in the four years prior to accession and the four years after accession to the EU reveal a very dynamic change both in absolute and relative terms across all farm size types. Furthermore, the trends in Bulgaria and Romania have diverging characteristics - thus once again proving that grouping countries by geographic location or political status (in this case, the two newest Member States) can be very misleading.
The general observation that a large majority of farms are small (<5 ha) holds true in all of 2003, 2007 or 2010 in both Bulgaria and Romania.

Table 7 Number of farm holdings in Bulgaria and Romania, 2003-2010

<table>
<thead>
<tr>
<th>Farm size</th>
<th>Bulgaria ('000)</th>
<th>Romania ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5ha</td>
<td>644,3</td>
<td>467,8</td>
</tr>
<tr>
<td>5-10ha</td>
<td>9,7</td>
<td>10,1</td>
</tr>
<tr>
<td>10-20ha</td>
<td>4</td>
<td>5,5</td>
</tr>
<tr>
<td>20-50ha</td>
<td>2,5</td>
<td>3,6</td>
</tr>
<tr>
<td>&gt;50ha</td>
<td>5,1</td>
<td>6,2</td>
</tr>
<tr>
<td>total</td>
<td>665,6</td>
<td>493,2</td>
</tr>
</tbody>
</table>

Source: Eurostat, 2013

In Bulgaria, the number of farms in the small farms group (<5 ha) has been steadily decreasing since 2003 – both before (-27%) and after accession (-28%). At the same time, the average farm size in this small farm class has remained constant at 0,7 ha in both 2007 and 2010. This trend implies that the future for small farms in Bulgaria is questionable – an issue that deserves further attention within the framework of ESSEDRA project.

Being the largest group of all farms, small units have a substantial impact on the overall trend of reducing farm numbers. However, all other groups of farms sizes show a trend of gradual increase both in their total numbers and in the average farm size within each band. The most significant increase is in farm group larger than 50 ha, where the average farm size increased from 403,5 ha to 461,9 ha in 2010. These are what are considered as ‘professional farms’ in Bulgaria and are most able to benefit from public support.

This data uncovers Bulgaria as the most extreme divide in the whole European Union - the largest farms are 660 times bigger than the smallest farms. For comparison, the difference between the largest and smallest farms in Romania is 301 times, Slovakia 331 times, Germany - 75, Austria - 39, Belgium - 44, and UK – 100 (Eurostat data, 2013).

In Romania, the trends before and after accession are diverging: before accession, the biggest decrease was in the number of small farms (<5 ha), while all other groups of farms increased in numbers. The number of farms larger than 50 ha experienced the smallest increase of only 2%. By contrast, the period immediately after accession witnessed a reverse trend with the number of small farms (0-5 ha) increasing slightly and a much bigger increase of 47% in the number of large farms (>50ha).
Definition of ‘small farm’

The EU agricultural economic brief on small farms\(^3\) concludes that there might be many definitions of small farms depending on the context and the specific purpose for which a definition is needed. Using the criterion of utilised agricultural land at thresholds of 2 ha or 5 ha, such farms are the majority of farms in ESSEDRA countries, as presented above. Given the lack of data on farm economic size structure in most of ESSEDRA countries, we are not able to make a comparative analysis using this criterion. However, we take note and agree with EU small farms brief’s conclusion that the smallest farms in each country deserve special attention, regardless of how they compare with small farms elsewhere”.

In terms of definition of small farms at national level in ESSEDRA countries, the situation recorded in the country reports is the following:

**In Albania** there is no legislative definition of small farm and small farmer in general. The concept is however used in the livestock sector: small farms are those which have less than 10 livestock units (LU), large farms >50 LU, and ‘average’ farms 10-50 LU. Most small farmers are involved to some extent in pastoral farming, since the raising of small ruminants is the system most likely to be profitable in rural hilly and mountainous areas.

**In Macedonia**, small farms are economic units of agricultural production which meet one of the following requirements:
- they use at least 0.1 ha of agricultural land or,
- they use less than 0.1 ha of agricultural land or have no agricultural land, but they own at least 1 cow and 1 calf/heifer or 5 adult sheep or goats, 50 domestic poultry or 20 beehives.

Overall, the agricultural land used by small farms is 282 830 ha with an average farm size of 1.47 ha.

**In Serbia**, there is no official definition of a small farm or small farmer. However, any livestock farm with less than 5 ha of agricultural land can be considered as a smallholding. They are mostly poorly endowed with land, capital, and human capital but they use a large amount of labour. They are often characterised by a high share of non-farm net income and a (perhaps surprisingly) a somewhat higher level of formal education than other strictly farm oriented households; this is explained by their needing to be sufficiently qualified to obtain non-farm employment (and also potentially qualifies them for on-farm diversification, which may provide some opportunity for the economic development of such holdings). They traditionally produce a wide range of agriculture products, mostly to meet the household’s food needs.

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\(^3\) DG Agri, July 2011, EU Agricultural Economic Briefs No.2 What is a small farm?
In Turkey, there is also no consensus upon a standard definition of small scale farmers; various institutions and authorities use different definitions. Small farm definitions are, for example, based on economic criteria such as the number of employees, the area of land and the capital invested, for example:

- Micro-small scale enterprises have <5 ha, <550.000€, 1-9 employees
- Small scale enterprises have <5 ha, <550.000€, 9-49 employees

In Bulgaria, the legislation does not contain a definition of ‘small farm’. There are no special conditions or alleviations. Small farms are subject to the general cross-compliance rules. Currently, there is an ongoing process of developing a definition for the needs of the new programming period. Small agricultural holdings are considered the farms with area of no more than 2 ha. Generally these farms grow vegetables or keep a small number of sheep, goats, pigs or poultry to support the household economy; they are not market oriented. This group also includes the small landowners whose ownership of the land has been restored, but who for various reasons do not use it. Such land is either rented out or it remains uncultivated/abandoned.

In Romania, farms with less than 8 ESU of gross margin are considered small; those smaller than 2 ESU are classified as ‘subsistence’, while those between 2-8 ESU are ‘semi-subsistence’ farms. There is a debate whether farms smaller than 1 ESU should be considered farms at all. Subsistence holdings (smaller than 2 ESU) cover 45% of the Romanian UAA and account for 91% (3,577,528) of all farms.

Farms and farmers registration

One of the problems which explains the lack of good statistical data and the difficulty of implementing well-designed and well-targeted policy measures is that most small scale farmers are not officially registered at national level. In most countries where farmer registration is possible, it is done on a voluntary basis, unless farmers decide to apply for public support. One notable example of this is Bulgaria, which has been a EU Member State since 2007. At that time, there were close to half a million farms in the country of which only 16.3% were officially registered (table 8). By 2010, the overall number of farms has decreased by 25% but the share of registered farms had only increased to 18.7%. In the real world, this means that policy measures and support can only impact less than 20% of all farmers in Bulgaria. And while this may be a problem for policy makers it is even a bigger problem for farmers themselves – they operate in the grey economy and exclude themselves from the opportunities which exist for their development and support.

Table 8 Total and registered farms in Bulgaria

<table>
<thead>
<tr>
<th>Farms</th>
<th>2007</th>
<th>2010</th>
<th>Change 2010-2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing farms (Eurostat)</td>
<td>493 200</td>
<td>370 400</td>
<td>- 25%</td>
</tr>
<tr>
<td>Registered farms (Ord.3/1999)</td>
<td>80 308</td>
<td>69 306</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Share of farms registered</td>
<td>16.3%</td>
<td>18.7%</td>
<td></td>
</tr>
</tbody>
</table>

Overall in the Balkans region, this lack of engagement with Government makes it easier for farming to act as a social buffer for the unemployed and the rural/urban poor, but makes it very difficult for decision makers to address the development needs of these farmers, thus potentially having the effect of keeping these farmers poor.
Another significant weakness of official registration is that in many instances there are several different registers (for farmland, for farms, for livestock, etc.) with very limited or no connections between them. Often when official applications are prepared by farmers they have to present a statement from each of these registers which increases their transaction costs tremendously both in terms of time and money spent, and overall hassle to get them. Again in Bulgaria, there are at least 24 different agriculture registers. Registrations ensue from different legal acts and they are performed separately even in the cases when one and the same administrative body is responsible for them.

The ESSEDRA team review of the situation in the rest of the countries shows the following:

**In Albania**, official registration is in fact required only for livestock farms, due to the need to check the health status of livestock and to guarantee that vaccinations are up to date, for example. 293.486 out of the 299.077 livestock farms are officially registered, leaving 5.591 unregistered.

The Albanian Farm Register updates data from field activities on vaccination and identification of cattle and small ruminants; on registration of most important livestock holdings; on the longer animal movement (markets, slaughterhouses, big livestock farms) by geographical references. It is also planned, in collaboration with UNDP, to elaborate a traceability system from the slaughterhouse to the consumer.

Only recently, the grant support schemes for farmers introduced a requirement for farmers, like every other economic actors, to register at the tax office - quite an innovation for Albanian farmers. The result is that a key reason for non-registration is the fear of taxes, even if the registration itself is free of charge, as are the State Veterinary Services.

**In Bosnia-Herzegovina**, the establishment of registers of agricultural holdings and of record keeping on agricultural land has only recently been initiated. Both of the larger entities in BiH (Federation of Bosnia-Herzegovina (FBiH), and Republika Srpska(RS)) as well as the District of Brčko have an established system of registering agricultural holdings. The registration is voluntary and the resulting data is meant to be used for analyses, planning and implementation of measures of agricultural policies as well as for calculation and payments of agricultural incentives.

In RS, agricultural holdings are registered according to the location of their head office, irrespective of the actual location on the territory of RS where agricultural production is taking place. Similarly, in the territory of FBiH, registration is carried out according to the location of the head office of the holding or place of residence of the farmer.

Record keeping on the structure and ownership of land in BiH is managed through a complex system of land register and land cadastre. The land register dates back to the times of the Austro-Hungarian Empire; it is administered in the same way as it always has been, apart from in a small part of the territory where the cadastre is based on a new land survey.

**In Macedonia**, there is only one official agriculture registry known as “Single Registry of Agricultural Holdings” or “Farm Register”. It contains information on more than 100,000 farms in Macedonia, though the State Statistical Office reported 192 675 farms. The number of unregistered farmers is decreasing steadily in response to the increasing availability of subsidies and other financial support.

The most common reasons for non-registering are:

- A poverty trap effect: if farmers register they will lose social security benefits (pension and disability insurance, health insurance, etc.);
Proving the ownership of a farmer’s property is an ongoing problem. It is often impossible to obtain the documents which would prove rights to use land; landowners are often absentees;

- Financial difficulties relating to the legalisation and regulating of the legal status of land;
- Unfinished court procedures, difficulties in contacts with the local authorities, etc.

In Serbia, there is Register of Agricultural Husbandry in the Ministry of Agriculture, and registration is free of charge. However, it is not possible to obtain adequate information about the number of registered producers because the ministry increases or decreases the numbers according to the current political needs.

According to the 2002 Census there are 125,933 registered agricultural producers or 16% of Serbia’s 778,900 households. The main reason for non-registration is always present fear of new taxes, because in the registration form the entire property of the husbandry must be presented.

There are also registers of the households which offer some services in rural tourism: food, accommodation etc. Those registers are maintained by the tourist organisations of Serbian municipalities.

In Turkey, there is a functional Registry system of agricultural holdings (TIKAS). TIKAS is a database operated by Turkish Statistical Institute Agricultural unit where identification information, including the size and characteristics of agricultural enterprises (household and corporate) and business are collected. The establishment of the system is based on the parcel information of General Directorate of Land Registry and Cadastre (TKGM). Data will be transferred into Farmers’ Registry System (CKS) in the future.

There are also sectoral registration systems, such as Beekeeping Registration System, Greenhouse Production Registration System, Sheep/Goat Registration System (KKKS), Plant Passport Registration System, Food Security Information System and Turkvet Recording System. All registration applications are made via local/provincial Directorates of Agriculture with necessary documents.

In the Farmers’ Registry System (CKS) - here are 2,292,380 farmers and 15,204,852,3 ha agricultural land registered (2011). Agricultural funds are allocated through the Farmers’ Registry System.

But the problem is that not all farmers are registered. Although 10 million hectares of agricultural land receive support, over 1 million farmers do no benefit from this funding because they have not registered their succession to the rights to use state land. Another reason for non-registration is highly fragmented agricultural land structure. There are specific complications in some regions. Other fundamental issues which doubtless contribute to non-registration are farmers’ low education level, a lack of understanding of the benefit of having statistical data and their fear of taxes being applied as a result of information that they provide.

In Romania, there is one agricultural register called the Unique Identification Registry (RUI). It was known as the Farmer Registry until 2011 and was adopted to simplify the registration and identification procedure of farmers who wish to access CAP measures in Romania for which registration is compulsory. The RUI is electronically generated by the Agricultural Payment Agency and includes all the data from the former Farm Registry, as follows:

- Identification of farmers;
- Identification of farmers who wish to access financing from the NRDP measures;
- Identification of farmers who wish to access market measures, milk quotas, or trade with agricultural products (internally or externally);
- Identification of farmers who wish to access state subsidies.
In order to be able to register in the RUI (and to receive Pillar 1 payments), farms have to be at least 1 ha in area, measured in terms of parcels no smaller than 0.3 ha. Out of the total 3.9 million agricultural holdings in Romania, only 29% (1.2 million) were registered by 2009. The main reasons for non-registration are related to the structure of Romanian agriculture:

- The privatisation process of agricultural land in the 1990’s has left huge areas of land being used by vast numbers of small farms; the majority of subsistence holdings are not even regarded as farms (being smaller than 2 ESU). A lot of land is owned by farmers close to or beyond the retirement age, for whom the registration process might seem too complicated.
- Small farms yield low returns, giving the farmers little incentive to register. These same farmers have no incentive or capacity to meet many of the European standards on environmental quality, animal welfare and food safety.

Overall, in the ESSEDRA countries the majority of the small and smallest producers are not registered due to lack of real benefits and expensive and complicated administrative procedures. Among the key reasons are the lack of economic certainty and financial motivation for register, in which the fear of taxation, on the one hand, and the lack of available support, on the other, are common and complementary aspects; the lack of market orientation of such farms; the absence of a registration system which is consistent with the structure and type of operation of these farms. Various minimum area or minimum number of animals criteria mean that the smallest producers, most often family farms, are frequently beyond the scope of support measures.

Other rural activities (crafts, tourism, fisheries) and rural infrastructure

In the Western Balkans, ‘rural’ is still a synonym for backwardness, poverty and exclusive dependence on the agricultural sector (Segre, 2012), an image which far removed from romance which adheres to the word in many other European countries. Having said that, there are many differences both between and within the countries and there are some good and inspiring examples of environmentally sustainable socio-economic development in rural areas that need to be supported and promoted throughout the region.

An initial general overview of the rural economies in ESSEDRA countries reveals the following situations per country:

**In Albania**, the legacy of very poor rural infrastructure from the old regime and the absence of real territorial policies during the democratic period, have produced and maintained as significant urban-rural divide. Many rural territories, especially in the mountains, are marginalised and marginalisation increases with distance from the urban and coastal areas; this is reflected in rural infrastructures. Mountainous areas in particular lack adequate roads, health and school services, electricity supply and sometimes easily-accessible. This not only impacts directly on the quality of life, but also makes it impossible to have proper access to markets. A positive development is that rural tourism and the rediscovery of traditional cuisine has recently begun to offer an alternative income.

**In Macedonia**, 10% of business headquarters are located in rural municipalities according to the State Statistical Office, while 2.9% of all registered enterprises are in the agriculture, hunting, forestry and fishery sectors (5,024), of which 21.4% are based in the rural municipalities. Almost 90% of all craft activities registered in rural areas are services; the remainder are in manufacturing: 6% are home-based handcraft activities, 3% is small-scale production and 1% is artistic craft activities.
Not only rural tourism in all its forms (agri-tourism, eco-tourism, cultural/monastery, wilderness sports, eno-gastronomic, hunting, spa, etc.) but the tourism industry in general, is small and well below its potential.

In terms of rural infrastructure, the situation is not very encouraging for quality of life and business development perspective: rural social care infrastructure (kindergartens, schools, public community centres – libraries, clubs) was developed in the past, but in the majority of cases is either in serious disrepair and or abandoned.

In Macedonia, water quality has the highest national and public health priority but in rural areas there is still much to be done. The percentage of the rural population with access to the piped public water supply is 72.3% (compared to 87.7% of the total population), 18.7% have access to other pressured water supplies from cisterns (compared to 8% of the total population), and 8.96% of the rural population lack any piped water supply (the figure is 4% for total population).

Sewerage systems exist only in the cities and major settlements. The majority of other settlements (i.e. rural villages) do not use any public sewerage system. The households utilise septic tanks.

Generally, rural areas are not attractive to businesses for several reasons: lack of concentration of population, poorer educational levels, lesser flexibility of the potential workforce, and distances from potential markets (for both inputs and outputs), all put businesses in rural areas at a cost disadvantage. Poorly developed and undiversified economies and infrastructures and the consequent lack of quality jobs are common features of rural areas in the country. The development lag typical of these areas is characterised by this vicious circle between infrastructure, economy and capacity to change.

In Serbia rural tourism is supported by more than registered and unregistered 32,000 beds in rural areas, of which only 10,000 beds are in rural settlements. Although somewhat developed, especially in Western Serbia and Vojvodina, rural tourism is still undeveloped and still not recognisable as a distinct tourism product.

Rural quality of life suffers from a lack of accessibility, high quality rural services: health care and cultural activities are particularly poorly supplied in villages.

Any further development of the rural economy of Serbia, if it is to be based on the principles of multifunctional, sustainable development, will require strong support at the local level, the development of public support measures and a strengthening of the process of decentralisation. Most of all, it requires a fundamental change in the image of all that is rural. ‘Peasant’ remains a dirty word in Serbia and rural concerns are frequently subject to ridicule. This is the result of decades and perhaps centuries of prejudice, but the unsustainability of this relationship is clear if we bear in mind that the very prosperity of many European rural areas is based on just the opposite - the glorification and perceived desirability of rural lifestyles, rural traditions and the like.

In Bulgaria, the majority of non-agricultural economic activities in rural areas are associated with the food and beverage industry, tourism, and, in suitable areas, fishery and aquaculture. In general, municipal roads have good coverage but inadequate maintenance results in disproportionately high travel times and thus the reduced economic and social attractiveness of rural areas.

The water supply network in rural areas is outdated and in poor condition, with a high failure rate, low operational efficiency and considerable leakage (over 60%). Public sewerage systems and waste
water treatment plants are even further behind in their development. While 67% of towns and cities have sewerage networks, for villages the figure is only 3.2%; connecting individual households to the system poses considerable problems given the poor state of facilities and construction techniques in many rural houses.

In Romania, rural micro-enterprises are only 13% of all such enterprises. Most of these have been reoriented towards trading (about 70% of the total of micro-enterprises in the service sector) due to the fast repayment rate on investments and due to the minimum level of experience needed for such activities. The processing industry accounts for only 16% of all micro enterprises in rural areas (NRPD 2009). Limited financial and social capital (education, access to utilities and credit; effects of temporary migration to urban areas or abroad) mean that entrepreneurial development is weak.

Despite appearances, very few rural inhabitants are involved in trade, crafts and services. Such activities are part of an informal labour market in the rural area. Craft activities are concentrated in the North-East and South of the country, and to a lesser extent in the West.

Romania’s rural areas lack adequate infrastructure - most rural households have no running water, sewage system, for instance. A report from the Euro Rural Barometer (2006) cited by the NRDP (2009) highlighted that:

- Only 16% of rural households were connected to public drinking water supply system while another 24% rural households had their own running water supply system, implying that 60% had no piped water supply
- Only 10% of rural households were connected to the sewerage system
- Only 7% were connected to the gas supply system

In rural areas, only half of the communes have direct access to the road network, meaning that the current road network only serves 3/5 of the total rural population. More than 25% of the communes cannot use their access roads if it rains.

Other difficulties in rural areas are linked to the access to medical and educational services since the access of the rural population to basic education and healthcare services is often hindered by the poor transportation services, which also impedes the commuting opportunities for medical and teaching staff.

Education in Extensive Farming and Artisan Food

Education and training in all their forms are essential for rural communities, from elementary education through to vocational training in modern technologies, management and marketing and sustainable production practices. They should form the basis on which to build the environmentally sustainable socio-economic development of rural areas. Unfortunately, in all ESSEDRA countries the agriculture and food education sector is in a need of a “re-start”: the former socialist system created a network of secondary agricultural schools and universities which, were they supported sufficiently today, would be ideally placed to respond to the needs of people living and working in rural areas.

In Albania, artisan food and extensive farming are not receiving much attention in universities and high schools; they are not at present reflecting the increase in appreciation of local products and traditional meals amongst the consumers.

The Agriculture University of Tirana offers a two-year master course in Agriculture and Rural Development. At the same time, the Ministry of Agriculture in collaboration with FAO pays a special attention to the management and sustainable use of local genetic resources and the protection of
local breeds at risk of disappearance, but well suited to conditions in more marginal areas, such as Busha cattle.

**In Macedonia** seven universities and high schools from Bitola, Ohrid, Stip, Veles and Skopje have aspects of local food, local products and the diversity of national food culture in their curricula. They also provide training on artisan food production and extensive farming.

On the other hand, **in Serbia and in Turkey**, there are no universities, culinary or high schools which provide training on artisan food production and extensive farming, including autochthonous varieties and breeds.

**In Bulgaria and Romania**, the situation is not too different - there are no special curricula targeted at traditional and extensive farming nor curricula with special topics on local food and traditional food culture. The issue of autochthonous varieties and breeds is however addressed by universities teaching agricultural sciences. Nowadays, the curriculum is the same across all schools, although officially there were 56 agricultural high schools in Romania in 2010, as well as 6 exclusively agricultural universities and another 10 universities offering agriculture-related courses such as food technology and horticulture.

### Biodiversity, nature conservation and agriculture

The Balkans, with its exceptional wealth of plants and animals, is one of the richest parts of Europe in terms of biodiversity. There is a high number of endemic species and many habitats of global or European conservation importance. The density of animal, bird and fish species listed in the Red List of Threatened Species is two to four times higher than in the 15 older EU Member States (EEA, 2010).

The Western Balkans encompasses a great variety of natural habitats, ranging from coastal lagoons and wetlands to Mediterranean forests, mountain meadows and pastures, freshwater wetlands, and karstic terrain. This natural wealth is recognised as the 'green gold' of South Eastern Europe (Plantlife) and the 'green lungs' of Europe (EEA).

Many of these landscapes and habitats were created by the centuries old practices of extensive grazing and low-input small-scale cropping throughout the Balkans. The inter-linkage between HNV farming, biodiversity and traditional landscapes and local food products is very strong. A large number of the future NATURA 2000 sites will be located in agricultural areas – these are examples of HNV farmland. The EU Birds and Habitats Directives require that the features of Community Interest on those sites are maintained in favourable conservation status. Achieving this will depend in practice on farmers continuing to live and work in HNV farming regions.

However, this wealth of natural resources is not yet fully integrated into local strategies on agriculture-related issues such as high quality food products, geographic indications and protected products, traditional foodstuffs, tourism, environmental protection, etc. (Bogdanov, 2012). The diversification or better market orientation of agriculture to explicitly deliver some or all of these outputs should lead to the better use of resources and to the integration of agricultural and non-agricultural economies, improving employment prospects. But the recent decline in rural population and in the number of livestock has led to land abandonment, especially in mountainous areas, harming biodiversity by shrinking the area of farmland of high natural value and thus the mosaic of habitats for wildlife. At the same time, intensive agriculture is expanding, which also threatens biodiversity.
Examples of some of the HNV farming systems requiring special and targeted support in the region (Source: Kazakova, Y.&V.Stefanova, 2011, EFNCP Report: HNV Farming in SEE: Policy Opportunities and Challenges in the EU Accession)

Croatia: Small scale mosaic cropping in western hilly areas

The agricultural habitats in the proposed Natura 2000 zones in Croatia represent some 690 000ha. Mosaic landscapes with arable plots, vegetable gardens, traditional orchards and vineyards prevail (57%), while extensive grassland cover 39%.

The majority of agricultural households in the country are smaller than 3 ha and are not registered in the Farm Register. This puts them outside the administrative, fiscal and inspection system de facto meaning that they will not be eligible for any agriculture policy support.

Croatia: Mediterranean grasslands historically used for sheep grazing

Around a million of hectares of grasslands most of which potentially of High Nature Value are ‘lost’ in the official data systems. It is not included in the national statistics or in the Farm Register which most likely means that it will remain outside the Land Parcel Identification System (LPIS) which is a basic requirement for receiving CAP support.

Many of these areas are already being abandoned and typical man-made features such as stone walls are degrading.

Macedonia: Mountain pastures

Grasslands represent 51% of UAA. The majority permanent pastures are with low productivity. Almost all pastures are state owned and farmers pay for using them.

High mountain pastures in western Macedonia are traditionally used for sheep grazing in the summer. The size of sheep folds is 500–1000 heads on average. In recent years there is a continuous decrease in the number of animals resulting in pastures abandonment.
Macedonia: Extensive use of grasslands by subsistence and semi-subsistence farmers

The current structure of livestock production in Macedonia is comprised of a large number of individual farm producers whose production is mainly for their own consumption and an increasing number of commercially-oriented family farms. The livestock of small farmers are usually grazed around the villages almost throughout the year (summer-winter grazing) and are additionally fed with hay and concentrate.

Photo: Zoran Naletoski

Serbia: Semi-intensive grazing on highland semi-natural grasslands

Low intensity grazing by cattle and sheep in upland pastures in the coniferous forest zone, and less frequently in openings in mixed forest. This type of management has created some of the most attractive mountainous areas of Serbia. Their characteristic feature is the mountain summer shelters for animals and people “katuni”. Special support is required to motivate people to take animals on the summer pastures as well as for the maintenance of “katuni”.

Text and photos: Prof. Dr. Suzana Djordjevic-Milosevic

Turkey: Common use of pastures for grazing

The state-owned rangelands largely used for grazing represent around 13.6 million ha. Due to problems with the implementation of the law on pastures (Rangeland Act, 1998) there is still no effective support to the farming systems associated with them such as common grazing on village pastures or seasonal grazing in more mountainous areas.

Text and photos: Pille Koorberg
Part III  Agriculture and Rural Development Policy in ESSEDRA countries

Some of the main issues and challenges for agriculture policy supportive of small-scale and low-intensity farming systems and farms are related to the low political awareness of the needs and hurdles of these farms as well as the absence of a willingness to take a pro-active approach to address them (Kazakova & Stefanova, 2011). Additionally, there is little knowledge of the functioning mechanisms of the CAP support among rural stakeholders, so that the ability to formulate opinions on current or future support options is limited (Chartier & Malcolm, 2010). In general, environmental integration into agriculture and rural development policy in SEE remains largely an EU-driven process. Where positive developments have happened in individual states, they have largely depended on the interest, talents and enthusiasm of a particular person (Djordjevic-Milosevic, 2011) rather than emerging from a systematic policy process.

There are some good examples of what can be done for pastoral farming with small amounts of the national budgets (e.g. in Croatia, Montenegro, Macedonia and Serbia). However, the unpredictable nature of this support is a big problem: decisions are taken annually both on the size of budget and indeed whether any monies are made available – worthwhile measures have, for example, been cancelled in Serbia. Moreover, payments are often delayed putting farmers in a difficult financial situation.

**Box 1 Good examples of policy measures implemented in the Western Balkan countries**

**In Croatia** national support is provided to autochthonous breeds of farm animals and organic farming, including for grasslands. The headage payment for autochthonous and protected breeds is ongoing since 1994. As a result, the number of animals of almost all supported breeds has increased significantly. Additionally, it played an important role for the maintenance of HNV farming, especially on islands and in coastal areas (Karoglan, 2011).

**In Macedonia**, some of the most commercial sheep farms are utilizing the mountain pastures so the direct payments for livestock are indirectly contributing to the maintenance of the extensive sheep grazing system. Direct payments are provided to all animals above a certain minimum – 5 for cattle, 10 for goats and 30 for sheep. At the same time, the support is digressive and farms with up to 80 LU receive 100% of the support, while farms with more than 300 LU receive 20%. Macedonia is also financing rural development measures with its national budget. One of them – supporting shepherds’ salaries, is the only measure implemented for nature conservation in rural areas. It is introduced in 2009 and the budget for 2011 is 50 000 Euro. It is reported to have a limited uptake mostly due to the low level of salary payment as compared to the social payments that shepherds usually receive in addition to their shepherding payments.

Support to autochthonous breeds of farm animals is provided in 2004-2010 in Serbia. It is a headage payment to a wide range of domestic breeds - hens, goats, sheep, pigs, donkeys, ponies, buffalos and cattle, for above a minimum number of adult animals. Its basic requirement is that both farmers and animals have to be registered in the respective official registers. Despite the very limited budget of around 150 000 Euro annually, the number of animals increased steadily for the 7-year period of implementation. The main problem was that the budget was fluctuating annually, and since 2011, there is no budget for it.
In Montenegro, a measure on sustainable use of mountain pastures was introduced in 2010. Since then, a total of 2025 holdings and 25 250 LU of cattle, sheep, goats and horses are supported by a headage payment of 20 Euro/LU for a minimum of 5 LU. The support is given to the agricultural holdings practising transhumance for at least two months in a year which is crucial for the maintenance of mountain pastures.


The support provided to farms is still not comprehensive enough to cover enough of the aspects of low-intensity farms and future EU standards to ensure a favourable environment for the development of such farms – on farm investments, off-farm grazing infrastructure such as watering points and shelters for shepherds and animals.

The availability of both information and the capacity at local and regional level to use it effectively are both constraining the effective use of even the available national and EU funding. Small scale farming exists under the most marginal circumstances with a range of social and economic pressures – farmers are ageing, education level is low, most of them are outside the official administrative and fiscal systems. The advisory systems need to accommodate these specific characteristic and provide adequate response to them instead of just offering general extension services.

Preparations for two of the main interlinked systems for administering CAP support – the Land Parcel Identification System (LPIS) and the Integrated Administration and Control System (IACS) have only just started in Croatia, Macedonia and Turkey. Given the large areas of common land used mostly for grazing, as well as the unresolved land ownership and land use issues, the implementation of EU area-based support schemes such as agri-environment and less favourable areas will face serious problems.

Coordination, communication and cooperation is a major gap at all levels – between national level ministries of agriculture, environment and finance, between national and regional and local level administrations, between governmental and non-governmental organisations, between research institutes and advisory services, between farmers and institutions. Yet, integration is a key theme of EU policy, and one which has recently been extended in an attempt to ensure better coherence between CAP, Fisheries and Structural Funds, for example.

The concept of High Nature Value farming is a novelty in all the countries of SEE, where the negative environmental impacts of agriculture still dominate discussions of the issue. On the other hand, it is also an attractive concept for communicating the biodiversity messages to policy makers, being an idea where people are not excluded, but central (Koorberg, 2011).

The country reviews demonstrate that all candidate and potential candidate countries are in a process of harmonising their agriculture policy support mechanisms to the EU Common Agricultural Policy, although all are at different stages in that process. The scope of support and size of budgets vary between the countries but they all provide market support; direct payments, still mostly coupled with production, and rural development measures.

The agriculture negotiation process involves important reforms, from the strengthening of the capacity of public administrations, both in qualitative (human resource management) and quantitative terms, to the creation of new institutions and the launching of mechanisms to modernise the sector and prepare it for the CAP.
The harmonisation process is accompanied by annual progress reports where the Commission services assess the status of approximation. The conclusions of the 2012 country progress reports in terms of agriculture horizontal issues are summarized in below:

<table>
<thead>
<tr>
<th>Country</th>
<th>Agriculture: horizontal issues in the findings of the country progress reports for 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Albania</strong></td>
<td>The agriculture budget in 2012 is mainly allocated to direct support schemes linked to production. The public advisory services continued providing information and training to farmers and food business operators in the country. Various acts on land administration and protection have been adopted. However, the pace of setting up a functional land register remains very slow. Land use policy needs to be streamlined and statistics on land conversion, degradation and fragmentation need to be improved. Preparations for the agricultural census are ongoing.</td>
</tr>
<tr>
<td><strong>Bosnia-Herzegovina</strong></td>
<td>Subsidies to farmers are mainly production-based and not aligned with the <em>acquis</em>. The lack of an efficient administration and effective rural credit schemes hampers efforts to increase the productivity and competitiveness of the sector. Agricultural statistics and the agricultural information systems have yet to be improved; existing systems have not been harmonised, neither have land registration systems; land management requires strengthening.</td>
</tr>
<tr>
<td><strong>Republic of Macedonia</strong></td>
<td>The national programme for adoption of the <em>acquis</em> established an ambitious timetable for legislative alignment in this sector. The support schemes include direct area and headage payments, premium payments and input subsidies for strategically important products, and non-commodity-based payments, including support for young farmers. Good progress can be reported towards setting up IACS. Although the farm register is now integrated with LPIS information, compatibility between the data registers has not yet been fully achieved.</td>
</tr>
<tr>
<td><strong>Serbia</strong></td>
<td>Direct aid payments account for more than 90% of the support measures. The livestock sector continues to benefit from headage payments and milk subsidies. These are linked to compliance by producers with legislation on animal identification, registration and movement control and participation in national animal health measures. Support measures continue to be reviewed and revised on an annual and ad hoc basis. This does not provide security and predictability for producers and processors to engage in the required investments to modernise and prepare for the absorption of future EU assistance. Preparations for the agricultural census and for setting up an Integrated Administration and Control System (IACS) are ongoing.</td>
</tr>
<tr>
<td><strong>Turkey</strong></td>
<td>The Ministry of Food, Agriculture and Livestock has significantly increased the number of staff dealing with EU-related issues, to develop the relevant administrative capacity necessary to align with the CAP. However, legislative alignment with the CAP remains limited. Turkey continues to work on its strategy for agricultural statistics, which has still to be adopted. Regarding direct support to producers, Turkey has not yet prepared a strategy for adjusting its agricultural support policy to the CAP. The agricultural budget for 2012 represents a continuation of the recent trend, with increased spending, including rises in coupled area and headage payments, whilst deficiency payments have fallen. Limited progress has been observed in preparation of IACS despite some efforts to develop the Land Parcel Identification System (LPIS).</td>
</tr>
</tbody>
</table>
Rural Development and IPARD

Rural development policy has been introduced in most enlargement countries as part of the CAP harmonisation process. It is of no surprise that IPARD funding is the main source of financial assistance in rural areas, as outlined in the EESC report (see box 1 below).

At the moment, only Macedonia, Croatia and Turkey are actually spending IPARD funding. The other countries have yet to comply with the all requirements necessary for them to receive accreditation to manage IPARD assistance under the Decentralised Implementation System. The countries progress reports for 2012 reveal slow or very limited progress in all the countries concerned.

<table>
<thead>
<tr>
<th>Country</th>
<th>Rural development findings of the country progress reports for 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Ownership of the pre-accession preparations needs to be increased and, as an essential part of it, staff retention ensured. Albania needs to prepare for the new strategic framework in the field of agriculture and food strategy for 2014-2020. Overall, preparations in the field of rural development have not advanced much.</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>Bosnia-Herzegovina has not yet adopted a country-wide rural development strategy. Little progress has been made with the preparations for the Instrument for Pre-Accession Assistance for Rural Development (IPARD). A sectoral analysis was prepared for five sectors. No agreement was reached on the institutional structures for decentralised management. The Office for Payment Harmonisation was established but the number of staff is insufficient to carry out its tasks. Inter-sectoral coordination and participation by the nongovernmental sector remain weak.</td>
</tr>
<tr>
<td>Republic of Macedonia</td>
<td>Implementation of the IPARD programme under component V Rural Development is continuing for three measures; absorption capacity remains a significant concern. There has been very limited progress in preparations for implementation of additional IPARD measures. Preparations in this area are moderately advanced.</td>
</tr>
<tr>
<td>Serbia</td>
<td>There was an increase in the allocation for rural development measures in the budget. Progress can be reported concerning the preparations for the management and control system under the Instrument for Pre-Accession Assistance in Rural Development (IPARD). Structures and resources for the implementation of rural development under IPARD have advanced well, but additional capacity building is still essential. Overall, in the area of agriculture and rural development, alignment with the acquis remains at an early stage.</td>
</tr>
<tr>
<td>Turkey</td>
<td>Turkey achieved the conferral of management of EU funds under the Instrument for Pre-Accession Assistance in Rural Development (IPARD) for a further three provinces, taking the total to 20. The implementation rate is slow and Turkey set up a plan for improving the absorption of IPARD funds.</td>
</tr>
</tbody>
</table>

The on-farm investment and diversification measures are mostly implemented in a way which resembles the approach used by Bulgaria and Romania prior to accession, in other words, that in practice only the big and very big farms are able to benefit from IPARD support.

At the same time, the measures perceived as administratively more difficult but beneficial for nature conservation or community development such as agri-environment or measure delivery using the Leader approach have not yet been introduced.
Box 2  Opinion of the European Economic and Social Committee on “Rural development and employment in the Western Balkans” – Conclusions and recommendations

1.7 Pre-accession support for agriculture and rural development (IPARD) remains the major source of financial assistance in rural areas. Most of the countries have difficulties in adopting the current EU rural development model due to its complexity and demanding implementation procedures. Therefore, the EU should consider the possibility of simplifying the IPARD management and control principles and procedures to facilitate effective use of funds and measures available.

1.8 A major difficulty in accessing IPARD instruments appears to be inadequate administration and institution capacity at national and local levels, and low capacity of potential beneficiaries. The national governments are urged to put more efforts into institution-building and capacity-building of potential beneficiaries.

1.12 Civil society does not play an important role in rural areas, due to lack of entrepreneurial and organisational skills, demographic problems and poor-quality social infrastructure compared to cities. A possible solution could be to create networks of local civil society organisations in order to reach a critical mass of population and area covered. In this respect the LEADER (3) approach is a potentially useful tool for improving the participation of civil society.

Source: EESC, 2011/C 376/05, Own-initiative opinion, Rapporteur: Cveto Stantič
Food Quality policy

EU legislation lays down stringent requirements which aim to guarantee the standard of European products. In addition, EU quality schemes identify products and foodstuffs which are produced to particular specifications. A new Regulation on quality schemes for agricultural products and foodstuffs entered into force in the beginning of 2013 (reinforcing the image of the CAP as a ‘moving target’ in the minds of Governments). However, this measure is expected to simplify the regime for several quality schemes by putting them under a single legal instrument. Additionally, it creates and protects the optional quality term "mountain product" which could be very helpful for the Western Balkan countries.

The 2012 progress on quality policy in enlargement countries is as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Quality policy findings in the country progress reports for 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>The Ministry of Agriculture has received proposals from the regions regarding the identification of agricultural products and food to be registered as products of protected origin. Recent amendments to the Penal Code contain general provisions regarding the adoption of penal sanctions for the misuse of geographical indicators. Preparations in the area of quality policy are at an early stage.</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>-</td>
</tr>
<tr>
<td>Republic of Macedonia</td>
<td>Implementing legislation to establish national marks and signs related to quality protection and to identify protected species of various commodities was introduced. Preparations in this area are on track.</td>
</tr>
<tr>
<td>Serbia</td>
<td>Efforts have focused on promoting the opportunities which the Law on Geographical Indications offers to producers and processors. Preparations in this area have started.</td>
</tr>
<tr>
<td>Turkey</td>
<td>There is no progress to report on quality policy.</td>
</tr>
</tbody>
</table>
Part IV  EU Hygiene Policy and Direct Sales

The harmonisation of EU food safety policy includes enforcing food laws for consumers; managing hazards along the entire food chain; reducing risk through good agricultural practices, good hygiene practices, and introduction of the Hazard Analysis and Critical Control Point system for procedure to be followed, not only by producers, but for targeting regulatory interventions; establishing emergency procedures (such as product recall). HACCP implies the development of science-(rather than rule-) based food control strategies and standards; facilitating stakeholders’ cooperation and active participation and self-control by the industry (since implementation implies understanding both of where risks arise and how to deal with them).

All the project countries have recently approved or are in the process of approving new food laws that incorporate the basic principles of the EU General Food law and relevant secondary legislation. In addition to basic laws on food, most Western Balkan countries have introduced new veterinary laws and regulations. When this has happened in Bulgaria and Romania prior to accession, few stakeholders realised that the EU Regulations were being translated word for word, instead of being adapted to the national realities. Given that the HACCP approach which underlies food hygiene policy, for example, is meant to involve analysis at all stages and at all levels of the food production chain and of its regulation, and the subsequent targeting of appropriate safeguards and controls only at critical points, repeating this with the current EU laws would be to ignore the very principles that underlie them.

The mandatory implementation of HACCP systems means that inspection services become more important. What is different from the current system is that they will be responsible not only for assuring implementation but also for providing implementation guidelines and the control of certification. Inspection services will have to provide advice and support to help the private sector to comply in the most efficient manner, especially small and medium-size enterprises that lack expertise and resources. This requires a fundamental shift from a culture of policing in response to noncompliance or acute food safety problems toward one of educating and facilitating (World bank report, 2010). One positive example is Macedonia’s sector-specific hygiene guides developed by food business associations and approved by the government.

In terms of using the flexibility clause of the EU hygiene legislation, the country reviews carried out by the ESSEDRA team reveals the following situation:

The Albanian legislation does not distinguish hygiene farm requirements depending on their size. Milk distribution in recycled plastic bottles from farmers to urban families, is still a not rare habit, as well as slaughtering at any place in the villages. Revenues from small farms are very limited, so that it is often the case that there is no possibility of farm level investment to improving hygiene conditions.

Meanwhile, the Ministry of Agriculture implements a national monitoring plan for the assessment of the microbiological quality of raw milk, in support of its strategic priority of achieving the highest possible standards of food safety at national level. There is a proposed IPA project 2013 to support the Livestock sector in Albania.

All food operators involved in the production, processing, marketing, storage and transportation of food products, are subject to official control by the National Food Authority (NFA). However, the NFA’s capacity to intervene at the farm level is still inadequate.
In early 2013 **Bosnia-Herzegovina** adopted national legal acts harmonising the so-called "Hygiene Package". Small producers now should be helped to fulfil the requirements of these regulations which will have to become a key task of the municipal and state authorities (i.e. the entity Ministries of Agriculture).

**Macedonia** has adopted a basic food law and 16 secondary laws as part of its harmonisation to the EU acquis. There are no differences or flexibility of the hygiene legislation for small or traditional farms. The dominant ethos is that these regulations are strict and have to be applied by all farms and institutions dealing with agriculture and food production.

Macedonian legislation is a good example as it specifies rules and conditions for direct sales of small quantities of primary products by farmers to the final consumer or to local retailers directly supplying the final consumers:

- o To maintain clean all facilities in connection with primary production and their supporting operations,
- o To maintain clean and, where necessary, after cleaning, disinfection of equipment, containers, crates, vehicles and other equipment;
- o To maintain as clean as possible the animals that are used for production;
- o Use water or clean water to prevent pollution;
- o Ensure that staff who handle food with is in good health and have received training on the risks to human health;
- o To prevent, to the extent possible, the pollution caused by animals and pests;
- o To store and handle waste and hazardous substances in a manner that prevent pollution;
- o To prevent the emergence and spread of infectious diseases transmissible to humans through food.

In addition:

- Farmers who are selling agricultural products of animal origin that are subject to this law should act in accordance with Livestock keeping, Animal Health and Food Safety regulations.
- Farmers who are selling agricultural products of vegetable origin that are subject to this law should act in accordance with the regulations for plant health and food safety.

**In Serbia**, the application of HACCP system has become a legal requirement for all food producers since January 2009. The success of the HACCP system implementation depends on the education and training of employees. FAO has provided a series of training events on the implementation of food safety standards in the processing of vegetables, fruits and meat in households for direct marketing and sale through rural tourism which proved to be very successful.

Farmers who provide direct sales of milk, milk products, meat, meat products as well as products based on fish, fruit, vegetables and other raw materials have to introduce the HACCP system. The legal requirements do not differentiate farm size. Farmers are aware of their obligations, but for the majority of them this is no more than a new costly obligation which they try to avoid by selling under the counter. The Ministry of Agriculture has from time to time provided financial support to a limited number of farms for introducing the HACCP system.

**In Turkey**, a large number of regulations implementing the framework law on veterinary services, plant health, food and feed have been put into effect, some of which introduced transitional periods until their entry into force.
The 2012 progress on food safety policy in enlargement countries is as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Food safety policy findings in the country progress reports for 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Efforts are needed to improve the definition of powers, responsibilities and communication relating to risk management, registration of movements of animals, control of animal diseases, and upgrading of food and feed establishments. Overall, preparations in the areas of food safety and veterinary and phytosanitary policy are at an early stage.</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>Preparations started regarding the assessment and upgrading of food establishments. Closer coordination between the State and Entities in aligning with the <em>acquis</em> in these fields remains essential. The powers of the State Veterinary Office are not sufficient for it to act as the central competent authority. The overlaps between the veterinary and food safety legislation remained. Inspectors and food business operators require further training about specific EU requirements on hygiene.</td>
</tr>
<tr>
<td>Republic of Macedonia</td>
<td>Preparations in the area of food safety and veterinary policy are well on track. Some implementing legislation was adopted on hygiene rules. The existing legislation transposes the <em>acquis</em> on specific rules for animal products, controls and specific controls for animal products. The aid schemes for hazard analysis and critical control points (HACCP) were extended to 2012 and training was provided for food business operators.</td>
</tr>
</tbody>
</table>
| Serbia           | The Food Safety Law already includes most of the principles required in the *acquis*. Some of the features introduced by the Food Safety Law have started to be applied, such as the principle of risk analysis and the implementation of hazard analysis and critical control points (HACCP).
Serbia has adopted and implements new national hygiene rules for food and feed establishments. However, the national upgrading programme for establishments still needs to be prepared.                                                                                          |
| Turkey           | A large number of regulations implementing the framework law on veterinary services, plant health, food and feed have been put into effect, some of which introduced transitional periods until their entry into force. In legal terms, progress was also made on alignment with the hygiene package. However, implementation requires strengthened administrative capacity, to carry out more effective official controls, including those for animal products. |
Experiences from the newest Member States, Bulgaria and Romania

The Bulgarian legislation has numerous regimes in terms of food safety – registrations, permits, etc. The main shortcoming at present is that the multiple restrictions and requirements go way beyond the simple provision of sanitary and hygiene conditions. Possibilities exist for taking account of producers’ track record and for self-control, but in practice the frequent legislative amendments keep introducing new regulations which are often baseless and redundant, putting extra administrative and economic burden on farmers and seemingly having as their central purpose the ease of administration by the competent authorities.

There is no differentiation of the legal hygiene rules either in terms of the producers affected, nor in terms of the conditions and requirements imposed. The main bulk of the regulations concern the livestock sector.

In the case of direct sales, farmers’ registration is entirely within the competence of the Bulgarian Food Safety Agency. The national legislation lays down restrictions on the quantities which may be supplied and the main requirements, but the standards were designed for big producers. This means that the rules assume the registration of livestock keeping facilities and of commercial facilities where the produce is marketed. Where cow’s milk is supplied, the producer should also have a milk quota. There are detailed rules with regard to document keeping, labelling and the transportation of goods.

In general, the regulatory framework is extremely restrictive and failing to take into account the needs of direct suppliers who are small farmers with semi-subsistence farms. The absence of benign rules concerning production facilities poses a severe impediment to farmers being able to observe them rules; many are unable to do so (irrespective of the actual quality of their production), making legal direct sales impossible.

Romanian food safety legislation has both general and specific rules that have to be applied not matter how big or small the farm is. In terms of food hygiene there is a differentiation for direct sales: small scale producers only have to register at the county Food Safety Authority, they do not need authorisation. This applies to small producers who sell small quantities of:

- primary products (uncut meat, fresh milk, eggs, chicken and rabbit meat, etc.)
- secondary products of non-animal origin (jams, honey-based products, bread, fruit juice, etc.)
- cheese and prepared meats (such as pastrami, sausages, etc.).

Small producers are individuals or small companies which sell food directly to the consumer that have been produced in small quantities in their own establishments:

- Milk as a primary product up to 1000 litres/week,
- Wild game (fur or feather), 1 large unit or 10 small units as part of allocated hunting quota,
- Chicken or rabbit meat from farms with up to 2000 chickens or 1000 rabbits/year,
- Live snails and bivalve molluscs, up to 20 kg / week,
- Eggs from the farm with maximum 50 chickens,
- Fish caught at sea up to 100kg per load,
- Freshwater fish up to 10kg per load.

For small producers who sell honey, vegetables, fruit, fruit juice, bread, directly to the consumer, there are no monthly production limits established either in national legislation (and direct sales of primary products do not fall within the scope of current EU laws).

There is a possibility of derogation for producers from the hygiene regulations mentioned above if they intend to register products as traditional products. For example, cheese and other products processed at the sheepfold are traditionally obtained through certain recipes handed down through generations, using specific equipment, some of wood, and specific ingredients (rennet) and
maturation periods. Where producers can demonstrate that they are following traditional recipes and methods and that the products obtained at the sheepfold are hygienic, they can protect their products by registering them as traditional products.

**Box 3 Small farmers registration for direct sales in Romania**

The steps needed for direct sales start with making a written request for registration for direct sales to the Food Safety Authority. On the form, the producer only needs to complete his/her name, the primary products for sale, and the place or places where they will be sold. The farmer/producer then receives a registration number. After that, the producer needs to respect the following food safety measures:

- Maintain equipment hygiene – have a supply of hot water, disinfectants, a hygienic space for keeping equipment, equipment must be regularly inspected, cleaned and disinfected,
- Keep records of quantities of products delivered to final consumer – a written record made by the small producer of quantities delivered and place of delivery,
- Ensure supply of drinking water whenever it is necessary – water must be accessible, sufficient and drinkable,
- Personal hygiene (washing of hands, covering hair as far as possible, etc.) – separating raw materials from cooked food,
- Controlling insects and rodents,
- Health certificate for the people working on the products, confirmed periodically by the local doctor,
- Instruct workers on food hygiene regulations,
- Transport of products must be in suitable vehicles; means of transport must ensure adequate conditions for the type of food being transported and, in addition for products of animal origin,
- Measures regarding health and well-being of animals
- Animals must be registered and on the records of the local veterinary officer, and must have sanitary-veterinary documents,
- Prevent contamination of products with waste or with veterinary products,
- Proper separate storage areas, rubbish areas, and areas for keeping products, feed and equipment,
- Keep feed and medical treatment records for livestock.
Part V Civil Society Organisations and Advocacy in ESSEDRA countries

The CSOs Sustainability Index for Central and Eastern Europe and Eurasia (USAID) analyses the developments that occurred in 2011, on the basis of seven indicators: advocacy, legal environment, organisational capacity, financial viability, service provision, infrastructure and public image. From the average of these indicators, the countries are classified among three categories: sustainability impeded (5-7), sustainability evolving (3-5) and sustainability enhanced (1-3). For each country, the USAID observers give a score from 1 to 7 for every indicator, 1 corresponding to the most enhanced sustainability and 7 the most impeded sustainability.

In South-Eastern Europe most of the countries remain in the middle of the evolving phase. The only ones to be close to the enhanced phase are Bulgaria and Croatia. The report states that the status of the CSOs in this region is not stable yet. Indeed, regressions have been reported in the legal environment, infrastructure, public image and financial viability in several countries, and even in the most advanced ones. Despite some declines, advocacy remains the strongest dimension of CSOs’ sustainability.

The review of the CSO advocacy experience in ESSEDRA countries unfortunately reveals that public institutions often have difficulty listening to and translating requests from civil society into government action. On the other hand, there are also associations, professional organisations, cooperatives and NGOs that are inefficient, fragmented and therefore often lacking a significant voice in political dialogue. It is not rare to find small associations competing with each other for donor support and hence public image.

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Legal Environment</th>
<th>Organisational Capacity</th>
<th>Financial Viability</th>
<th>Advocacy</th>
<th>Service Provision</th>
<th>Infrastructure</th>
<th>Public Image</th>
<th>CSO Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>3.9</td>
<td>3.9</td>
<td>4.6</td>
<td>3.6</td>
<td>3.7</td>
<td>4.0</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Bosnia</td>
<td>3.4</td>
<td>3.4</td>
<td>4.8</td>
<td>3.1</td>
<td>3.9</td>
<td>3.8</td>
<td>3.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>2.2</td>
<td>4.4</td>
<td>4.6</td>
<td>2.7</td>
<td>3.2</td>
<td>3.3</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Croatia</td>
<td>2.9</td>
<td>3.0</td>
<td>4.3</td>
<td>3.1</td>
<td>3.2</td>
<td>2.7</td>
<td>3.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Kosovo</td>
<td>3.5</td>
<td>3.8</td>
<td>4.7</td>
<td>3.8</td>
<td>3.9</td>
<td>3.7</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Macedonia</td>
<td>3.2</td>
<td>3.7</td>
<td>4.5</td>
<td>3.3</td>
<td>3.8</td>
<td>3.3</td>
<td>4.0</td>
<td>3.7</td>
</tr>
<tr>
<td>Montenegro</td>
<td>3.5</td>
<td>4.3</td>
<td>4.9</td>
<td>3.5</td>
<td>4.0</td>
<td>3.9</td>
<td>4.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Romania</td>
<td>3.6</td>
<td>3.5</td>
<td>4.3</td>
<td>3.4</td>
<td>3.1</td>
<td>3.2</td>
<td>3.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Serbia</td>
<td>4.1</td>
<td>4.3</td>
<td>5.4</td>
<td>3.6</td>
<td>4.2</td>
<td>3.7</td>
<td>4.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Average</td>
<td>3.4</td>
<td>3.8</td>
<td>4.7</td>
<td>3.3</td>
<td>3.7</td>
<td>3.5</td>
<td>3.7</td>
<td>3.7</td>
</tr>
</tbody>
</table>

The review of the CSO advocacy experience in ESSEDRA countries unfortunately reveals that public institutions often have difficulty listening to and translating requests from civil society into government action. On the other hand, there are also associations, professional organisations, cooperatives and NGOs that are inefficient, fragmented and therefore often lacking a significant voice in political dialogue. It is not rare to find small associations competing with each other for donor support and hence public image.

### Country: Albania

During 2011, civil society actively engaged in monitoring, advocacy, and awareness raising on various issues. However, government decision makers generally refused to consider concrete proposals generated by these campaigns.

There are no formal mechanisms or rules requiring government to consult with civil society on legislation or policy. Consultations with civic actors take place sporadically and are far from an established practice at either the executive or parliamentary levels.
**Bosnia-Herzegovina**

CSOs have some capacity to engage in advocacy, but this practice is still underdeveloped. For the most part, only well established CSOs are able to effectively increase public and government attention to certain issues. Furthermore, CSOs perceive government consultations with the sector on significant policies and legislation as a formality rather than genuine collaboration.

Even when advocacy for legislative change is successful, new laws are still weakly implemented, and CSOs have not played a substantial role in improving this.

CSOs rarely lobby to advance their agendas. There are no clear legal mechanisms for lobbying, and the practice is only haphazardly used through personal relationships with parliamentarians, government officials, and other decision makers.

The Agreement on Cooperation with the NGO Sector adopted by the Council of Ministers in 2007 is still dysfunctional. Neither national government institutions nor lower levels of government are implementing the agreement.

CSOs participated in the drafting process for the Strategy for Establishment of Incentive for Development of Sustainable Civil Society in BiH in 2011.

**Bulgaria**

Despite having developed over 200 national strategies in a variety of fields, Bulgaria had no official state policy towards civil society till 2012.

The CIVICUS Index indicates that CSOs have limited ability to influence policies. 49% of the CSOs surveyed say that CSO influence is limited, while only 1.3% responded that CSOs have significant impact on state policies.

The Standards for Public Consultations adopted in 2010 are still optional guidance that few government institutions follow. Furthermore, ministries impose additional requirements for CSO representatives that do not apply to other members of the consultative bodies.

CSOs are comfortable with the concept of lobbying and proposed various legislative changes in 2011. However, CSO lobbying efforts did not lead to significant results.

CSOs also understand the importance of joint efforts but have little time or energy to devote serious efforts to such joint efforts.

**Croatia**

A significant divide exists between the organisational capacity of the relatively few well developed organisations and the vast majority of groups operating at grassroots level. The legal environment for CSOs remained unchanged, although problems persist with registration and implementation of the Code on Consultations with the Interested Public and the Code of Good Practices in Public Financing of NGOs.

CSOs in Croatia continue to be strong advocates. However, CSOs credit most of their advocacy successes to the EU pressuring the government to cooperate as a condition of negotiations, rather than the authorities’ readiness to truly engage in dialogue.

There are several institutional channels of communication between CSOs and policy makers, including the Government’s Council of Civil Society Development and parliamentary committees. Advisory bodies to government agencies and ministries engage approximately 700 civil society representatives. However, the level of influence that these bodies have on policy development is questionable. Cooperation between CSOs and government is less functional at the local level.
Republic of Macedonia  CSOs advocate both through mechanisms established by law and informal communication with government institutions. However, ambiguities in the Law for Lobbying have undermined lobbying and advocacy efforts. CSOs also continue to struggle with expressing criticism on both the national and local levels. CSOs believe that the government see diversity of opinion only as opposition and not as a core value of a democratic society, resulting in CSOs practicing self-censorship.

Romania  While the overall political environment and cooperation with the government deteriorated, CSOs put significant effort into lobbying and advocacy initiatives in 2011.

The best cooperation with public authorities and institutions occurs at the local level with local and county councils. CSOs perceive cooperation with opposition parties to be slightly better than with government parties.

Even with decreasing donor support, CSOs organized large thematic coalitions in 2011 that successfully mobilized citizens and groups to oppose government decisions.

Serbia  The CSO Assessment for 2011 confirms that advocacy organisations believe that cooperation with the state has improved. While local authorities are still more open to cooperating with the civil sector, national authorities improved their attitudes towards CSOs in 2011.

CSOs believe that the state’s main motivation to improve cooperation with the sector is the upcoming elections and Serbia’s candidacy for the EU. However, CSOs also see that the state is biased toward organisations that support certain political parties.

Political lobbying efforts are still undermined by the absence of legislation on this matter. However, prominent CSO leaders are seen as key lobbyist for CSO interests in Serbia.

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4 The change in government in 2011 led again to deterioration in the CSO–government relations.
Part VI  Recommendations for Policy Needs and Actions at National Level

The recommendations for policy needs and advocacy actions at national level presented below were elaborated by the national ESSEDRA teams thus representing the specific national conditions and needs as well as the teams understanding of the situation during the project Inception Phase.

**Albania – potential candidate country**

The recommendations for specific advocacy needs in the country will be provided in a second phase, after the meetings carried out at grass root & institutional level, in order to guarantee a wide support to the selected proposals.

**Bosnia-Herzegovina – potential candidate country**

n.a.

**Macedonia – candidate country**

Forming Farmers Associations focusing on the establishment of Protected Designation of Agricultural Origin (PDO) and Protected Geographical Identification (PGI) in the Republic of Macedonia

The need to cooperate and form producer groups which can help farmers with better market access is imminent. However, there is a reluctance to work cooperatively and hence a lack of initiatives in this area, mainly as a result of the existing post-socialist social heritage related to forced cooperation in the past. One solution is to introduce a scheme supporting the establishment of farmer producer associations, especially for farms using traditional production methods.

**Serbia – candidate country**

One of the most important issues to accelerate rural development in Serbia, is to build the capacity of institutions and local communities to support and work on rural development. In this sense, the key is this:

1. Building the capacity of the central government, and not just responsible ministry - MAFWM, but also other stakeholders in the government, governmental institutions and bodies and their horizontal connection by forming a permanent government body - the Council for Rural Development. Since the rural development is multidisciplinary, without linking and coordination of almost all ministries, the outcome in rural development are difficult to achieve.

2. Operational capacity building of institutions, linking central and local level and enabling them for the implementation of rural policy, and for providing feedback - feedback that allows the flow of information from the bottom up, and the possibility of continuous policy improvement and upgrade.

3. Building the capacity of local communities through mobilisation and continuous training and upgrade of the knowledge of local holders in local governments, nongovernmental sector and businesses.
4. Building capacity for knowledge transfer, through the promotion of formal and informal education

5. Gathering of all the resources available for financial and technical support to rural development, ranging from domestic to international - bilateral and multilateral grants, loans, credits, etc.

6. Gathering of experts and expertise to support the development of all previous mentioned stakeholder of rural development, by building real and virtual bodies, expert pools and electronic databases, panels, domestic and foreign (especially regional) expertise in the fields of economics, sociology, management and protection of resources and environmental protection, education, urban planning, agriculture, tourism, SMEs, trade and markets, marketing, finance and banking, mergers, gender, employment, social protection and health care, infrastructure and community development, inclusion of marginalized groups, culture, sports, psychology (particularly ethno psychology), religions communication and information, and the like.

7. Since such interest exists in the wider Balkan region, it would be useful to link these activities with existing integrations of experts in economics, agricultural economics, environment, rural sociology, etc. as well as the Standing Working Group on Regional Rural Development of Southeastern Europe - an organisation that has for several years promoted regional experts cooperation. One of the first tasks of the expert group would be the identification of training needs in the rural development support system.

**Turkey – candidate country**

1. Agricultural policy instruments cover all farms in the country, and there is no policy instrument specific to small farms.

2. Improvements in human capital through the introduction of specific policies to facilitate farm labour mobility are crucial to raising agricultural performance.

3. Training and advisory services need to be upgraded to assist farmers to adopt new, efficient and environmentally-friendly farming practices.

4. There is also a need to create activities in rural areas in sectors other than farming, which could complement revenue from farming activities and gradually ease the demographic pressure on land, while at the same time maintaining the rural population.

5. Social measures to facilitate farm labour mobility might also be necessary, such as encouraging older farmers to retire, or to lease the land currently providing their source of livelihood.

6. Policy makers should be mindful of the fact that, despite the acceleration of labour exits from agriculture in Turkey, the experience of other countries suggests that more labour adjustment is to be expected.
**Bulgaria – member state**

The Bulgarian farming policy is in general targeted at big farmers. Small farms are practically excluded from both the legislative and the political framework. They are isolated, no feedback mechanisms are available and therefore no real steps could be undertaken to improve their situation. 

This necessitates advocacy actions targeted at small farmers in several directions:

1. Define the concept for small and micro farmers.
2. Set simple and clear-cut rules for production and sales by small farmers.
3. Allocate programme support funds targeted at small and family farms;
4. Promote organic farming;
5. Promote traditional products industry;
6. Create conditions for market access by small farmers.
7. Set simple and clear-cut rules for direct sales.
8. Improve rural infrastructure: roads, amelioration, communications, market access.
10. Ensure sustainable involvement of NGOs with their activity targeted at small farmers in the working groups in charge of development, implementation and reporting of support programmes, as well as the relevant legislation, which concerns small farmers.

**Romania – member state**

The most significant areas for advocacy we have identified are:

1. HNV Thematic Sub-programmes in the next RDP
2. Minimum spend at 25% of RDP budget for agri-environmental and climate measures and organic farming (but not including LFAs)
3. No reverse modulation (taking Pillar 1 payments for Pillar 2)
4. Support small-farmer scheme
5. Fair and targeted application of the first hectares top-up to small and medium farms
6. Increased protection in GAEC: No ploughing of semi-natural habitats, carbon-rich or wetland soils
7. Agro-ecological principles as options in farm advisory system.
Part VII Recommendations for the Joint Policy Advocacy Strategy of ESSEDRA project

The ESSEDRA project operates in eight countries in South Eastern Europe with varying territories and population, socio-economic development and political status. The previous parts of this review reported numerous issues and challenges related to the EU Integration process as well as the functioning of civil society organisations that may seem daunting.

At the same time, there is one thing that is clearly present in all countries and provides a natural connection between environmental sustainability and biodiversity richness, extensive farming production and traditional food products, namely the pastoral and low-intensity livestock systems. They are labelled as High Nature Value farming systems and are among the most threatened farming systems by inadequate interpretation of EU legislation in most policy areas.

Often the discussions on the needs of low-intensity livestock farming refer to small scale and subsistence farmers who are by far the dominant group of farmers in the region and are also in the focus of ESSEDRA project. However, we need to bear in mind that regional experts agreed that the High Nature Value is not a result of the scale of production but of the low intensity of production systems.

The baseline of our joint advocacy strategy has to be that the official system for policy support doesn’t have to be a barrier to HNV livestock farming and the food products coming from it – the specific rules require decisions of the national administration not EU one. There are plenty of examples in Europe where extensive grazing on pasture land is supported, traditional and artisan food products are produced and marketed by farmers to the final consumers.

Given the high share of non-registered farmers, the policy support to HNV livestock farming needs to be multi-annual in order to provide farmers with the security and stability that taking the serious decision and steps to enter the official system will be worth it. Frequent changes in support measures and budgets are very problematic as they give no certainty for farmers to commit.

Therefore, our proposal is that ESSEDRA Joint Advocacy Strategy focuses on the following policy issues surrounding HNV livestock farmers and the associated traditional and artisan food products:

1) Rural development support from the next round of IPARD financial assistances addresses adequately the investment, training and advisory as well as association and cooperation needs of HNV livestock farms and farmers.

2) The food safety and hygiene requirements for dairy producers from HNV livestock systems is making a full use of the flexibility option and is enabling direct sales of quality cheeses, kashkaval and other dairy products as identified in the ESSEDRA traditional food mapping exercise.

3) The harmonisation of the food quality policy enables and promotes the marketing of quality cheeses, kashkaval and other dairy products as identified in the ESSEDRA traditional food mapping exercise.

4) The registration process and procedures for HNV livestock farms and farmers is farmer-friendly and does not create unnecessary administrative and economic burden for farmers.

5) HNV livestock farmers have regular access to quality, targeted and timely training and ongoing advice on the wide spectrum of farm business issues related to their farming system.

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5 Participants in the Regional HNV Farming Policy Workshop November 2011, organized by EFNCP and Ecologica, HR