



Republic of Montenegro
Ministry of Agriculture, Forestry and Water Management

Enhancing Sustainable Local and Rural Development
in the SAP Countries By Introducing the LEADER Experience
Budapest, Hungary, 19-20 May 2008

LEADER`s Applicability in the SAP Countries: Montenegro



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Budapest, 19. May 2008.



Montenegrin agricultural sector – main features

- ❑ **Montenegro**, as a small country (size - 13,812 km², population - 630,000 inhab.), has a very low **popul. density** - **46 inhab./km²** ;
- ❑ **Land resources:**
 - 518,000 ha of agricultural land in total **0.82 ha per capita**
 - 190,000 ha of arable land, **0.30 ha per capita**
- ❑ **Economically, agriculture is very important:**
 - high share in the GDP (primary sector + processing industry **>20 %**)
 - Montenegro is **a net importer** of food – deficit =150 mio.euro
- ❑ **Social dimension:**
 - approximately **63.000 rural households** (>1/3 of total) partly or completely provide income in the agriculture;
- ❑ **Rural areas:** migration from rural areas is intensive, abandonment of distant villages is a serious problem in the northern less-developed part



Reform activities in the agricultural sector

1. Enactment of new legislation (many new laws harmonized with WTO rules and EU *Acquis* have been recently adopted),
2. Implementation of strategic documents,
3. Activities and projects related to strengthening of institutional and administrative capacity,
4. International integration processes:
 - a) Regional integration - CEFTA 2006,
 - b) EU integration,
 - c) WTO membership (negotiations are in the final phase, drafting of Final report),
 - d) During 2007, MNE got a membership in: FAO, OIV OIE, IOC; procedure of UPOV membership is underway



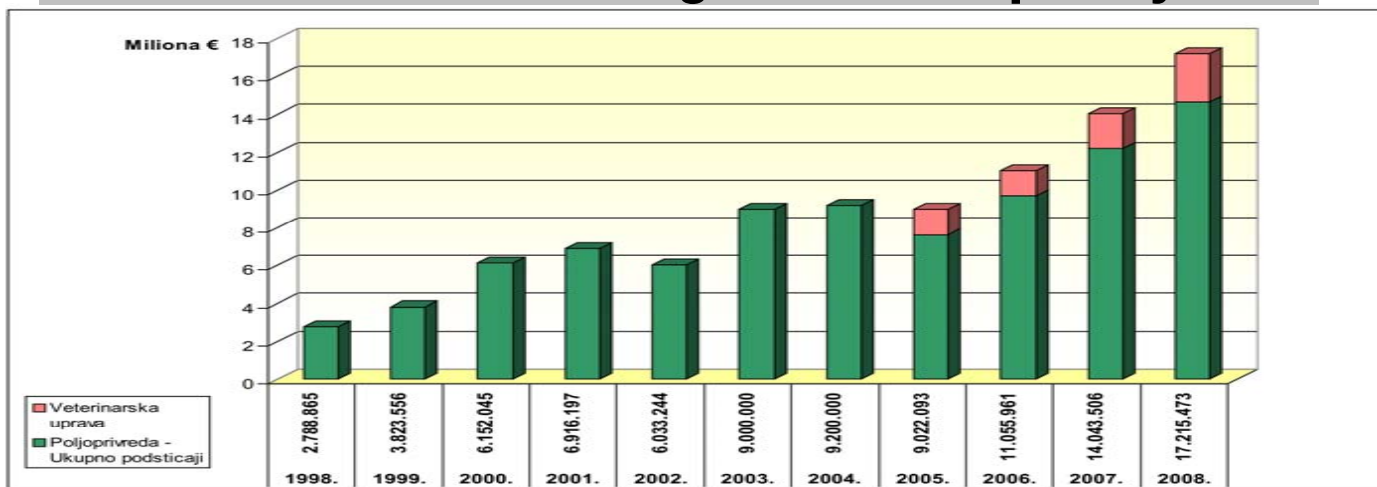
Reforms in the agriculture – strategic document implementation

MONTENEGRO'S AGRICULTURE AND EUROPEAN UNION – Food Production and Rural Development Strategy

- It defines three main pillars of the reforms:
 - **Agricultural policy** – gradual introduction of the EU Common Agriculture Policy (CAP);
 - **Legislation:** harmonization of legislation with the EU *Acquis communautaire* EU
 - **Institutional reforms:** - modernization and strengthening of human resources for efficient implementation of the new agricultural policy
- **Concept of the sustainable development of agriculture** (appropriate balance between economic growth, environment protection and social policy);
- **Multifunctionality** of agriculture is the core principle of the concept,
- **Rural Development** is a key component of the Agricultural policy

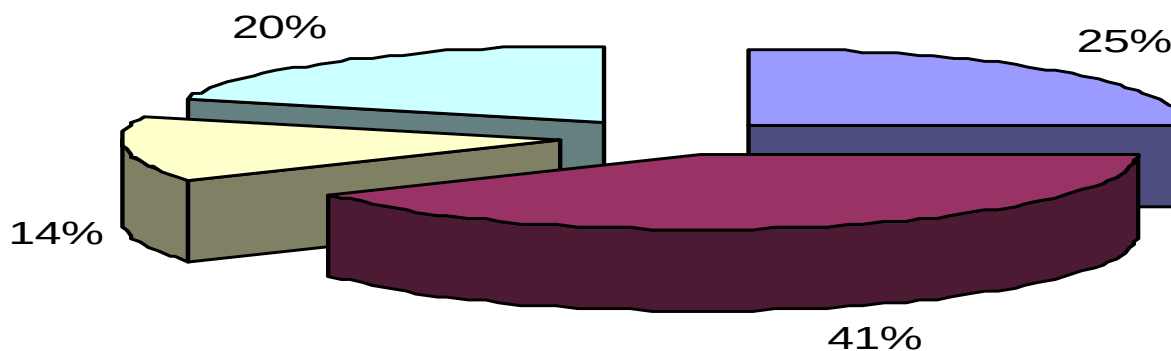


Reforms of the agricultural policy



NAPOMENA: Od formiranja Veterinarske uprave 2005. godine, budžet Veterinarske uprave iskazuje se kao posebna budžetska stavka

Agricultural budget in 1998 - 2008



AGRO-BUDGET 2008

- Market price measures
- General services

- Rural development measures
- Other



EU integration –the objectives

1. Full integration into the EU legal system, with all the rights and obligations,
2. Solving of structural and developmental weaknesses of the sector during the pre-accession period,
3. Increase in absorption capacity of agriculture in general for using opportunities given by the EU membership,
4. Membership in the EU without sector disturbances – the so-called “soft landing”.



Where is Montenegro on its way to EU?

- ☐ Stabilization and Association Agreement (SAA) - Interim Agreement has been implemented since first January '08;
- ☐ Preparation of the first National Program of Integration in EU (NPI) is in the final stage;
- ☐ Establishing of the bodies responsible for implementation SAA and management of the whole integration process;
- ☐ Drafting Law on Agriculture and Rural development and National plan for Rural Development,
- ☐ Strengthening of institutional and administrative capacity and absorption capacities of agriculture



The main priorities in EU integrations

- ☐ Implementation of SAA and NPI, as permanent tasks,
- ☐ Using pre-accession assistance in a best possible way, as well as other source of international support to agriculture,
- ☐ Preparation for the next phase of the integration – to become candidate country for EU:
 - o Basic documents – platforms for the negotiation process,
 - o Institution and administrative capacities through intensifying of different ways of education and training,
 - o The whole agricultural sector through the implementation of EU standards;
- ☐ To strengthen public awareness about the importance of the agricultural sector in EU integrations



Obligations and challenges on EU path

A) Agricultural market and Rural Development policy

- ☐ **Statistics in agriculture: agricultural census** – in 2009, the World Bank Program of support to Montenegro's agriculture reform,
- ☐ Preparation for establishing of a **Paying Agency**, responsible for payments under the IPARD and for the national budget - IPA support + WB project,
- ☐ Strengthening of the RD unit in the MoA - **Managing Authority** for rural development policy,
- ☐ Development of **Rural Development Program** – IPA support in 2009.
- ☐ Meeting obligations planned by NPI (quality policy, agriculture registers, price information, market standards and market organization administration, etc.)

B) Food safety, veterinary and phytosanitary policy

- ☐ Establishing of an integrated food safety system,
- ☐ Further strengthening of the veterinary sector,
- ☐ Establishing of a competent authority for implementation of phytosanitary policy



What kind of RD policy will be applicable in Montenegro?

- RD program (foreseen for 2009) has to define detailed guidelines for implementing IPARD support,
- Respecting current state of development of the rural areas and structural characteristics of the agriculture – few main measures should be chosen for IPARD,
- All three main axis of RD policy will play important role – in terms of money allocated competitiveness will be the most demanding – especially during pre-accession period,
- Leader has to be mainly implemented as the horizontal axis or methodology in other three axes,
- Involvement of civil society will be of crucial importance for the successful implementation of Leader projects



The strengths and weaknesses for the implementation Leader axis as an integral component of RD policy

A) The strengths:

- ☐ Institutional system has a quite simple structure, with good coordination between main stakeholders;
- ☐ Ministry of agriculture has established close cooperation with civil society (signed memorandum of understanding with more than 30 different NGOs);
- ☐ Solid experience of the stakeholders in the implementation donor funds, especially Leader alike projects supported by USDA;

B) The weaknesses:

- ☐ Small country has certain limits in human resources – lack of good initiatives and projects in rural areas;
- ☐ Inheritance from the previous socialist system - reluctance of local people to collaborate on mutual projects,
- ☐ Difficulties in preparation rural society for implementing very demanding RD policy of EU



Thank you for your attention !