



STUDY OF NATIONAL FRAMEWORK FOR SUSTAINABLE RURAL DEVELOPMENT

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Contents

1. INTRODUCTORY REMARKS	1
1.1. The concept of rural development.....	1
1.2. The aim of the study and the reasons for elaboration.....	1
1.3. Methodology	2
1.4. Structure of the document.....	2
2. INSTITUTIONAL FRAMEWORK	2
2.1. State Bosnia and Herzegovina.....	3
2.2. Entity: Federation of Bosnia and Herzegovina	6
2.3. Entity: Republic of Srpska	6
2.4. Brcko District	7
2.5. Local self-government units - municipalities.....	8
3. RURAL DEVELOPMENT IN EU.....	8
4. JOINING EUROPEAN UNION	9
5. SITUATION IN RURAL DEVELOPMENT IN BIH	9
5.1. Rural development in figures	10
6. SITUATION IN CIVIL SECTOR IN BIH	11
7. COOPERATION BETWEEN PUBLIC AND NON-GOVERNMENTAL SECTOR.....	12
8. MECHANISMS FOR PARTICIPATION IN DECISION-MAKING PROCESS	13
8.1. Local level	13
9. ANALYSIS OF GAP	14
9.1. Historical context	14
9.2. political and administrative system.....	14
9.3. Approach to strategic planning	15
9.4. Approach to rural development.....	15
10. CONCLUSIONS AND RECOMMENDATIONS	16
10. 1. CONCLUSIONS.....	16
SUMMARY OF CONCLUSIONS.....	18
10.2. RECOMMENDATIONS	18
LITERATURE	20
Websites of institutions:.....	22

1. INTRODUCTORY REMARKS

1.1. The concept of rural development

The concept of development is defined as the achievement of rapid economic growth, to increase the quality of life of many inhabitants and achieve global political goals. It implies that the rural development is a process that promotes the economic, social and political life of the inhabitants of certain rural area, narrower (village, small town) or wider (certain regions).

Usually demographic and economic indicators are combined in determining rurality. According to the categorization of the EU, the 'rural' area is considered an area with a population density of up to 150 inhabitants per km², so the basis for determining is the demographic indicator. However, in determining the rurality it is necessary to take into account other indicators, such as the size of settlements, professional structure and dominant production in the area. The basic difference is the population density which causes all other differences. The main conclusion is that distinctive demographic characteristics are not the cause but the consequence of the economic differences between rural and urban.

The term and the concept of rural development, as we understand it today, and interpret, is the modern concept which appeared in the developed countries in the last few decades as an attempt to resolve the complex problems of rural communities. The reason for the introduction of this approach is unbalanced territorial development, which is considered the main cause of poverty. Models of rural development are in a constant process of evolution, finding the best possible solutions to meet the needs of the rural population. Also, and most importantly, with respect to demographic factors mentioned at the beginning, the main goal of rural development policy is to improve the living conditions of the population in rural areas and consequently reduce depopulation and improve the age structure in favor of the younger population.

1.2. The aim of the study and the reasons for elaboration

The aim of this study is to create the conclusions and recommendations for civil society organizations, based on the analysis of the national legislative and strategic framework in Bosnia and Herzegovina, for the possibility of improving the framework for sustainable rural development in Bosnia and Herzegovina and the achievement of standards for approaching EU. The existing legislative and strategic solutions for rural development in Bosnia and Herzegovina are the result of socio-economic and political changes that have occurred primarily in the last twenty years (post-war society, transition, political crises). However, even before that period, the economic and political oscillations in Yugoslavia influenced the changes of social structures in rural and urban areas. Therefore, the analysis and recommendations must take into account the specific socio-economic and political framework, tradition, mentality, public awareness and many other factors specific to Bosnia and Herzegovina. The situation is further complicated by the complex political organization, which, particularly in the field of rural development, does not have an adequate solution.

In connection with the subject of this study, it is important to emphasize that the modern concept of rural development is based on participatory democracy. The models of rural development have incorporated mechanisms which allow the participation of all stakeholders in the planning and implementation of rural development policy. Participation is achieved through the legitimate representatives of specific interest groups, from public, private or civil authorities. For each of these groups it is important to recognize the real power that they have in "negotiating" process with the final decision makers for strategies and policies, and with the appropriate public authorities. Civil society

organizations have the possibility and the obligation to participate in a better and more efficient way in the process of rural development.

The Study was prepared within the project entitled “ALTER - Active Local Territories for Economic development of Rural areas“ which was financially supported by EU. The overall objective of the project is: “To stimulate an enabling legal and financial environment for civil society, to empower civil society to be effective and accountable independent actors, and to improve their capacity to dialogue with Governments in order to influence policy and decision-making processes in sustainable development of rural communities and to hold them accountable for their performance towards citizens and society at large.”

Specific objective 1: To strengthen the capacity of CSOs and CSO networks which contribute to sustainable socio-economic development of rural areas in the Western Balkans and Turkey to participate actively in policy planning and implementation; to build a strong civil society in rural areas; and to enhance regional development through networking and cooperation.

Specific objective 2: To build partnership of CSOs and CSO networks with public institutions and their involvement in decision making and governance processes, for the well-being of rural communities in those countries.

1.3. Methodology

The methods used in the preparation of the study are:

- (1) The collection and analysis of relevant literature and documentation, and the circumstances related to rural development in Bosnia and Herzegovina and the European Union.
- (2) The collection and analysis of data, information and research from relevant institutions and organizations related to rural development in Bosnia and Herzegovina and the European Union.

1.4. Structure of the document

The document is structured in such a way that after the introductory remarks in the first part of the document provides an overview of the situation and policies relevant to the subject of the study, namely: institutional framework with responsibilities for rural development policy, rural development situation and the state of civil society and its cooperation with the public sector, as well as EU rural development policy and the accession process of BiH.

In the second part of the document, a brief analysis of GAP is given between the current situation and the potential desired state with the key reasons which are relevant for the rural development in the context of the legal and strategic framework.

In the third part of the document, the main conclusions were given that determine the present situation and represent a starting point for further activities of the NGO sector. Finally recommendations are given to non-governmental sector, especially to organizations which operate in the field of rural development respecting all the facts and limitations specified in the full text.

2. INSTITUTIONAL FRAMEWORK

The current territorial-administrative organization of Bosnia and Herzegovina is a result of the Dayton Peace Agreement in 1995, by which Bosnia and Herzegovina was created as a highly decentralized state with two constituent entities-the Federation of BiH (51% of the territory) and the Republic of Srpska (49% of the territory). Brcko, which has been the subject of disputes and international

arbitrage, was proclaimed as a district in 2000, so that the state of Bosnia and Herzegovina consists of two entities and Brcko District.

Federation of BiH is an entity which consists of 10 cantons¹, and they are administratively divided into 84 municipalities. The Republic of Srpska is an entity which is administratively divided into regions², and the regions are further divided into 63 municipalities.

In Bosnia and Herzegovina, the power is exercised at the state level, level of entities, Brcko District, cantons, cities and municipalities. The legislative power is given to the state, entities, Brcko District and cantons in FBiH, which means that in Bosnia and Herzegovina there are 14 legislative bodies. The entities have their own constitution, which should be consistent with the Constitution of Bosnia and Herzegovina.

The institutional framework for the implementation of rural development policy has been defined at all levels of government. At the level of Bosnia and Herzegovina, the rural development policy is under the jurisdiction of the Ministry of Foreign Trade and Economic Relations with the Council of Ministers. At the level of the entities, that jurisdiction is given to the entity ministries - in the Federation of BiH Federal Ministry of Agriculture, Water Management and Forestry and at the cantonal level to the relevant ministries. In the Republic of Srpska that jurisdiction is under the Ministry of Agriculture, Forestry and Water Management. In Brcko District Department of Agriculture, Forestry and Water Management. From the title of executive bodies - ministries it is obvious that "rural development" is not a part of the name of any ministry in BiH. Although the concept of rural development is multi-sectoral, related to all aspects of life and work in rural areas, it is primarily associated with agriculture in the domain of politics in most countries. On one hand the reason for this is the core activity, ie. agriculture, which is the economic basis for the creation of new values, on the other hand only a modern concept of rural development makes a distinction between the villages and rural areas, but it is historically linked to agriculture. Rural development is actually improvement of living standards of rural residents regardless of whether they provide for living from agriculture or from other sources³. Rural development has its own economic, social and public component, and binding rural development to primarily agriculture gives it completely wrong connotation in the above-mentioned institutional and political solutions⁴.

2.1. State Bosnia and Herzegovina

Institutional jurisdiction⁵: Ministry of Foreign Trade and Economic Relations at the Council of Ministers, which is responsible for the performance of duties and tasks related to defining policy, basic principles, coordinating activities and harmonization of the plans of the entity authority bodies with the institutions at the international level in the field of rural development.

¹ Cantons in FBiH: Una-Sana Canton, Posavina Canton, Tuzla Canton, Zenica-Doboj Canton, Bosnian-Podrinje Canton, Central-Bosnian Canton, Herzegovina-Neretva Canton, West Herzegovina Canton, Sarajevo Canton and Canton 10

² Regions in the Republic of Srpska are: Banja Luka, Doboj, Bijeljina, Pale and Trebinje

³ 53% of rural households have income from employment, 50% of them receive social benefits, while only 9% of them realized cash income from agriculture, which on average account for about 6% of total household income. Source: UNDP, "Rural Development in Bosnia and Herzegovina: Myth and Reality", 2013.

⁴ Among the states that were established from the former Yugoslavia, only in Montenegro there is a Ministry of Agriculture and Rural Development. In other states in the Southeast Europe, Rural Development has found its place in the name of the ministry, alone or with other sectors in Romania (Ministry of Agriculture and Rural Development), Greece (Ministry for Rural Development and Food), Albania (Ministry of Agriculture, Rural Development and Water), Hungary (Ministry of Rural development). In Serbia, Croatia, Slovenia and Bulgaria, there are rural development sectors / departments within the ministries of agriculture.

⁵ Source: official website of the Ministry of Foreign Trade and Economic Relations BiH www.mvteo.gov.ba

Within the Ministry there is a Department of Agriculture, food, forestry and rural development. Activities related to rural development are performed within the Department for Coordination of Policy of Agriculture, Food and Rural Development. Department provides all the necessary services and functions that enable the Ministry for the following activities:

- To take over a coordinating role in defining and agreeing the framework of institutional structures, jurisdictions, responsibilities, reporting system, development of regulations, coordination mechanisms, consultation processes, rights, obligations and measures for implementation at all levels of government in BiH involved in rural development;
- To prepare making of documents for strategic planning of rural development and operational programs; preparation of measures and operational framework plan for the coordinated introduction of measures which are compatible with the three main categories of rural development measures which will be supported according to the Council Regulation on the EU pre-accession assistance (IPARD): preparation of strategic plans and operational programs in BiH;
- To assign and coordinate the contributions to the components of the plan;
- To elaborate the proposals for defining basic indicators and indicators of achievement at different regional levels in BiH that are equivalent to levels of 1-4 Nomenclature of Territorial Units For Statistics - NUTS;
- To develop methods for identifying regions with the most serious disadvantages and their needs for different categories of measures for rural development and infrastructure;
- To coordinate development of the framework budget for implementation of relevant strategic rural development plans and operational programs;
- To coordinate preparation of the framework plan of resources and costs of providing training, publications, and information to local communities and organizations representing local communities or helping to motivate communities in rural development, including the establishment and work of organizations based on the structure of the EU LEADER (or similar schemes).

Legal framework: The basis for implementation of rural development policy at the level of Bosnia and Herzegovina is defined by the Law on Agriculture, Food and Rural Development in BiH⁶. The objectives of the Law are defined in Article 1 and they are the following:

- a) To determine a framework for institutional structures, jurisdictions, responsibilities, reporting lines, regulations, coordination mechanisms, processes of consultation, rights, obligations and implementation of measures at all levels of government in Bosnia and Herzegovina (hereinafter: BiH), which are involved in developing the sector of agriculture, food and rural development;
- b) To determine a framework and mechanisms to strengthen competitiveness, the quality of agricultural and food products and the application of the standards necessary to achieve more dynamic development in the agriculture, food and rural development;
- c) To determine a framework and mechanisms necessary for the preparation of accession to the European Union (hereinafter: EU) and to fulfill all the requirements set by international agreements related to the sector of agriculture, food and rural development in BiH;
- d) To determine a framework to ensure the coherence of sectoral strategies and agro economic policies, specific implementation measures and procedures for the coordinated development of sector of Agriculture, Food and Rural Development in BiH;
- e) To determine framework objectives of the sector of agriculture and rural development and to define the framework measures necessary for their achievement.

⁶ „Official Gazette of Bosnia and Herzegovina“ No. 50/08

It has been defined that the rural development policy measures will be gradually adapted at all levels of government in order to comply with the types of measures in the EU. The measures have been divided into three main groups:

- a) Measures to increase competitiveness,
- b) Measures to protect the rural ecology,
- c) Measures to diversify activities in rural areas and measures to improve the quality of life in rural areas.

Measures are further elaborated in the sector strategy (Strategy for Rural Development) and the action plan.

Although this Law defines comprehensively the agricultural sector and the activities to be undertaken in order to establish a unique agricultural policy at the state level in BiH, it is not implemented in practice. Article 7 of the Law obliges MOFTER to develop policies in cooperation with the entity ministries and the Brcko District, to perform effective coherence and coordination of strategies in BiH and action plans, for the sector of rural development, among other sectors. The report of MOFTER for 2015 states that the text of amendments to the Law on Agriculture, Food and Rural Development has been prepared. Changes are related to the Articles 11 and 20 of the Law which should be deleted and are concerning the Agency for Food Safety in BiH and nutrition policy, and the reference laboratory and other bodies for testing, so that, essentially, changes do not address rural development.

Strategic Framework: Rural Development Strategy at the state level of BiH was never made. Activities on development of the strategy started in 2015 when the Minister of Foreign Trade and Economic Relations of BiH brought a Decision on preparation of a strategic plan for Rural Development in BiH and the Decision on the establishment of an interdepartmental committee for drafting a strategic plan for rural development in BiH⁷.

By creating a unique rural development strategy for BiH with the establishment of IPARD implementation structure, within the entire structure of the Decentralized Implementation System (DIS) and its accreditation by the European Commission, the prerequisites for using IPARD funds would be fulfilled. The establishment of IPARD structure was started back in 2009. The interdepartmental working groups were established in MOFTER with the task of preparing model for IPARD operational structures in BiH. Despite the intense work, the IPARD operational structures have not been established to this day. The reason is that a political agreement has not been reached. According to the institutional structure and competencies in BiH, payment support systems for agriculture and rural development are under jurisdiction of the entities. According to the provisions of the EU regulatory framework for IPARD in the candidate countries a unique structure must be established, and that means a unique structure at the state level of BiH. The possibility of the use of funds for development of agriculture and rural areas in BiH would be especially important given that the objective of these funds is to strengthen the competitiveness of agriculture of the beneficiary country, to reach the EU standards, as well as to prepare and strengthen the capacity of institutions to implement policies which are required once the Membership to the EU is obtained.

In the report of the European Commission for Bosnia and Herzegovina for 2016, it was emphasized that in the next year (2017), Bosnia and Herzegovina needs in particular to develop and adopt strategic plan at the state level for rural development and to establish national structures for obtaining

⁷ Ministry of Foreign Trade and Economic Relations, in cooperation with the EU TAIEX, organized a workshop in April 2016 on "EU Rural Development Policy 2014-2020 and its importance for the preparation of rural development strategies in the candidate countries and potential candidates for EU membership" with participation of representatives of the Network for rural development in BiH.

pre-accession aid in the agricultural sector through Instrument for Pre-Accession Assistance for Rural Development.

2.2. Entity: Federation of Bosnia and Herzegovina

Institutional jurisdiction: The Federal Ministry of Agriculture, Water Management and Forestry performs administrative, professional and other tasks related to the sector of rural development. In the Federation of BiH jurisdictions were further divided so that all 10 cantons have established the institutional capacities which are relevant for the rural development issues within the sector of agriculture⁸.

Operational activities are conducted within the Sector for rural development and agricultural extension services and also the Department for Rural Development which performs activities for preparation of strategy; harmonization of rural development policy with the EU rural development policy; cooperation with ministries at the national and cantonal levels, as well as the municipal authorities; creation and implementation of rural development measures, and monitoring and analysis of the effects.

Legal framework: The Law on Agriculture⁹ and Law on financial support in agriculture and rural development¹⁰ are the basis for implementation of rural development policy at the level of entity Federation of BiH. Development and preservation of rural areas and the preservation of traditional rural values are the main objectives of agricultural policy in the field of rural development. The objectives of the agricultural policy (including rural development) are achieved through measures¹¹ brought by different levels, from the state through federation and cantons to the municipal level. The Law also specifies that support measures for agriculture and rural development will be gradually adapted at all levels of government in order to comply with the types of measures in the EU. Law on financial support to agriculture and rural development stipulates that payments under the structural policy measures shall be implemented through Rural Development Model, but the Rulebook, which elaborates this model and defines its implementation, has not been adopted, so that this model is not implemented in practice.

Strategic Framework: At the level of the Federation of BiH there is a Medium-term strategy for development of the agricultural sector for the period 2015-2019, which focuses exclusively on the agricultural sector, but, for this period, it is the only strategic document that is directly related to improving living conditions in rural areas through agriculture. Rural Development Program for the period 2016-2020 has been prepared but not yet adopted by the competent authorities. The basic objective of the Rural Development Program is to create a quality environment so that the agricultural producers and processors as well as other economic activities in rural areas raise economic efficiency and create new jobs.

2.3. Entity: Republic of Srpska

Institutional jurisdiction: Ministry of Agriculture, Forestry and Water Management performs administrative and other professional tasks in the field of rural development. Operational activities are carried out in the Sector of Agriculture, Food and Rural Development at the Department of Rural Development. The Department is responsible for drafting of laws and regulations, strategic documents, monitoring of international regulations, compliance with EU policies, coordination with all

⁸ In order to achieve the objective of this Study and due to the limited space for observation, legal and strategic framework was elaborated in details to the entity level.

⁹ „Official Gazette of Federation of BiH“ No. 88/07, 4/10 and 7/13

¹⁰ „Official Gazette of Federation of BiH“ No. 42/10

¹¹ Measures: The market-price policy, structural policy, land policy and financial support in agriculture

parties involved in the implementation of strategic documents, planning and implementation of rural development measures, preparation and implementation of all forms of consultative and educational models (workshop , forums, etc.).

Legal framework: The Law on Agriculture of the Republic of Srpska¹² and the Law on Provision and Allocation of Funds for Agricultural and Rural Development¹³ are the basis for the implementation of rural development policy at the entity level of Republic of Srpska. The Law on Incentives in Agriculture and Rural Development is in the process of adoption. This Law specifies incentives for rural development, defines incentives for rural development policy for the sustainable management of natural resources and support to integrated rural development, as well as the minimum amount for payment. The reason for the adoption of the Law is its alignment with the Strategic Plan for the development of agriculture and rural areas of the Republic of Srpska for the period 2016-2020, which plans the application of the new model of financial support for the implementation of agricultural and rural development policy. The rulebooks on conditions and manner of financial incentives for agriculture and rural development from 2014 onwards including 2016, measures for support of rural development were left out.

Strategic Framework: Strategic Plan for the development of agriculture and rural areas of the Republic of Srpska for the period 2016-2020 in terms of planning continuity has inherited the previous two strategic documents Strategy for the Development of Agriculture of the Republic of Srpska until 2015, which was adopted in 2007 and Strategic Plan for Rural Development of the Republic of Srpska for the period 2010-2015. Strategy defines 5 basic objectives and 6. horizontal objective. The first three main objectives are related to agriculture, the competitiveness of agriculture and marketability of agricultural products. The objectives number 4 a

nd 5 relate to the sustainable management of natural resources and balanced integrated rural development which will be implemented through rural development policies. Horizontal objective of "systemic support for the development of the agricultural sector and rural areas" refers to all activities and measures to be taken in order to create encouraging environment for the development of agriculture and rural development in general.

2.4. Brcko District

In Brcko District Department of Agriculture, Forestry and Water Management is in charge of agriculture and rural development. On the basis of the Law on Incentives in agricultural production, the Rulebook on manner and conditions for stimulating agricultural production is adopted annually, which defines the incentive funds for rural development. However, the structure and purpose of the funds are related to agriculture, so that even in this document Rural Development is declared as agricultural development. Rural development under the Rulebook from 2016 includes investments in agricultural machinery, processing facilities, other agricultural investments and certification according to the standards of GLOBAL GAP.

In addition to support for rural development as previously defined, there are measures to support rural development at all levels of government defined in the strategic and legal documents in other areas, such as tourism, sports development, economy, gender action plans, etc., but the measures are not synchronized nor aligned with some general strategic document neither horizontally - between the different authorities at the same level, nor vertically between the lower and higher levels of government in the entire BiH.

¹² „Official Gazette of Republic of Srpska“ No. 70/06, 20/07, 86/07 and 71/09

¹³ „Official Gazette of Republic of Srpska“ No. 43/02 and 106/09

2.5. Local self-government units - municipalities

Given that 61% of the population in BiH live in rural municipalities, local government units should commit themselves especially to the rural development at the local level and to understand that they are generators of rural development in the full sense. Responsibilities of local self-government units are defined in such a way to include all areas of life. Certain competencies are independent or they are provided in coordination with higher levels: the provision of infrastructure, economic, social and administrative conditions adjusted to local needs.

The level of local self-government is the closest to citizens and therefore the local governments are the most responsible to create an environment that enables economic development and a strong civil society. Almost all municipalities in BiH have their own development strategies, which is their obligation under the laws on local self-government in the Federation, and the Republic of Srpska. A certain number of municipalities also have sectoral development strategies, including strategies for rural development.

When we talk about rural development at the local level, it is important to mention the initiative for introducing LEADER¹⁴ and formation of local action groups. Although the LEADER fund is available only to member states of the EU, in order to strengthen the capacity of local actors involved in the process of rural development in the pre-accession period, there have been several initiatives and projects that supported the establishment of LAGs in BiH in the past 10 years. Currently there are seven¹⁵ LAGs which are formally registered. All LAGs in BiH are registered as citizens' associations and they work as classic project-based associations, with more or less support from the founding municipalities. In the work of LAGs in BiH it is evident that with the time they lose connection with the principles of LEADER, because of the unavailability of a dedicated fund, which is why the participation and cooperation between sectors within the LAG is not satisfactory. Although the LEADER fund is not available to the countries that are not EU members, strengthening partnership and cooperation between all three sectors: public, private and civil society allows, at this stage the design and implementation of joint projects aimed at rural development and the development of LAG areas.

3. RURAL DEVELOPMENT IN EU¹⁶

Rural development policy in the EU as the "second pillar", along with the direct payments as the "first pillar" of the common agricultural policy, aims to address a series of economic, environmental and social challenges of rural areas in the 21st century.

The EU's rural development policy is funded through the European Agricultural Fund for Rural Development (EAFRD), worth € 100 billion from 2014 to 2020, with each EU country receiving a financial allocation for 7-year period.

Rural development policy and other European structural and investment funds have a number of common goals. Member States from 2014 onwards must establish a partnership agreement which requires the coordination of all EU funds for structural investments in each country. Partnership Agreement establishes the national strategy for the use of European structural and investment funds.

¹⁴ LEADER (acronym from the French word "Liaison Entre Actions de Developpement de l'Economie Rurale", which means "Linking actions for the development of rural economy") approach to rural development was launched in the European Union in 1991 with the aim of improving the development potential of rural areas relying on local initiatives and skills, promoting the acquisition of knowledge about the local integrated development.

¹⁵ LAG Una-Sana, LAG Doboj, LAG Devetak, LAG Savus, LAG Drina, LAG Drina-Birač, LAG Vrbanja-Ukrina.

¹⁶ Source: https://ec.europa.eu/agriculture/rural-development-2014-2020_hr

Member States and regions draw up their rural development programs based on the needs of their territories and addressing at least four of the following six common EU priorities:

- fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;
- promoting food chain organization, animal welfare and risk management in agriculture;
- restoring, preserving and enhancing ecosystems related to agriculture and forestry;
- promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
- promoting social inclusion, poverty reduction and economic development in rural areas.

4. JOINING EUROPEAN UNION

The Stabilization and Association Agreement (SAA) with Bosnia and Herzegovina was signed in 2008 and entered into force in June 2015. Full implementation of the SAA, including its adjustment, is an important element that shows the commitment of country to the European integration process. Together with the establishment of a functioning coordination mechanism on EU issues, adaptation of the SAA was the important issue that the country should have solved as a priority following the path of EU integration. Addressing these issues has enabled Bosnia and Herzegovina to move forward on the path towards the EU, as it became visible from the request of the EU Council, from September 20th 2016, to the European Commission to prepare an Opinion on the application for membership by Bosnia and Herzegovina submitted on February 15th 2016

Due to non-compliance with the required conditions (mainly refers to the adoption of sectoral strategies for the whole country) BiH has not been able to use funds from the IPA II (2014-2017). If BiH fulfills the necessary conditions, funds from the IPA II for the period 2018-2020 could focus on the continued takeover and implementation of the *acquis communautaire* in the field of agriculture and rural development, food safety, veterinary and phytosanitary policy, including fishery.

Additional support for capacity building could be considered in order to improve the institutional structure of the sector, ie. ministries, laboratories, inspectorates, etc., including implementation of preparation for IPARD (information systems, legal framework, training of personnel, improvement of technical capacity, etc.).

Majority of the citizens of Bosnia and Herzegovina, and that is 76% support joining the European Union¹⁷. The majority of 64% also considers that the European path has no alternative

5. SITUATION IN RURAL DEVELOPMENT IN BIH

In order to be able to make adequate conclusions regarding the effectiveness of the legal and strategic framework, it is necessary to give a brief overview of the situation, and trends in rural development. In recent years, rural development has become a major topic in Bosnia and Herzegovina. BiH stagnates in all areas, but the situation in rural areas is relatively more unfavorable. All trends are negative, and the worst situation is in terms of depopulation, unemployment, low economic activity and age structure of the population. The UNDP's Human Development Report for BiH in 2013¹⁸ provided a comprehensive

¹⁷ Council of Ministers of BiH. Information on results of the public opinion survey in BiH (adopted on 18.05.2016.)

¹⁸ Source: UNDP „Rural development in Bosnia and Herzegovina: Mith and Reality“, 2013

overview of the situation in rural areas with the recommendation that the explicit policy objective shall be keeping the population in rural areas.

5.1. Rural development in figures

Basic socio-economic indicators¹⁹

In Bosnia and Herzegovina, 61% of the population lives in rural municipalities. In the UNDP Report, where comparative data are presented for urban and rural areas, the following cities were defined as urban: Sarajevo, Banja Luka, Tuzla, Zenica, Mostar and Bijeljina. All other cities and municipalities are classified in the category of small towns and villages. Most indicators point to little or slight difference between urban and rural areas. However, indicators that show a big difference are the most significant in the context of socio-economic conditions of life. The overview of the most important indicators is as follows:

	Cities	Rest
Net migration per 10,000 people	+36	-14
Economically active share of population	35%	29%
Unemployment rate	31%	50%
Average net wage	895 BAM	715 BAM
GDP per capita	10,460 BAM	4,730 BAM
Kindergarten attendance	22,8%	7,9%

From these data the following conclusions were made:

- People leave rapidly rural areas and move to larger cities. Migration is happening slowly but steadily in favor of urban areas. The largest part of the migrating population are people in the working-age, which implies the migration of entire families, because they take their children with them. Therefore, the age structure of the remaining population is changing, and human potential for the development is becoming weaker. Due to this trend, rural areas will lose population.
- Rural areas have limited economic opportunities, high unemployment and low wages. The unemployment rate in the whole BiH is too high, but in rural areas particularly unfavorable. Despite the migration trend, the half of the economically active population is unemployed. Economic activities are related to primary industry which creates a lower level of income.
- In rural areas, people are at greater risk of social exclusion, without access to many services, especially health care (secondary and tertiary level), and they are beyond the focus of political and social life.

Support measures for rural development²⁰

Rural development measures as an instrument for supporting activities in rural areas, are constantly on the second place²¹ in the overall budget for agriculture. In addition, the budget allocations for these measures are different every year. Funds to support rural development were reduced from 56 million BAM, which was allocated in 2012, to only about 5 million BAM in 2015 and that was the smallest amount of funds allocated for rural development, the value of realized funds was 4.7 million BAM and that is 4.1% of the budget. This amount of support in 2015 was almost 14 million BAM or 75% lower than in the previous year. Although generally we can say that in recent years allocations for agriculture

¹⁹ Source: UNDP „Rural development in Bosnia and Herzegovina: Mith and Reality“, 2013

²⁰ Source: Ministry of Foreign Trade and Economic Relations of BiH „Report on sector of agriculture, food and rural development in Bosnia and Herzegovina for 2015“, page 62

²¹ The measures for direct support to production are on the first place

are lower, yet when it comes to rural policy measures, the funds are significantly reduced, even a multiple.

Any increase of support for rural development measures has resulted in the reduction of direct support and vice versa. That means that the total budget allocated to support agriculture and rural development is insufficient. There is a causal relationship between these two groups of measures in the support system for agriculture and rural development in BiH, when the amount for support of one type of measures increase, at the same time, the amount for support of other type is reduced.

6. SITUATION IN CIVIL SECTOR IN BIH

Civil society, institutionalized as civil society organizations, does not have a long tradition in Bosnia and Herzegovina. The civil sector in Bosnia and Herzegovina for the first time got the importance immediately after the war when this sector gave contribution to main political processes, such as the return of refugees and displaced persons, integration, reconciliation, human rights and others. Currently in Bosnia and Herzegovina, there are, according to estimates, more than 15,000 non-governmental organizations. There is a noticeable gap between the quantity and the actual impact of CSOs in everyday life. The degree of capacity development of the CSOs operating in the field of rural development is different and can be divided into two groups- CSOs that have developed capacities and operate primarily from urban areas and CSOs with underdeveloped or no capacities, that operate from rural areas. However, they are very important for rural development, because they were established on the basis of the needs of ordinary people who formed CSOs in order to address certain social problems. These organizations do not have sufficient technical, organizational neither the human resources to participate actively in defining public policies and to apply for donations. Their direct impact on society is powerful, because they attempt to improve the status of their members and represent the largest potential in advocacy processes at the local level.

When we talk about organizations at the local level, in addition to "Project type" organizations that act in order to address specific social problems or implement small scale local development projects (associations of women, youth, returnees, etc.), there are also sports organizations in the civil sector, then organizations with a special status, such as associations of war veterans or war invalids, red Cross, pensioners' associations, various "hobbyist" associations primarily of recreational nature, such as associations of hunters, fishermen, hikers, cultural clubs, etc.

A special category of associations, which are very present in BiH are determined as "interest" associations with business type, which bring together individuals or companies from the economic sectors (agriculture (milk producers, livestock breeders associations, beekeepers, growers, etc.), wood processing, metal industry, food industry, clusters, chamber of Commerce, etc.). These associations work from the local to the national level with the intention of increasing connectivity and networking, because they recognize the power they have in the negotiating process. The motive of their association is to improve the position of their members by enhancing and improving the business environment in which they operate. In the advocacy process their role is very important because they represent the needs of all sector and are often active in the process of proposing, changing and adapting legislation. These associations in the context of rural development are very important for linking the private sector with civil initiatives. In legal terms they belong to the civil sector category, as they were established and operate in accordance with the laws on associations and foundations, but essentially they represent the interests of the private sector, as one of the three sectors in a participatory democracy.

Networks / coalitions / alliances

Networks, coalitions, alliances and other forms of associations are established in order to promote cooperation, dialogue and the overall activities of civil society and the private sector. Networking is a natural and logical sequence of activities of non-governmental organizations, which in this way strengthen their negotiating position in the field of solving social problems. Networking form a critical mass that represents the needs of a wider range of users and has more power and influence to solve problems, to give recommendations, etc. Also, networking mobilize organizations of similar profiles and through their mutual dialogue, cooperation, exchange of experience and knowledge form a public opinion on certain issues, such as rural development for which the Network for rural development in BiH was founded.

Networking has other benefits, which are primarily reflected in the individual benefits of the network members such as providing the possibility of cooperation, creation and implementation of joint projects, participation in the activities of the network and strengthening its own capacities.

7. COOPERATION BETWEEN PUBLIC AND NON-GOVERNMENTAL SECTOR

Civil and private sectors in the broad sense form the non-governmental sector. There is also a public sector, which includes government institutions from the local to the state level. A special category of public-private sector consists of public companies that were established with the aim of carrying out activities of public interest. The relationship of the public and NGO sector in BiH is full of controversy. Public administration, which is by definition the service of citizens, particularly at lower levels of government, does not perform efficiently its role. The mechanisms for citizen participation in decision-making processes are not clearly defined by any legal document. These mechanisms are prescribed by the rulebooks of the legislative institutions, but in different ways and without sufficient precision. In addition, they are not adequately promoted so that citizens, companies and institutions generally are not familiar with the tools that are available to them. Projects that encourage political participation have been implemented in many municipalities in BiH with the support of international organizations²². However, the effects of these projects are neither satisfactory nor sustainable in practice. Anyway, it is important for the non-governmental sector that these mechanisms exist at all. Once created and adopted in formal legal sense, they provide opportunities to specific initiatives to insist on their greater use. Of course, there is a polarization with the public sector, where there are plenty of examples of good practice. Basically, the attitude of the public sector, particularly local governments depends on current politics and readiness of the Mayor for cooperation with NGO²³. The best dialogue between the public and NGO sector has been achieved at lower levels of government. Moving to higher levels of government, there is less cooperation and dialogue, and mechanisms of participation are narrowed.

The cooperation between government and NGO sector in BiH is improving. Initially, when the civil society in BiH was established, there was a huge animosity between the public and civil sector, without any dialogue. In the meantime, the situation has really changed for the better, not yet at a satisfactory level. However, many positive examples show that the situation is improving, from projects implemented to the agreement on cooperation between the government (all levels) and NGOs. On the

²² United Nations Development Programme (UNDP), Organization for Security and Co-operation in Europe (OSCE)

²³ For example, municipalities that got BFC certificates (Business Friendly Certification) or are at the moment in the process of certification or have already adjusted its work to the project requirements and that is the faster and more efficient administration with the goal to remove obstacles and achieve faster economic growth and attract investments.

one side there was the influence of the international community, which a lot of funds made available under the condition of common applications of non-governmental and governmental organizations²⁴. On the other hand, positive examples of implemented projects motivate the public sector to initiate cooperation with non-governmental sector. Local self-governments usually have some form of office for local development²⁵ which is a precondition for withdrawal of donor funds. The success of projects implemented by the municipality depends on the degree of cooperation with non-governmental organizations, and their openness and willingness to jointly apply and implement projects.

8. MECHANISMS FOR PARTICIPATION IN DECISION-MAKING PROCESS

8.1. Local level

At the local level, mechanisms of participation are diverse and they provide greater possibility for participation, provided that there is an openness and transparency of local government on the one hand and good organization and awareness of the civil sector on the other.

According to the nature of the relationship, the communication between the public and civil sector can be:

Direct - both communication and interaction between the public and private / civil sector are achieved;

Informative – there is information distribution in order to ensure transparency of local self-government

Forms of direct participation are: Referendum, meeting of citizens, civil initiatives, public hearings, workshops, written proposals, comments and suggestions, surveys and other forms that are not prohibited by law.

Using the above mechanisms, NGO sector can participate in the preparation and adoption of plans and programs of development, spatial and urban plans, budgets and other documents that define the rights and obligations of citizens.

8.2. Higher levels of government

At the higher levels of government, forms of public participation, in the process of bringing/ amending the laws or drafting/ adopting the strategy are:

- When drafting laws and regulations in BiH there are three major forms of public participation: consultations, public hearings and initiation of amendments. Consultations are used in communication with the executive power, public hearings and initiation of amendments in communication with the legislative power;
- When creating a strategy, the most common forms of participation: involvement of competent representatives for a particular field in the working groups and public hearings on the draft strategy

Public hearings are the most important form of public participation in bringing laws, strategies, economic policies, spatial and urban plans, etc. According to the basic principles of transparency and openness of the public administration and in accordance with numerous nongovernmental initiatives

²⁴ For example: UNDP projects (ILD- Integrated Local Development Program, LOD- Reinforcement of Local Democracy), Project of International Labor Organization ILO with financing from EU „Local partnerships for employment“

²⁵ In the form of the local development agency, department, sector or in the smallest municipalities one employee

that encourage citizen participation, public participation should be unquestionable and allowed by each legislative body. The situation in practice is quite different and the procedure of public hearings are usually conducted without adequate information and public participation. In particular, the negative trend in the Bosnian legislation is the adoption and modification of system laws under urgent procedure without any proper explanation. In such cases, public participation is very limited, and undermines the basic democratic principle of citizen participation in the decision making process. Due to the importance that public hearings have in participatory democracy, there are numerous initiatives by the non-governmental sector in BiH in order to better regulate this issue by the law.

9. ANALYSIS OF GAP

9.1. Historical context

Bosnia and Herzegovina, as well as the countries of the former Yugoslavia, and the region, is going through a process of transition, and the transfer from one socio-political system to another. These are the historical circumstances that all the countries of the former socialist system have gone through or are going through. Countries that have managed to adapt quickly their economic and socio-political system to the new conditions, moved forward to the developing process, for example Czech Republic, Slovakia and Poland. In BiH, the transition process has not been formally completed yet. Privatization implemented in a wrong way, lack of quality financial resources, lack of modern technology, created negative conditions for sustainable development. Due to internal inter-ethnic and political problems, the decision makers created the policies to meet the objectives of one ethnicity or one political party. A consensus on priorities regarding sustainable development in BiH has not been reached. That is why BiH is at the bottom of the scale in terms of many indicators, not only in the region, but also beyond.

Rural development and agriculture in BiH also depend on historical circumstances. The processes of urbanization and industrialization that started in 1950-ies changed the basic characteristics of the rural areas. The social structure of the former village was radically changed and modernized. On the other hand a disadvantage of small scale agriculture and ideological prejudice against private property, as well as inappropriate development policies towards the village, caused a pronounced stagnation and extreme backwardness of many rural regions. The whole country was industrialized, so that today we have many smaller towns with unused / abandoned industrial buildings and the rural population, which due to break in the agricultural tradition of the previous generation, does not have inherited the knowledge and skills for efficient farming.

9.2. political and administrative system

Bosnia and Herzegovina, because of its administrative organization, as noted above in the text, is characterized by a complicated political and administrative system. Due to the dissolution of the former Yugoslavia, and the formation of BiH as an independent state with specific internal organization, BiH was forced to create and adopt legislation in order to be able to function as a legal state. In addition, as a potential candidate country for accession to the EU, BiH must follow the EU directives, which leads to constant adaptation of regulations, without internal structure that is able to effectively implement new legislation. In this regard, there is a Law on Agriculture, Food and Rural Development in BiH, which is related to the topic of this study, but its application in practice is very limited. With regard to the political situation, it is important to emphasize that in the Republic of Srpska dominant opinion is that agricultural policy and rural development policy should remain within the competence of the entity level and lower levels, while in the Federation of Bosnia and Herzegovina there is an opposite view which is in accordance with the request of the EU to transfer one part of the responsibilities to the state of BiH.

BiH was requested to conduct the demanding task of public administration reform as one of the prerequisites for accession to the European Union. Public administration in BiH is rated as oversized, inefficient and unprofessional.

The main objective of this reform is to create responsible and cost-effective public administration, which will create the environment for a better life for its citizens funded by the taxpayers.

9.3. Approach to strategic planning

Bosnia and Herzegovina as part of the unique space of the former Yugoslavia, was in the system with the centrally-planned approach. In the centrally-planned economy all significant economic and social issues were dealt with rigid central planning that was inflexible and binding. For the most of the local population who were educated and worked in that system, the transition to a market economy system meant a denial of any planning, but the decisions were made ad-hoc. Therefore, in Bosnia and Herzegovina after the transition to conditionally speaking market economy, in the first ten years, until the beginning of the 2000, strategic plans were not prepared, neither individual organizational nor general development plans. However, the modern concept of strategic planning, which implies a participatory approach, involvement of a wider group of stakeholders in the process of a strategic plan development and commitment to implementation, is not fully applied in practice. In general, the concept of strategic planning in BiH is not taken seriously. People who are in charge of implementation of the development strategies have not accepted the responsibility to implement measures and activities. There is no efficient monitoring and evaluation system. The most often, strategies represent the lists of wishes that are neither in accordance with the organizational capacities nor with the budgets. In order to build capacities for the strategic planning, the international donor community financed elaboration of development strategies on all the levels in BiH²⁶. The biggest problem are „ordered strategies“ that were made just to meet the legal requirements to have strategies for certain field or at the certain level. There are strategies in BiH but they are not being implemented and the strategy measures are not supported by the legal solutions.

9.4. Approach to rural development

Bosnia and Herzegovina, as a predominantly rural country²⁷, needs to redefine approach to rural development. According to the above-mentioned legal and strategic solutions, rural development is not positioned politically in an adequate way. The rurality of BiH is directly related to the climate, relief and geographical characteristics. Living conditions are linked to natural conditions so that in Bosnia and Herzegovina there are more developed areas in the valleys of rivers, with larger towns and cities, and less developed area with the mountainous part of BiH that makes 4/5 of the whole territory. The objective of rural development policy in BiH should be a balanced territorial development and reducing disparities between territories with favorable versus the territories with unfavorable living conditions. This implies that the rural development policies in BiH should take into account heterogeneity of the conditions for the economy and living conditions. Given that only 6.6% of the revenue of rural households come from agriculture, rural areas are economically dependent on industry, services, trade or compensation from the state. However, the industrialization is still considered the best method for mobilizing regional development (especially for undeveloped countries) because it has the biggest multiplication for launching the cumulative economic development.

²⁶ United Nations Development Programme (UNDP), Gesellschaft für Internationale Zusammenarbeit (GIZ), Organization for Security and Co-operation in Europe (OSCE)

²⁷ Fourth in Europe, after Montenegro, Ireland and Finland

10. CONCLUSIONS AND RECOMMENDATIONS

10.1. CONCLUSIONS

- *According to all the facts listed above, in general it can be concluded that there is no adequate development in Bosnia and Herzegovina, and especially, there is no rural development.* Currently, we are facing rural “non-development, stagnation and degradation”. Governmental bodies, laws and strategies exist just for themselves instead of having development function. Macroeconomic indicators and projections, especially in the context of the public debt²⁸, employment / unemployment and growth rate of industrial production²⁹ on the one hand, and too expensive and cumbersome state apparatus on the other hand, show the existence of systemic problems that can be solved only in the medium or long term, and with the full commitment of all political structures. Of course, it is necessary to start, work hard, be ready to sacrifice and to be consistent with the process. Are the political structures in BiH ready, competent, interested etc? The answers to these questions are “not at all” or “not sufficiently” according to all the researches, reports, monitoring done by either official (governmental) or international organizations and local NGOs.
- *Rural development is not adequately qualified - its importance is diminished in the terms of implementation of general agricultural policy.* Rural development is unjustifiably identified with the development of agriculture, particularly in BiH, where only 6,6% rural households, a negligible percentage, live from agriculture. Governmental bodies (ministries) in charge of rural development are focused on development of agriculture. Situation in local governments is also not satisfactory. Non-compliance of laws with the principles of the European Charter of Local Self-Government and the strong trends of centralization have a negative impact on the ability and the capacity of local governments to respond to the needs of the local population. The rural areas in BiH have neither been mapped nor marked. The consensus about the term “rural”³⁰ has not been reached. Also, there are no any activities on the methodology to differentiate urban, rural and semi-rural settlements. is used to mark The rural areas are marked with only demographic factor, even though this factor has not been quantified finally.
- *It is necessary to intensify the process of making the mandatory strategic documents in the field of rural development and to create an effective methodology that will result in strategies that correspond to the real situation and the needs of rural areas.* Public administration is slow to respond to the request for urgent development of the strategies. State administration form oversized working bodies, without clearly defined tasks, responsibilities and objectives. Private and civil sector is not adequately mapped (with the representative and / or competent

²⁸ According to the Report on Global Competitiveness of the World Economic Forum, BiH is even classified as moderately indebted country in accordance with the Maastricht debt criteria (acceptable to 60% of GDP). According to data published by the Central Bank of BiH, the total public debt in 2015 was 11,928 billion BAM or 42.3% of GDP. However, the economic situation in the country and the state of public finances, the inability to finance current obligations and outstanding loans due, relativize those data.

²⁹ Industrial production growth rate in 2015 was 2.6% (www.fipa.gov.ba)

³⁰ According to the "Draft guidelines for the introduction of the LEADER program in BiH", which was developed by the Ministry of Foreign Trade and Economic Relations, the rurality threshold is defined as an average population density of Bosnia and Herzegovina according to the census of 2013, 69 inhabitants/km² opposed to the threshold of rurality in the EU of 150 inhabitants/km².

representatives) and they are not involved in the processes of developing strategies. The strategy development processes take too long, and the strategies are not consistent with the financial framework. There is no adequate public monitoring and evaluation. The biggest problem for BiH in domain of non-existence of strategies is that there is no unified state strategy that would determine the direction and objectives of BiH, and rural development strategies aligned with the overall state strategy. Therefore, we have a situation that the sectoral strategies are being made, which are often contradictory in certain areas, including rural development strategies.

- *The systemic lack of understanding of the problem of the rural development in BiH is partly a consequence of the lack of human capacities.* The capacities of neither public nor civil society are developed sufficiently. There is no doubt that there are certain capacities. In the public sector, there are some people who understand the problem and have personal enthusiasm to initiate certain things, but they are trapped in the network of political decisions and inefficient administration. Also, in the civil sector there are different types of organizations, with different capacities and different motives for participation in development processes, specifically in the area of rural development. Big and strong organizations very often are not motivated for solving general problems, if they are out of reach of their project activities. On the other hand, there are small local organizations that want to change the society and they are perhaps the guarantee of sustainability, because they feel the problems of their local community. However, they do not have the capacity, and their human and financial resources are limited.
- *Public bodies do not recognize the need for bigger participation of civil society and private sector in process of development of legal and strategic documents.* The participatory democracy in BiH exists only declaratively. (In)efficiency of legal and strategic solutions is a consequence of their unilateral creation by a public sector, without adequate consultations with civil and private sector. The NGO sector is not familiar with the participation mechanisms. On one side, the public sector is close for cooperation, while on the other side, the civil sector is not able to react promptly in accordance with the established and available mechanisms.
- *Development in BiH is possible (both integrated development of certain areas, as well as the rural development within them), and the proof are the small town and cities in BiH that achieved above-average progress in recent years compared to the rest of BiH³¹.* So, to achieve development it is not necessary to wait for a comprehensive national strategy or accession to EU. What if that never happens? There is a huge unused potential (economic, tourist, natural), which is relatively easy to mobilize at the local level. Almost every municipality in BiH has unused potential to a greater or lesser extent, and with the mobilization of that potential, significant progress can be achieved. The municipalities that have made progress in economic and also in social area, have the following characteristics: local government dedicated to local development and adoption of modern trends in the openness and efficiency towards the private sector, and creating a business friendly environment on one hand and on the other hand, proactive private sector with a clear vision, resources and entrepreneurial initiative.
- *Activities of the NGO sector in democratic processes are many times greater than the actual impact they have.* There is no doubt that there is a

³¹Examples: Tesanj, Teslic, Gorazde, Zepce

disproportionate relationship between the volume (quantitatively and qualitatively) of the projects and activities implemented by CSOs and the real social and political change. Even in certain areas there are evident retrograde processes (e.g. the transparency of public administration). There are many reasons for this, both in the public sector and on the side of civil society. Neither one sector in BiH is superior – each sector has a lot of internal weaknesses, and it would take not just years, but decades to overcome those weaknesses so that our country could achieve the level of a higher degree of democratization. Democratization is a process that requires a lot of work in BiH. Organized civil society is the most active promoter of democratic values and a significant correction factor in the political life of the country.

SUMMARY OF CONCLUSIONS

Conclusions show that the situation in rural development in Bosnia and Herzegovina is not encouraging. In order to initiate and support rural development in a satisfactory positive direction, we need time because it is a process (nothing spectacular could happen in a short time), followed by material and financial resources and, finally, the most important link, are the human resources with the necessary competence, knowledge, skills and intentions to create change. The success of the entire process depends on the attitude and behavior of all the actors. The objective of this study at the end is to give recommendations to CSOs and their networks for possible improvement of the framework for sustainable rural development in BiH. As it was previously mentioned in the analysis and conclusions, the weakest link in the entire system is the public sector which is based on a complicated and inefficient political and administrative apparatus. In this context, the aim of the NGO sector is to become a competent and responsible partner to the public sector, and consequently to participate more in administrative procedure of creating a strategic and legal solutions.

10.2. RECOMMENDATIONS

- *To continue with networking on the national level, with greater involvement of public and private sector as well as academic community.*
The formation of networks, coalitions, alliances and other forms of associations (herein after: networks) is one of the most important factors in the initiation and implementation of better communication and participation with the public sector. In this way a “critical mass” is formed with the representatives of a particular area, which strengthens the negotiating position of the NGO sector. In order to effectively meet their objectives, the networks must constantly work on quality and quantity membership, by mapping and including more competent representatives or organizations. In this regard, it is recommended to the rural development networks to include more private sector and academic community in their activities, through formal and informal networking. Also, the network should develop a partnership with the public sector, to work on removing barriers and to insist on a relationship of trust and mutual cooperation. It is recommended to the public sector to formalize cooperation with the public sector through memorandum, agreements etc in order to assign responsibilities for the set objectives.
- *To ensure the transfer of knowledge and information between all relevant actors of rural development in BiH through all available communication channels (media, web portals, social networks, thematic events).* Mobilization of a wider group of actors depends on how informed they are about the current issues and activities that are undergoing in the sector of rural development. By

dissemination of information, the awareness about the importance of rural development is raised. During the creation and dissemination of information it is important for the future period that the Rural Development is put in the context of development of rural areas in all aspects of life, not just agriculture. It is recommended that each information contains general educational part which will refer to the concept of rural development, and in this way to raise the level of knowledge for a better understanding of rural development policy.

- **To develop proactive cooperation with international organizations for the future programs of rural development in BiH.** It is recommended to the networks to proactively engage in the process of future programming of support to rural development in BiH, conducted by international organizations. The aim of international donor organizations is to identify development needs in the programming areas in order to select appropriate strategies and operations. Joint action in the programming period creates the necessary synergy of interests between donor organizations and the beneficiaries of funds and guarantee the effective implementation of the program.
- **To strengthen the network and develop capacities of local organizations, according to the scope of work of individual organizations (focusing).** In order for the network to fulfill one of its functions and to support rural development activities with the final beneficiaries, it is necessary to develop capacities of local organizations, as they mostly do not have developed capacities. There are different models of cooperation and support, from involvement in project activities of networks and larger organizations to initiation and development of partnerships with local organizations. In this way, in addition to enhancing the capacity for project implementation, strengthen capacities for lobbying, advocacy and political participation at the local level are also strengthened.
- **To strengthen cooperation of all sectors at the local level (public, private and civil) through formal and informal forms of organization.** In order to better understand rural development and the role that each sector has in that process, it is necessary to strengthen cooperation at the local level. Local actors should be informed about the advantages of the joint actions on the basis of examples of good practice, especially LEADER concept. Also, establishment of LAGs should be initiated and the capacities of the existing LAGs should be strengthened regarding the key principles, such as bottom-up, cooperation and development of joint strategies.
- **To initiate a platform for active participation of NGO sector in decision making processes, development of policies and implementation of strategies in the field of rural development.** It is necessary for the networks to participate more in the legal and strategic processes in the sector of rural development at all levels in relation to the situation described in this document. It is recommended to the networks to initiate adoption of the obligatory platform for the public sector (at all the levels, and especially at the state and entity level) in order to enable prompt, transparent and democratic participation of the NGO representatives in the public hearings, consultations and working groups for all legal and strategic documents in the field of rural development.
- **To design education models for continuous training and capacity building of CSOs and other actors in rural development, according to their scope of work and situation on the field.** Since the networks, if they are formally organized, act as CSOs and they develop and implement projects, it is recommended to design and develop education models, in the future, to strengthen its own organizational

capacity, as well as the capacities of other CSOs, with the aim to strengthen the entire NGO sector in the field of rural development. If possible, the representatives of the public sector should be included in the educational models for their better understanding of the process. Many representatives of the public sector do not have necessary skills and experience for the active engagement with CSOs. These activities should be based on the specific needs of the participants in order to build capacities of the institutional mechanisms in a quality and efficient manner, for the more effective dialogue with the CSOs.

- **To strengthen the presence of CSOs in the process of the EU integration and development of strategic documents.** CSOs and networks have a possibility to participate in processes of EU integration of BiH on the basis of public consultations, thematic events and other forms that are specified by the EU. It is recommended that the CSOs and networks get prepared³² for this process, that has already started, and to give their full contribution with the constructive proposals to the fulfillment of the criteria for accession to EU.
- **To continue activities on regional and international positioning of the Rural Development Network in BiH.** The Rural Development Network in BiH, which is at the moment an umbrella organization that gathers all CSOs in the field of rural development, and it is a member of regional and European networks³³, should continue the activities started before in order to achieve better positioning in the international framework through participation in the events and through initiation of the joint projects with other networks.
- **To accelerate activities for the organizational strengthening and establishment of the more quality structure of the RDN in BiH in order to be able to respond efficiently to the challenges, including the above recommendations.** This document was made on the request of the RDN in BiH, whenever it is written “network” it refers primarily to RDN in BiH. In order for the RDN and its members (present and future) to be able to realize the mentioned recommendations, it is necessary for the RDN to accelerate activities for the organizational strengthening. The RDN in BiH should prepare its own strategy as soon as possible, with the defined activities, responsible stakeholders and deadlines, and assign the responsibilities for implementation of the mentioned recommendations.

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