

Negotiations for farmers in Serbia:
The lessons from previous EU accessions

By

Sladjana Brankovic

Submitted to

Central European University

Department of Public Policy

In partial fulfillment of the requirements for the degree of Master of Arts

Supervisor: Professor Andrew Cartwright

Word count: 11,128

Budapest, Hungary

Contents

| | |
|--|----|
| Abstract..... | 3 |
| Introduction..... | 4 |
| 1. Background | 6 |
| 2. The pre-accession support programs | 9 |
| 2.1. SAPARD | 9 |
| 2.2. IPARD..... | 12 |
| 3. The characteristics of agriculture and rural areas in Serbia | 16 |
| 4. Experience of SAPARD beneficiaries: the four measures | 20 |
| 4.1. Investment in agricultural holdings..... | 22 |
| 4.2 Improving the processing and marketing of agricultural and fishery | 26 |
| 4.3 Development and diversification of economic activities | 28 |
| 4.4 Land improvement and re-parceling | 30 |
| 4.5. Assessing the applicability of four measures in Serbia | 31 |
| 5. Conclusion | 35 |
| Bibliography:..... | 37 |

Acronyms:

CAP - Common Agricultural policy

EU - European union

EC - European Commission

IPA - Instrument of Pre-accession Assistance

IPARD - Instrument of Pre-accession Assistance for Rural development

SAPARD - Special Accession Program for Agriculture and Rural Development

Abstract

Serbia is one of the most agrarian European countries, with more than half of territory in rural areas. However, Serbia deals with one of the highest levels of rural poverty in Europe. For decades, Serbia failed to address this paradox and to apply integral approach to rural development. As official candidate for membership in the EU, Serbia will be entitled to use the financial support for rural development as part of pre-accession assistance intended for the countries to prepare for joining the Common agricultural policy. The goal of this paper is to find out what Serbia can learn about the effectiveness of the measures included in pre-accession assistance program for the accession round of 2004 and 2007. I will identify four measures included in this program. Those are the following: Investment in agricultural holdings; Improving the processing and marketing of agricultural and fishery products; Development and diversification of economic activities; Land improvement and re-parceling. Based on the previous experiences and having in mind characteristics of agricultural and rural areas in Serbia, findings show that although every measure will contribute to the rural development in Serbia to certain extent, measure that should be used largely is Development and diversification of economic activities.

Introduction

Rural development is an important part of the economic development and prosperity of one country. In countries such as Serbia, where the rural areas take up to 85% of the territory and with 45% of the rural population working in agriculture, it is even more important. However, decades of poor rural development policies, impact of socialist system, wars, international isolation, economic hardships have had large influence of poor use of the potentials and resources. Serbia is currently dealing with difficult situation of low agricultural productivity, inability to access the market, decreasing rural population and land abandonment. The statistics show that every fourth village in Serbia is disappearing. Equally important, the ones who stay do not see their future doing farm activities and their skills and competences are not on sufficient level in order to start farm business.

Choosing path of European integration, Serbia will be entitled to use the financial support as part of pre-accession assistance intended for the countries prepare for joining Common agricultural policy (CAP) of the EU. The funds within IPA (Instrument for pre-accession assistance) and its rural development component IPARD, are intended for official candidate countries in order to enter the EU with milder differences between the levels of rural and agricultural development. Because financial support within this program is limited and therefore need to be used efficiently and effectively for most vulnerable parts of rural economy, but that should also be profitable and make an impact on overall progress in rural development. However, this is a very challenging job. The characteristics of Serbian agricultural land, which includes land fragmentation and predominance of family farms, makes it more difficult to improve agricultural productivity with

a single measure. There is a necessity for more integral approach. To do this, the lessons from the countries that entered the EU during enlargement round in 2004 and 2007 could be valuable in terms of good and bad experiences with using these funds.

My goal in this paper is to find out what can we learn about the effectiveness of the measures included in pre-accession assistance program for the accession round of 2004 and 2007, SAPARD, that were applied in the countries that encountered similar problems to the one we can find in Serbia. In the paper I will identify four measures included in this program that address these specific problems. Those are the following measures: Investment in agricultural holdings; Improving the processing and marketing of agricultural and fishery products; Development and diversification of economic activities; Land improvement and re-parceling. I will address their effectiveness using the experiences of the beneficiary counties that have applied these measures the most. Their experience will help to address the applicability of these measures in the rural economy of Serbia.

1. Background

The path of joining the European union that Serbia chose includes serious transformational processes in terms of agricultural policies. With every accession of the new member states there are new major disparities within the EU (Carmin, Van Deever, 2005: 135). In order to soften these disparities when it comes to rural development between the member countries, candidate countries have to shape their rural development policies according to the policies and practice of the Common agricultural policy (CAP) established in the EU. Rural development policy of the CAP includes three main components: strengthening agriculture through structural measures, modernization and diversification of rural areas as well as protection of the environment and rural heritage (Stankovic, 2012: 66). CAP supports agricultural sector in Europe and it represents one of the most important policies of the EU with the largest expenditure share in the budget of the EU (Fernandez, 2002:1). For transitional countries aiming for a membership in the EU, this represents a major challenge. How fast and to what extent the reforms will go during the transitional process, “as well as the projected goal of institutional alignment with the value of the Union (Acquis communautaire) within the process of joining the Union, has played the determining role on path and the status of the reforms of the agricultural sectors of the transitional countries” (Gajic, Lovre, Zekic, n.d., 588). Countries such as Serbia have to face the problems inherited for the last two decades, which includes the conditions created with the centralized planning and problems with accommodating to the market economy (Gulan, 2009). In order to that it is of vital importance to understand mechanisms of implementation of CAP and effective ways of incorporating CAP in domestic legal, economic and social system (European movement in Serbia, 2010:64).

Although in 2012 Serbia became official candidate for membership in European Union, which is necessary for country in order to use the all components of the pre-accession funds IPA (Instrument for pre-accession assistance) in order to reach the necessary standards of the European union member countries, including agriculture, there is much more time before Serbia will be entitled to use the financial assistance within rural development component of IPA, IPARD. In the meantime, with the current status on the road to EU integration, Serbia has to prepare in order to meet the requirements for future financial support from the EU. This preparation regarding rural development includes three main directions: legislative, institutional and budget (European movement in Serbia, 2010:67). In terms of agricultural and rural development, legislative process of meeting the requirements of the EU, implies harmonization of domestic legislation to the ones in the EU. The body of EU legislation (Acquis communautaire) consists of more than 27 000 different degree of mandatory regulations, including regulations, directives, decisions, recommendations and opinions, in agriculture, rural development, veterinary and sanitary issues and food safety policy (European movement in Serbia, 2010:86). The challenges within this process are related to the nature of the matter, which constantly goes through changes within EU (Ibid, 67). The institutional process involves making the legislation into efficient and transparent institutions of support for agricultural with significant role in future rural development (Ibid, 67). The third aspect, the budget and agricultural support, includes requirement that form and manner of subsidies must follow the European path. The creation and timely implementation of support measures that are currently applied in the EU are far higher than the level of support that is now applied in Serbia (Ibid, 67). The processes of the harmonization of legislation, implementations of institutions and necessary

support measures that will be in compliance with the EU requirements are difficult, long and they need constant control and monitoring.

The institutional portion of challenges is followed by equally important, cultural challenges. Many ambiguities that Serbia's historical development contains— traditional and modern, socialist and liberal also reflects in today's economic culture in Serbia (Kovacs, Zentai, 2012:183). The consequences of the civil war, international isolation, economic hardships and the rocky road of post socialist transition make compliance with the Western patterns of organization even more complicated. High level of distrust is one of the experiences of the previously implemented projects, funded by the Western countries and the negative attitudes towards them, can contribute to the possible problems of implementing new projects (Ibid, 195). The other ambiguity is the Serbia's socialist heritage —the organizational hierarchy —the rule of passivity, which implies waiting for someone from the outside to set the rules and framework. On the other hand, however, if the organizational discipline is being imposed from the organization outside, it is more likely that they will encounter disobedience and anarchy (Ibid, 192). As some of the countries in the previous accession rounds went through the similar process of transition, their experience in dealing with this cultural heritage on the road to EU might be valuable lesson for Serbia.

Following the accession rounds in 2004 and 2007, 7 million farmers were added to the EU's existing population of 6 million. With the enlargement the EU gained nearly 55 million ha of cultivable agricultural land to existing 130 million hectares. Despite this large increase, the expansion of productivity was between 10% and 20 % (European Commission, 2012:4). Because of this fact, it is important to analyze the experiences of these countries from the pre-accession period, during which they received financial support in form of SAPARD program, to apply

good and avoid bad experiences in order to increase the productivity and enable rural and agricultural development.

2. The pre-accession support programs

2.1. SAPARD

The EU pre-accession program SAPARD was created with intention to provide assistance for the candidate countries' access to the EU agricultural and rural policies during the accession process. Special Accession Program for Agriculture and Rural Development (abbreviated as SAPARD) was founded on the European Council regulation 1268/1999 and is the third in a row EU financial instrument intended for the ten Central and Eastern European countries (Bulgaria, Czech, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia and Slovakia) aiming to become a member of European Union during the enlargement round in 2004 and 2007 (European Commission, n.d.:1). The purpose of the seven year (2000 - 2007) program was to facilitate the process of becoming a member of EU, but also to for the states to have fewer problems to face once they access the European Union (Mészáros, n.d.:2). SAPARD offered fifteen measures for the improvement of agricultural and rural development of the applicant countries that should help to resolve some of the key problems (Bogdanov, 2007:53) during preparation of the candidate countries for the participation in the Common Agricultural Policy. This implies contribution to the implementation of the EU legislation in the sector of agriculture, as well as contribution to the agriculture and rural development of the countries that benefit from the funds (European Commission, n.d.:1).

“EU priorities for providing support through SAPARD measures were defined as:

- Increasing market efficiency;
- Accepting EU quality standards and health security, to facilitate the new members gaining an equal participation in the unified market, and establishing adequate border control; and
- Support for the creation of new job opportunities in rural areas” (Bogdanov, 2007: 53).

According to the Council regulation, aid under SAPARD had to be given in the form of a financial support (European Commission, 2002:15), where the budget for each year of the program is 520 million Euro. The financial aid is allocated according to the criteria such as: agricultural area, farming population and GDP per capita, and the amount of money received differed from country to country (Ibid, 16).

What differentiated SAPARD from other previous assistance intended for EU candidate countries is decentralized system of aid management (European Commission, n.d.:1). The SAPARD agencies were in charge of project selection and management, monitoring finance allocation and overall control (European Commission, 2002:18). Their accreditation had to be approved. They consist of a Paying and an Implementing Agency. The Implementing Agency is in charge for tasks such as checking applications, carrying out control on the spot, issuing approval for work to start and monitor the progress of projects, while the Paying Agency is in charge for all financial procedures, including checking payment claims and authorizing payments (Ibid, 10).

This new approach, decentralized management of aid represents important experience for beneficiary countries, for future implementation of similar projects regarding rural and agricultural development (European Commission, n.d.:1).

Countries which had access to these funds chose ways to direct them into the agricultural property, rural infrastructure and diversification of economic activities, processing and marketing. Because of the influence of the previous systems in the transitional countries, some of the measures' goal was to address specific institutional or organizational problems of those countries. Aside from that, EU demands from candidate countries within the area of rural development were much less explicit and rigorous when compared to other areas (Bogdanov, 2007: 54).

In order for states to start benefiting from the fund certain conditions had to be met:

First condition is the Commissions' approval of the National rural development program (European Commission, 2002:17). This condition implies requirement for every country's authorities to make a seven year national rural development plan starting from 2000, with the help of relevant organizations and institutions. The plans had to introduce strategy, objectives, selected priorities and geographical scope (Ibid, 17). National plan for rural development in every candidate country had a set of priorities in terms of rural development. These were mostly concerning improving market efficiency, agricultural productivity, quality and health standards, employment opportunities, environmental protection etc. Based on these plans, approval of 10 programs by European Commission followed negotiation and consultation that aside from candidate counties and Commission included Member states as well (Ibid, 17). Each program had to indicate "the priority areas, which SAPARD will address in the individual countries, as well as setting out a strategy for rural development and an annual estimate of the financial resources needed for the realization of the program. Each country will opt to concentrate on a number of measures out of a possible 15...in the Council Regulation 1268/99" (Ibid, 17).

The second condition was negotiation and conclusion of financial agreement. This agreement included instructions for implementation for each year of duration of the program. Before providing financial support, Commission observed compliance with the requirements and establishment of SAPARD agencies in each candidate country (Ibid, 18).

As the third condition in order to receive financial help, agencies had to be approved by EC, after which they were accredited by National fund (Ibid, 18).

Within the SAPARD program, there were three groups of activities that had the largest number of planning and approval. First one is concerning investments in rural infrastructure, which required high participation of local authorities. The second group of activities the countries used were programs of support of processing and marketing of agricultural products were used to start entrepreneurship in rural areas of the candidate countries. Third large group of approved projects was concerning investments in the farms and diversification (Jankovic, 2009:45).

2.2. IPARD

SAPARD, and other similar pre-accession funds were replaced by the European Commission by a new program, intended for the official and potential candidates for membership in the EU for the period of 2007-2013. The new program is called Instrument of Pre-accession Assistance (IPA) (Bogdanov, 2007:54). The availability of the funds depends on whether the country was official candidate or a potential candidate for membership in the EU. Out of five components that IPA consists of, only first two components were disposable for the potential candidates, while all five of them are available to the official candidate countries. The fifth component of the IPA is

support for rural development (IPARD- Instrument for Pre-accession Assistance for Rural Development) (Ibid, 54). Similar to SAPARD, IPARD was European Commission's respond to the new challenges posed with the enlargement in agriculture and rural areas in the EU (Jankovic, Kostic, 2009: 9). This component' aim is preparing candidate countries for implementation and managing CAP. Aside from that, through the process of using the fifth component of IPA, the candidate countries for EU membership are being prepared to use funds from the European Agricultural Fund for Rural Development (European Agricultural Fund for Rural Development-EAFRD) in the future (European Commission, 2011:276). The purpose of this is to contribute with its assistance to the agricultural and rural development of the candidate countries and facilitate successful implementation of the *Acquis communautaire* regarding the CAP. The overall amount of aid is 11468 billion EUR, and in order to receive the aid, the states need to fulfill two preconditions: the first one is the official candidacy for the EU membership and the second one is established decentralized system of managing funds (Bogdanov, 2007:55).

The areas of support under IPARD are summarized in three points:

- Enhancing market efficiency and applying the EU standards, which implies: “Investments in farms to restructure and upgrade to the EU standards; Supporting setting up of producer groups; Investments in processing and marketing of agriculture and fishery products to; Restructure and upgrade to the EU standards”.
- Preparation for applying agro-environmental measures, which include: “Preparation to implement actions designed to improve the environment and the country side; Preparation of local private-public partnerships to implement local development strategies” (European Commission/Agricultural and rural development, n.d.).

- The rural economy development, which include: “Improving and developing rural infrastructure; Development and diversification of rural economic activities; Improvement of training” (Ibid, n.d.).

In order to access the IPA fund, countries have to fulfill certain preconditions. These preconditions are: 1. Formation of the structures able to define and organize strategies and programs and to control fulfillment of requirements for countries to start using funds of the IPARD program (Bogdanov, 2007:58).

2. Improvement of understanding of the current conditions of agricultural and rural areas which includes “status inventory, estates registry, land register, price statistics, analyses of the most important sectors” (Ibid, 58).

3. Adoption of the National Rural development plan with support of the civil society organizations: encouragement of the formation of civil society organizations that deal with the questions such as rural and agricultural development, environmental protection, productivity of the local farmers, etc. (Ibid, 58).

The allocation of financial aid is defined in Multi-annual indicative Planning Document and Agreement that every country has to make with the Commission. There is a requirement for every beneficiary country to supplement the aid received from the fund with 25% of participation. IPARD will cover 50% of the users’ investment, while the other 50% will be covered by users himself. 75% of the part that will be covered by IPARD is provided by the EU, and 25% is provided by the state candidates (Jankovic, Kostic, 2009:10). The following principles were used for allocation of financial aid: “the number of agricultural population,

agricultural land, the gross domestic pro-statement expressed in purchasing power parity, specific territorial problems” (Jankovic, 2009:44).

Before the implementation of the programs starts the countries have to establish institutional framework - the management and control systems and IPARD operating structure. Similar as in SAPARD, IPARD operating structure consists of Managing Authority and the IPARD Agency. The Managing Authority, usually a part of the Ministry of Agriculture is accountable for making IPARD operational program that includes the choice of measures under IPARD to be supported in the candidate country. When the country is ready to implement the program, this body is in charge of monitoring and evaluation of its performance and coordination of information and publicity, which includes the timely provision of all necessary information to potential beneficiaries of IPARD funds. The National Fund is in charge of transferring the money that comes from the EU to the national account and to the IPARD Agency (Leader+ BKK, n.d.).

In preparation for the use of the IPARD program, Serbia established the operating structure - the Managing Authority and the IPARD Agency. In 2010 the Managing Authority was formally created as part of Ministry of Agriculture, Forestry and Water Management. With the Law on Agriculture and Rural Development adopted in 2009, Serbia established the Directorate for Agrarian Payments (IPARD Agency), as a part of the Ministry of Agriculture, Forestry and Water Management (Ibid, n.d.).

As one of the major challenges for the implementation of the program, the expert from IPARD paying agency recognizes the lack of capital farmers and companies involved with farm activities have. The investments they make will firstly be paid by themselves and later they will be reimbursed from the funds, however, it is not certain that a lot of them will have sufficient

amount of money to make that kind of investment. Reduction of the interest rates from the current 10% to 5-3% by Ministry of Agriculture would be a good answer to this problem.

3. The characteristics of agriculture and rural areas in Serbia

Rural areas in Serbia are defined as a space whose main physical and geographic characteristics is land use for agricultural and forestry products. According to this definition, approximately 70% of Serbia's territory can be classified as a rural area where 43% of the total population lives (Ministry of Agriculture, Forestry and Water Management, 2009:2). According to OECD definition, rural areas in Serbia make up for 85% of its territory and 55% of its population and they make up for 41% of the GNP of the country (Bogdanov, 2007:59). Statistics show that the largest number of rural population in Serbia works in agriculture, up to 45%, which makes her one of the most agrarian European countries (Monasterolo, Coppola, 2010:538). The main production capacities in Serbia's agriculture are coming from the family farms, as around 80% of the agricultural land, 86% of the cultivable land, was in the possession of the family farms (Bozic, Muncan, n.d.:226). The small farms with the average size between 2, 42 and 2, 49 ha are predominate farms in Serbia (Ibid, 224). However, they are showing a decreasing trend, as the number of family farms has drastically declined in the period between 1991 and 2002, while the number of non-agricultural farms increased in the same period (Ibid, 221). Aside from farms of small size, characteristic feature the agriculture in Serbia are very fragmented holdings, or "considerable number of strips of land of various sizes" (Ibid, 225).

The characteristics of Serbian rural areas differ when it comes to the configuration of the land and the agro-climatic conditions, wealth of natural resources, level of evolvement of extra

agricultural activities, development of rural infrastructure, the demographic characteristics, forms of farming; access to the market and the employment opportunities (Ibid, 537). However, there are some general features and trends characteristic for Serbian rural area. These features include the rise of depopulation since the 90s, lack of infrastructure and facilities, the lack of usage of different natural resources and potentials (Bogdanov, 2007:32), and lack of diversification of rural economy which causes poor extra agricultural income. The percentage of unemployed people in rural areas in Serbia is also very high, up to 21% in 2009. This percentage reflects the problem of lack of employment opportunities (Ministry of Agriculture, Forestry and Water Management, 2009:7). Because of this fact, rural population is faced with high levels of poverty, as nearly one million people in rural areas live below the poverty line with an income of two dollars a day (Ibid, 7). Around 50% of the rural population does not see engagement in agriculture in their future, while the ones working only in agriculture, some of which also have small additional incomes, expect their future earnings only from farming. Those households who have earnings from other activities to not show willingness to start business related to the farming. Mainly the sources of income of the households include earnings from farm and non-farm activities, sale of agricultural products and pension (Bogdanov, 2007:33). As the members of small rural households do not recognize and use their skills and potential for gaining additional income, the value of their labor is low-rated. The land they own is a recognized as a food guarantee, and not many of the households use their land as representing capital, except for small number of households that are earning income from sale of agricultural products (Ibid: 32). As consequence of this, Serbia is troubled with the increasing trend of land abandonment. According to the recent findings, out of 5 million ha of cultivable land, every year there is between 200 000 and 500 000 ha of arable land remains fallow (RTS, 2012).The problem of

uncultivated part of the agricultural land is a phenomenon typical for Western Balkan countries, especially for Serbia, where nearly 20% of land is not cultivated. Mizik (2010) finds that the reasons for this “are numerous, varying from the presence of land mines to intensive outward migration” (Mizik, 2010:48). Because of the trend of decreasing population of rural areas and land abandonment, statistics show that every fourth village is disappearing and across the country, there are around 40 thousand abandoned houses. Currently, there are 4, 800 villages with the average age in the largest number of them around sixty years (Antevski, Petrovic, Vesic, 2012:244).

There are many reasons for this. One of the main identified problems is the fact that rural population is not satisfied with the quality of life in rural and agricultural areas. When it comes to future perspectives of the households there is a lot of pessimism among rural population. This pessimism is caused by the largest negative profitability of agricultural production, unemployment and lack of competitiveness of the rural population in the labor market, the lack of perspective in those villages where the unfavorable age structure, and the lack of necessary social services and facilities (Milic, 2011: 70). The quality of the workforce, and the insufficient skills and knowledge of rural work force for market requirements and modern technology is one of the main limitations posed to the development of rural economy (Djekic, Jovanovic, 2009:150).

This data is not optimistic. It is necessary to make a shift from traditional way of working by using modern equipment and technology and applying policies that will enable exploitation of existing natural sources and use of potentials.

So far, the agro-budget has been the main source of financial support for the realization of these aims of national plan for rural development. However, the low amount of financial support for

rural and agricultural development and financing of on the annual level, with frequent changes with the selection of the amount directed or the subject of funding seem to be standing in the way of realization of the main goals in terms of rural development. What characterizes CAP is funding for a period of seven years. In order to create a stable and attractive business environment in the agricultural sector it is necessary to establish a long term agricultural plan (Stankovic, 2012:69). The strategy of rural development in Serbia for 2009-2013 declared the following as the main goals of agricultural development policy: “a dynamic and competitive agriculture; production of quality products by using good agricultural practices; providing sufficient income for family farms and to focus their activities on meeting the needs and preferences consumer working closely with the food-processing industry” (Ministry of Agriculture, Forestry and Water Management, 2009:21).

It is clear that in order to improve the current conditions of rural development in Serbia, it necessary to undertake integral approach to rural development. This includes many measures that need to be applied. Authors recognize increase of the productivity of agricultural sector as one of the necessary measures in order to stop the trend of depopulation in rural areas (Stankovic, 2012:70). This might be challenging as in Serbia small farms are predominant and the land fragmentation is poses limits to ambitions when it comes to increased productivity. In order to deal with this problem authors suggest procedures of land consolidation and regrouping, because this measure will result with decreased costs of production and enhanced quantity and quality of agricultural production (Ibid, 2012:70). In order to address the problem of unemployment of rural population, lack of utilization of natural resources and potentials, as well as overall economic standard in rural areas, Strategy for rural development 2009-2013 recognizes diversification of economic activities particularly important. This includes "diversification and

development of activities on farm (tourism, beekeeping, medicinal and aromatic herbs, ornamental plants); local crafts and small enterprises; rural tourism; aquaculture” (Djekic, Jovanovic, 2009:150).

4. Experience of SAPARD beneficiaries: the four measures

Valuable lessons can be drawn from the experiences of the countries that went through the same process during the period of preparation for the EU accession. Benefiting from SAPARD funds the Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia had to harmonize their laws in accordance with the EU legislation, and shape their agricultural policies in order to be able to implement the Common Agricultural after the accession. The new member countries of the EU had to confront similar problems of land abandonment as consequences of transition process during 1990s (Institute for European environmental policy, 2004:19). In most of these countries, the process of transition brought some major changes in the structure of their agriculture which included breakup of collective or state farms and land privatization which took a lot of time to adjust to. Small farms had to face with numerous problems such as lack of equipment and restricted access to capital, shortage of professional advices, technical support and insufficient government support, which was hard to handle and it made strong impact on economics of the country (Ibid: 21). All of the above mentioned new member states suffered from more or less same problems in terms of agriculture and rural area development. The countries had to confront high unemployment, poor living conditions of the population in rural areas, high land abandonment and decreasing rural population caused by low incomes of the rural population as well as low diversification of rural

economy. As SAPARD with its measures addressed these problems, the program was found to be relevant when it comes to responding to them and improving current conditions of the countries agriculture (European Commission, 2006 :36). Reports on the effectiveness of SAPARD ascertained its high benefit in regards to preparing rural policies. The EC reports state that the projects financed from the program have led to increased employment, better understanding of the EU legislation, business skills, agricultural methods and overall improvement of quality of life on local community level (European Commission, 2010:2), while in terms of diversification, the SAPARD measures weren't as successful as it was planned (Ibid, 3). In terms of improvement of possibilities for a good implementation of CAP goals, SAPARD had influenced the harmonization of the domestic legislation with the legislation of the EU. Aside from that, SAPARD contributed to the development of administrative competences of these countries as well as development of the agricultural and rural development consultancy sector, which is important in sense of assistance for implementation of new policies and the flow of information (European Commission, 2006:36).

However, although the positive influence of the program is unquestionable, especially in the certain sectors, the extent of the overall influence of SAPARD on the rural development remains limited, mostly because the amount of financial support could not address deep rooted problems in the beneficiary countries (Ibid, 36).

Having in mind the difficulties of current condition of rural and agricultural area in Serbia, we can recognize four measures covered by SAPARD that were used by beneficiary countries, which experiences with implementation of these measures could be used as lessons for Serbia. Those are the following measures: Investment in agricultural holdings; Improving the processing

and marketing of agricultural and fishery products; Development and diversification of economic activities and Land improvement and re-parceling.

4.1. Investment in agricultural holdings

Within SAPARD program in all of the new member states, one of the dominant measures was Investment in agricultural holdings. It is a second important measure, with cumulative value of 797 million EUR, which represents 22% of total contribution of the EU. For the following countries: Lithuania (47%), Estonia (43%), Bulgaria (31%) and the Czech Republic (28%), this was the largest measure used. The importance of this measure was in its goal to increase the efficiency and competitiveness of agricultural holdings through modernization of agriculture which includes improvement of agriculture equipment and assets, the quality of the products and diversification of farm activities (European Commission, 2000:23). Investments have been used for construction or reconstruction of farm buildings, buying of new agricultural machinery and equipment, facilities for treatment of animal waste, storage facilities, facilities for milk and meat processing (Ibid, 24). The main goal of these investments in farms was to increase the incomes of the farming activities and to improve the living and working conditions of the rural population, with better use of human resources (European Commission, 2003:14). Restructuring and modernization of agricultural holdings would eventually lead to rise of earnings of people who are involved in rural and agricultural activities which will improve their production and thus, their living and working conditions, as well as quality of environment (Single programming document of Lithuania, 2004-2006, 355).

Country that largely used this measure was Lithuania. Here, as in many of the Eastern and Central and European countries, there was an agricultural reform that was basing on “restoration of private ownership rights and transition to market economy conditions”, which led to formation of small agricultural holdings of low competitiveness (Ibid, 247). With the average size of 4, 5 ha, Lithuanian farms are much smaller than the average size of farms in the old member states. The measure addressed this very specific problem, by creating better conditions for the growth of farms and their better use, contributing to the higher competitiveness (Ibid, 247). Under this measure there were 3153 projects approved between 2000 and 2006, with the total amount of financial support of around 128 million EUR (Ministry of Agriculture Lithuania, 2002: 18). The total amount SAPARD financial support in the grain sector was 32, 3 million EUR, and it was used for “376 units of storage facilities, 912 units of agricultural machinery, 203 combines, 294 tractors. In the traditional agricultural production sector there were reconstructed and built 209 new production buildings, creating approximately 2000 new workplaces” (Citizen economic empowerment commission, 2006:11).

Successful use of this measure can also be drawn from the experience of Bulgaria, which faced the trend of exit from rural and agriculture areas, as a consequence of high economic growth and the lack of “commercialization and consolidation of farms” (The European Agricultural Fund for Rural Development, 2007: 20). Under Investment in agricultural holdings measure within SAPARD program, Bulgaria until 2005 implemented 1 324 projects with the total value of 322 796 392 EUR. Most of these projects include purchase of machinery, equipment and technologies and reconstruction of farm premises. More than half of the projects that were approved include purchase of tractors, combine-harvesters and their equipment (Georgieva et al, 2005:23). The outcomes of the projects seem to be most successful in the “cereals, oil seeds,

vegetables, flowers” sectors, in which there were 852 approved projects. Less successful sectors were milk production and livestock breeding sectors, with much less number of applications and approved projects. The reasons for this are the difficulties of applying the EU standards, which also had the impact on small farmers, as almost none of them were covered by this program (Ibid, 23). Overall, the outcomes of support within this measure are proven to have good influence on improving competitiveness of the new member countries which led to the lower costs of production, decrease in losses during harvesting and increased yields (Ibid, 23).

In Czech Republic, this measure showed very positive effects when it comes to improved productivity, as well as quality of agricultural products and enhanced animal welfare. Out of total number of 573 submitted applications, there were 384 approved projects supported with total amount of 31, 2 million EUR, out of which 349 were completed, which represents 60% -70% of program successfulness (Cerna, 2005:19). Within this measure, the projects completed were regarding to different sectors: livestock welfare (56%), reconstruction of storage capacities for fruit and vegetables and livestock manure (23%) (Ministry of Agriculture, Czech Republic, 2006:21). The sub-measures within this measure included investments in livestock welfare, reconstruction of storage capacities for fruit and vegetables and reconstruction of storage capacities for livestock waste (Ibid, 21). The aim of the first sub-measure was to improve the welfare of the livestock, by improving the quality of the housing capacity, mostly by reconstruction. Within this sub-measure the approved projects involved reconstruction of around 400000m² of the livestock housing facilities (Ibid, 21). The second sub-measure was aiming for the reconstruction of storage capacities for fruit and vegetables. The number of applicants for the support within the measure exceeded the initial expectations, because the approved projects included the reconstruction of storage capacities for around 28 000 tons of fruit which was 162

% of the initial goal and 50 000 tons of vegetables which was 285 % of the initial aim (Ibid, 22). The total amount of the financial support for these sub-measures was 6, 5 million EUR (Ibid, 22). The third sub-measure was focused on building and reconstructing capacities for livestock manure. Out of initially 115-126 planned projects, 97 of them were completed which represents around 80% of aimed number of projects. With the total amount of financial support of 7, 3 million EUR, finished projects involved around 270 000 m³ “of manure storage facilities and slurry tanks” (Ibid, 22).

Overall, according to the reports, the implementation of this measure including all of the three sub-measures was proven to be very efficient and effective (Cerna, 2005: 19). The investments in projects within this measure led to increased quality of the products, decreased production costs and job creation and helped the candidate countries in reaching the EU standards in terms of products quality. However, there are different evaluations of the efficiency of this measure as some reports say that “the investments were focused rather on a short-term survival of the primary production in the perspective of the EU membership than on a sustainable increase in competitiveness” (Ibid, 3).

According to the ex-post evaluation of effectiveness of this SAPARD measure, the investments led to significant increase - by 28% in Slovakia and 7% in Hungary of the share of quality products sold (European Commission, 2010:115). Aside from that, the reports show that the experiences of the new member states were very positive when it comes to investment in modern equipment. Aside from decrease of manual workload, which could be considered as a downside of this measure, most of the analysis of the effects of this measure show that it has led to better working conditions - in Latvia (100%), Hungary (78%), Poland (62%), Slovakia (55%). Overall, the financial support for modernization of agricultural equipment certainly led to improvement of

working conditions and productivity and thus to a better compliance with the EU standards (Ibid, 116).

4.2 Improving the processing and marketing of agricultural and fishery

Second important measure, Improving the processing and marketing of agricultural and fishery products, for which 26% of the Community contribution was intended, or the amount of 945 million EUR (European Commission, 2001:24). The focus of this measure was for countries to meet the requirements of the EU regarding the quality of meat, milk and fish processing sectors, in the fields of sanitary and veterinary regulations, animal well-being and environmental protection (Ministry of Agriculture, Forestry and Food, Republic of Slovenia 2003:24). Although it was included in SAPARD programs in all ten beneficiary countries, the states that used the support within this measure the most were Slovenia (40%), Poland (38%), Czech Republic (25%), Latvia (26%), Bulgaria (24%) (Ibid, 24). However the investments regarding processing and marketing were proven to have different outcomes in the beneficiary countries. This is mainly due to their differences when it comes to market conditions or characteristics of their agricultural industry. Therefore, while in certain countries there is a notable increase in processing and marketing costs in Estonia, Slovenia and Lithuania, there was a rather decrease in costs in Latvia, Hungary and Slovakia (European Commission, 2010:117).

In Slovenia, the investments were directed to the purchase of new technological equipment and adaptation of current immovable property. In 2002, in both meat and milk processing sector, there were 10 accepted applications, with around 5,5 million EUR amount of funds (Ministry of Agriculture, Forestry and Food, Republic of Slovenia 2003:24).

Under this measure of the SAPARD program Improving the processing and marketing of agricultural and fishery products in Bulgaria, there were 238 approved projects, with provided financial support in amount of 295 270 106 EUR. The projects were implemented mostly in the following sectors: meat processing (91 implemented projects), processing of fruit and vegetables (62 projects), wine production (39 projects) and milk and milk products. This has led to significant impact on the competitiveness of companies active in these sectors, as around 63% of beneficiaries have improved the quality of their production actions (in terms of hygiene and introduction of European quality labels) (Georgieva et al, 2005: 24).

In Latvia, 96 projects in meat, dairy and milling sectors have been approved within this measure, while interest in fruit, vegetable processing wasn't as planned, mostly because of low availability of raw material (Ibid: 160).

A much larger number of approved projects we can find in Czech Republic. A significant number of 329 projects supported with 36.2 million Euros. Most of the financial support had been allocated to dairy industry (30%), meat industry (40%), fish processing (10%) and regional program support (10%) (Ministry of Agriculture, Czech Republic, 2006: 22). Under this measure, a useful sub-measure Establishment and modernization of technologies had been used in order to improve competitiveness of agriculture, by modernizing production and processing technologies. With the total invested money in amount of 34, 6 million EUR, there were 303 implemented projects. The final report shows that the major improvement has been made in regard of capacities in dairy sector, slaughterhouses, and fish processing facilities, and they assess the measure as highly effective (Ibid:23).

4.3 Development and diversification of economic activities

In order to address the problem of underdevelopment of the rural communities and trend of depopulation in these areas the investments were used for the projects under the measure Development and diversification of economic activities, provision for multiple activities and alternative income (European Commission, 2001:26). In many beneficiary countries there've been recognized good potential for diversification of rural economy, particularly in rural tourism, the development of craft activities (Ibid, 26). The investments within this measure amounted up to 416 million EUR, and the countries that used this measure the most are Latvia with 24% of provision, Bulgaria and Lithuania, with 6% and 8% (Ibid, 26). Countries used the investments to develop rural tourism, handcraft activities, aquaculture, fish farming, equipment for woodwork and ceramics, but also for restoration of historically and culturally important facilities and adaptation of the facilities for business purposes, which was the case in Czech Republic and the Slovak Republic (Ibid, 26). The reports on the impact of SAPARD are showing that the role of this measure was very positive in terms of increasing employment in these areas, which was one of the its long-term goals. This happened mostly in the sector of rural tourism and handcraft sector. However, even though the significant positive effects are made on the beneficiaries, on the national level the impact is relatively low (European Commission, 2010:118).

In Bulgaria, the planned effect of investments within this measure was improvement of utilization of the natural potentials and decrease of unemployment in these areas (European Commission, Bulgaria 2003:16). The sector "rural tourism" had the largest number of approved projects, which involved creating the areas more attractive and more suitable for the tourists to

come and stay for the longer time, which required provision of accommodation for tourists in those areas (Ibid: 17). According to the final report, the outcome of the measure were increase of incomes “for the people directly involved with the supported activity but in improved incomes for other local businesses that produce agricultural goods and foods, products from craftsmanship, or businesses that provide tourist services and attractions” (Ibid, 17).

The development and diversification of economic activities in Latvia has been realized through 397 projects, mostly in sector of rural tourism, with financial support of around 24 million EUR (Ministry of Agriculture Republic of Latvia, 2007:4). Although the investments made a significant impact on the development of rural tourism, which is proven by almost 20% higher number of tourist visits to these areas after implementation of the projects, the effects of the measure however were not particularly significant in terms of increase of employment. Also, the initial plan to make contribution to the activities of small farmers fell through, as most of the applications came from the big farm owners (Georgieva et al., 2005:161).

Within this measure, much smaller number of projects (147) has been implemented in Czech Republic with the financial support of 15, 6 million EUR. (Ministry of Agriculture, Czech Republic, 2006:27). Despite the number of projects, they were highly effective for sustainable development of rural areas. The investments were used for the reconstruction of the facilities for development of rural tourism, reconstruction of buildings for the development of crafts and regional products, then the buildings for the development of basic services, retail areas and markets, buildings of small and medium-sized enterprises (Ibid, 27). The implementation of this measure led to significant increase of employment, with the 958 of new jobs created (Ibid, 27).

4.4 Land improvement and re-parceling

In order to respond to the problem of land management and efficiency of the farms, some of the beneficiary countries used measure Land improvement and re-parceling (European Commission, 2010:78). This process includes land consolidation which represents “a comprehensive procedure of a new arrangement of agricultural property (parcels) or their parts in a strictly limited area” (Kovandova, 2006:3). This measure is used to improve land structures that are not suitable for farming and to contribute to their appropriate usage, with the status of ownership remaining unchanged (Ibid, 3). Land consolidation also includes the activities of village renewal, the activities that should provide suitable land for new homes and workplaces, to improve the quality of life and working conditions (FAO Land Tenure Studies, 2003:20). In order to assess the need for land consolidation and rationalization of the parcels, the contribution of the EU was in total 46 million EUR (European Commission, 2001:27). The goal of this measure was to contribute to the development of efficient farming and enhance investment in land, by improving settlement of land (European Commission, 2001:28). The experiences of Czech Republic and Slovak Republic may be valuable when it comes to successfulness of this measure. In Czech Republic, the total number of approved projects was 309 with total amount of financial support of around 28.7 million EUR (Ministry of Agriculture, Czech Republic, 2006:25). In this long and complicated process, there are many challenges set by EU that the countries have to meet: “the high number of co-owner shares; the incomplete land register; and the physical inaccessibility of some plots” (Giovarelli, Bledsoe, 2001: 63). Also, land consolidation can be a good measure to improve the use of agricultural land, however, if the parcels are too small, as it we could see in many of the cases in Eastern and Central Europe, it could easily fail to give good results.

4.5. Assessing the applicability of four measures in Serbia

The measures previously analyzed will be covered by IPARD as well, and they will be available to Serbia. The main question is to which extent these measures should be used. This certainly depends on their overall impact on rural economy and development.

The first measure and second measure are proven to be very useful for market oriented farmers in previous experiences with SAPARD, because the modernization of the equipment and investments in households affect the agricultural productivity and the income of farmers are higher which to certain extent affects the overall rural economy. However, it is not certain that this measure will be useful to small farmers as well. The experience of SAPARD beneficiaries has shown that the small farmers usually did not benefit from the support within the first measure as much as it was expected. Although in Lithuania, for instance, this measure proved to be effective despite the large number of small farms, the average farm in Serbia is even smaller than the average size of farms in the SAPARD beneficiaries. The case of Bulgaria, where almost none of the small farmers were covered by the projects within the first measure also doesn't give much hope for its positive impact on the small farmers. Farm land holdings in Serbia are, as mentioned, very small and significant share of labor force is involved in agriculture activities only for their own needs. This measure will be of much bigger use for market oriented farmers. However, because share of such farm land holdings is small, it is not certain that it will have significant impact on overall agricultural development. It is also not certain to what extent will this measure address problem of land abandonment.

The second measure is very important for Serbia. It is also more useful for farming companies than for the small farmers, however, this measure represent a necessity in order to meet the EU standards in terms of quality of processing sectors. The best way of using these measures is to

focus the investments on the sectors that are more profitable in Serbia, such as dairy, fruits and vegetables and cereals, and try to get better access to the market with the improved production and quality of the products. This is very important measure in terms of meeting the EU requirements, but in terms of creation of the new job opportunities and land abandonment problem, this measure would probably have limited effect.

The measure that should be used largely in Serbia is Development and diversification of economic activities. This is one of the most important goals of modern Serbia when it comes to rural development. Developing activities within rural tourism, handicrafts and traditional crafts is considered as important and very useful source of income and base for further improvement of rural economy. Through a wide range of services and activities related to agriculture, the diversification of the rural economy will bring improvement in terms economic development of rural areas, rural poverty and land abandonment. Diversification of the economic activities in Serbia is considered as an alternative for lack of intensive agricultural production, which is a consequence of land fragmentation (Miljkovic, Bilali, Berjan, 2010: 685). This means that using investment within this measure can contribute more to the rural development of Serbia then with the use of the previous two measures. The financial support should help with right using of the potentials of Serbia for the development of rural tourism, which are gaining on importance and can lead to revival of the rural areas. However, the lack of basic knowledge about starting farm or non-farm business is obstacle for using these potentials (Ibid, 687). Improving these skills through educational programs, training sessions and workshops would be good investment in addition to financial support of developing rural business conditions for rural tourism. Rural tourism in recent years gets lots of attention from people from Serbia, but also from many

tourists. This is because of Serbia's rich natural resources, beautiful mountains and rivers, but also entertainments such as music festivals, ethno villages, etc.

In compliance with the IPARD measures, Serbia has completed the National Rural Tourism Master Plan with different methods of improving conditions for rural development (Djordjevic-Milosevic, n.d., 5). Out of all measures, it seems that Serbia would make the best use of this one.

When it comes to land consolidation, there are opinions that this measure is of immense importance for Serbia. It is considered as a suitable way to respond to a trend of depopulation in Serbia's villages (Trajkovic, Marosan, Knezevic, 2007:1). So far, after the pilot project of land consolidation in Velika Mostanica that implied voluntary (based on voluntary agreement between farmers) (Marosan, Knezevic, Marosan, 2013: 3), land consolidation in Serbia was applied in more areas in Serbia between 2007 and 2011 with total amount 91.821,00 ha (Ibid, 5).

Although there are many challenges in this area, such as "undefined property affairs" (Djokic, Marosan, n.d., 63), small parcels and problem of rural population not seeing their future in farming, the measure still gets a lot of attention from Serbian government. However, in terms of helping farmers and improving their productivity, it is questionable if this is IPARD measure that should be used largely. First of all, it is very limited number of the simply voluntary consolidation that we can expect. Second, two other types recognized by the Land Consolidation Strategy of the Republic of Serbia, *comprehensive compulsory consolidation*, which involves "extensive measures of rural development such as: construction of irrigation systems, prevention of land erosion, construction of local infrastructure, renewal of cultural and historical values" (Marosan, Knezevic, Marosan, 2013:3) and *consolidation as a part of investment project* which is "part of large infrastructural projects" (Ibid, 3), are measures that seek much more investments of time and money. Another problem is the size of the parcels. The expert from IPARD agency

considers that because of the land structure, this measure won't mean much to the owners of small parcels. However, there are parts of Serbia, such as Vojvodina, where the land parcels are somewhat larger and production is more intensive, so applying this measurement in such areas would make sense and contribute to the improvement of agricultural production.

Aside from the analyzed measures, there are many other policies that the SAPARD beneficiaries introduced with the help of financial support. Only some of them are the measures introduced in period of 2003-2005 in Bulgaria for solving the problem of uncultivated land was the payment for the cultivation of private agricultural land, with the 51 EUR per ha, which resulted in 24 300 additional ha of agricultural land cultivated in 2003 (OECD Bulgaria, 2007: 9). The outcomes of this measure clearly show that it is an important incentive for people to go back to, or to start working in agriculture. Also, in Bulgaria "farmers are offered low interest rates for short term credit, and subsidies for seeds, fertilizers and diesel fuel. There is also a subsidy for storage of wheat in public warehouses" (Ibid: 9).

On the institutional level, there are also many changes that have to be made. A shift from a top down system to the bottom up and the increased participation of local authorities, agencies and beneficiaries is of vital importance for every project to be implemented successful.

Aside from that, the mindset of people need to be addressed as well, mostly in terms the bottom-up approach, in terms of informing thoroughly about the measures and projects, addressing the problem of trust of people towards the "foreign aid", and attempt to introduce a business approach to the farming more popular.

5. Conclusion

Serbia is one of the most agrarian European countries, with more than half of territory in rural areas. Despite of this fact, Serbia deals with one of the highest levels of rural poverty in Europe. This reflects on the economic development of the whole country. For decades Serbia failed to address this paradox, due to poor policies, civil wars, international isolation, economic hardships, long process of transition, etc. Low productivity, land abandonment, low job opportunities, village disappearing are the most difficult problems Serbia is dealing with. As the official candidate for EU membership, Serbia will get the opportunity to apply good strategies in order to address these problems. Now Serbia has a task to use the funds effectively and efficiently and try to improve overall rural economy. The experiences of the countries that entered the EU in the enlargement rounds in 2004 and 2007 can contribute in making this task successful. The measures countries in previous accession round have largely used are: Investment in agricultural holdings; Improving the processing and marketing of agricultural and fishery products; Development and diversification of economic activities; Land improvement and re-parceling.

We can say with certainty that there is no only one approach and only one measure that could solve the problems of slow rural development and lack of use of agricultural potentials of Serbia. The integral approach to rural development involves much more than four analyzed measures which will, each in its own way contribute to certain part of agricultural and rural growth and progress. All of the four measures will be used by Serbia in the future. All of them will contribute to the rural prosperity to some extent. However, it is important to use the pre-accession support as effective as possible, in order set the adequate conditions for future improvements in these areas. Based on the analysis of features of rural areas and characteristics

of agricultural land, and the outcome of the four analyzed measures, we can conclude that Development and diversification of rural activities as an approach to rural development should be one of the main focus when it comes to investments within IPARD. Serbia has great potential for development of rural tourism and although in recent years it's becoming attractive even for people outside of Serbia, there are a lot more to be used and taken in advantage. This measure should contribute to the better job opportunities in rural area and more income for rural population. Therefore, we can expect that this measure will address the problem of depopulation of rural areas. Although it is hard to predict the effect of the measures before they are applied, the measures referring to farm activities will certainly help the agricultural development of Serbia to one extent. With land consolidation applied in the rural area with larger land parcels will probably result with better productivity in these areas. Investments in agricultural holdings will certainly to one degree improve quality, amount and speed of production. This will make a positive influence on the market oriented farmers and agricultural companies. There is a doubt of success of this measure when it comes to small farmers, and the experience of the SAPARD beneficiaries does not give much hope. However, there is a necessity for modernized equipment among small farmers as well, and by acquiring improved machines, they would make a good investment in their households.

It is not easy to predict successfulness of IPARD measures in the future. What Serbia can do is to use the lessons from previous countries, and, having in mind specific features of rural and agricultural land, aim for the investments that will make larger impact on the overall growth in rural economy.

Bibliography:

- Antevski, M. Petrovic, P. Vesic, D. (2012): Development perspectives in agriculture and rural areas in Serbia the EU integration process, *Economics of Agriculture*, Year 59, No. 2 (177-356), Belgrade, Serbia
Available at:
<http://ageconsearch.umn.edu/bitstream/127116/2/6%20%20Antevski,%20Petrovic,%20Vesic.pdf>

- Bogdanov, Lj. N.(2007): *Small Rural Households in Serbia And Rural Non-Farm Economy*, UNDP Serbia, Belgrade, Serbia

- Bozic, D. Muncan, P. (n.d.): *Family Farms – The Factors of Agricultural Development in Serbia*
Available at:
http://portal.zzbaco.com/mojo_baco/Data/Sites/1/docs/mono/EAAE/B/30%20SB%20Bozic_Dragica.pdf

- European Commission, DG for Agriculture and rural developments (2001): *SAPARD annual report - year 2000*, Brussels, Belgium
Available at: <http://www.esiweb.org/enlargement/wp-content/uploads/2009/02/ec-sapard-report-2000.pdf>

- European Commission/Agricultural and rural development (Web site):
<http://ec.europa.eu/agriculture/enlargement/assistance/ipard/>

- European Commission, DG for Agriculture and rural developments (2012): *Agriculture and enlargement*, Luxembourg: Publications Office of the European Union

- Citizens economic empowerment commission (CEEC) (2006): *Monitoring of Agricultural Policy, Market and Trade Developments in Lithuania*, CEEC Agri Policy Project: Agro Economic Policy Analysis of the New Member States, the candidate states and the countries of the Western Balkan
Available at:
<http://www.euroqualityfiles.net/cecap/Report%202/Section%201%20country%20report/CEECAP%20report%202%20section%201%20LITHUANIA.pdf>

- Carmin J., Vandever S., D., (2005): *EU enlargement and environment institutional change and environmental policy in central and eastern Europe*, Rutledge, USA

- Cerna, P. (2005): *National review on the SAPARD Programme in the Czech Republic*, EUROPEUM Institute for European Policy, Prague, Czech Republic

- Djekic S. Jovanovic S. (2009) *Rural development strategy in the light of Serbia joining European Union*, FACTA UNIVERSITATIS Series: Economics and Organization Vol. 6, No 2, 2009, pp. 147 – 152, Faculty of Economics, University of Nis, Serbia

- Djokic V., Marosan S., (n.d.): New Model of Land Consolidation and Rural Development in Serbia
Available at: <http://www.doiserbia.nb.rs/img/doi/1450-569X/2008/1450-569X0818061D.pdf>

- Djordjevic-Milosevic S.(n.d): Rural Economy Diversification & Its Importance for Serbia, Sustainable Tourism for Rural Development, United Nations Joint Programme, Serbia
Available at:
http://www.preparenetwork.org/files/prepare%20gathering%202011/conference%202011/suzana-unjp-for_prepare.pdf

- European Commission, Agriculture Directorate - General Directorate (2006): Mid-term Evaluation of the SAPARD Programme, 2000-2003 Synthesis report, Brussels, Belgium
Available at: http://ec.europa.eu/agriculture/eval/reports/sapard/index_en.htm

- European Commission, Agriculture Directorate - General Directorate (2001): SAPARD annual report - 2000, Brussels, Belgium
Available at: http://ec.europa.eu/agriculture/publi/reports/sapard2000/full_en.pdf

- European commission, Agriculture Directorate - General Directorate (2011), Overview of the EU Rural Development Policy 2007-2013
Available at: http://ec.europa.eu/agriculture/statistics/rural-development/2011/ch4_en.pdf

- European Commission, Enlargement Directorate General (2002): The Enlargement Process and The Three Pre-Accession Instruments: PHARE, ISPA, SAPARD
Available at: http://www.esiweb.org/pdf/bulgaria_phare_ispa_sapard_en.pdf

- European Commission, Agriculture Directorate - General Directorate, SAPARD: Questions and Answers
Available at: http://ec.europa.eu/agriculture/external/enlarge/back/brief_en.pdf

- European Commission, Agriculture Directorate - General Directorate (2010), Synthesis of SAPARD ex post evaluations, Synthetic Summary, Commissioned by European Commission DG Agriculture and Rural Development Service, 2010
Available at: http://ec.europa.eu/agriculture/eval/reports/sapard2010/syn_sum_en.pdf

- European Commission, Agriculture Directorate - General Directorate (2010): SAPARD: Special Pre-Accession Assistance for Agriculture and Rural Development, Brussel, Belgium
Available at: http://ec.europa.eu/agriculture/external/enlarge/back/sapard_en.pdf

- European Commission, DG for Agriculture and Rural development (2003) Annual report on SAPARD implementation in The Republic of Bulgaria for the period June 2001 –2002
Available at: http://ec.europa.eu/agriculture/external/enlarge/countries/bulgaria/imple_bg.pdf

- Evropski pokret u Srbiji (2010): Vodic za EU politike, Poljoprivreda (Guide for the EU policies, Agriculture) in collaboration with Slovak Foreign Policy Association RC and Slovak Agency for International Development, Beograd, Srbija

Available at: <http://www.emins.org/sr/publikacije/knjige/11-vodic-kroz-eu-politike-poljoprivreda.pdf>

- Fernández, J. (2002): The Common Agricultural Policy and EU Enlargement: Implications for Agricultural Production in the Central and Eastern European Countries, Paper prepared for presentation at the 10th EAAE Congress 'Exploring Diversity in the European Agri-Food System', Zaragoza, Spain
Available at: <http://ageconsearch.umn.edu/bitstream/24945/1/cp02fe03.pdf>

-FAO Land Tenure Studies (2003): The design of land consolidation pilot projects in Central and Eastern Europe, Food and Agriculture Organization of the United Nations
Available at: <ftp://ftp.fao.org/docrep/fao/006/Y4954E/Y4954E00.pdf>

- Gajic M., Lovre K., Zekic S., (n.d.): Development performance of agricultural sector and economic development in Southeast European countries in transition
Available at:
http://portal.zzbaco.com/mojo_baco/Data/Sites/1/docs/mono/EAAE/D/77%20SD%20Gajic_Milivoj.pdf

- Giovarelli R., Bledsoe D., (2001): Land Reform in Eastern Europe, Western CIS, Transcaucuses, Balkans, and EU Accession Countries, Washington, USA
Available at: <ftp://ftp.fao.org/docrep/fao/007/AD878E/AD878E00.pdf>

- Georgieva, M., Cerna P., Matteus D., Kovacs K., Hazners J., Grosse T., Stoian M. (2005): SAPARD Review in Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Poland and Romania, European Institute Bulgaria, Bulgaria
Available at: http://europe.bg/upload/docs/book_eng.pdf

-Gulan, B. (2009) Poljoprivreda Srbije i EU (Agriculture of Serbia and the EU)
Available at: <http://www.agropress.org.rs/tekstovi/11588.html>

-Institute for European Environmental Policy (2004): Land abandonment, biodiversity and the CAP, Outcome of an international seminar (7-8 October, 2004), Sigulda, Latvia
Available at: http://www.ieep.eu/assets/197/land_abandonment_Final_report.pdf

- Jankovic S., Kostic G., (2009): Ruralni razvoj Srbije (*Rural development of Serbia*), Institut za primenu nauke u poljoprivredi, Beograd, Srbija
Available at: http://pdc.ceu.hu/archive/00004256/01/SAPARD_report.pdf

- Kovandova, Marie, (2006): Could the Land Consolidation Process be an effective tool for nature and environmental protection in the Czech Republic?, Shaping the change XXIII FIG Congress, Munich, Germany
Available at: http://www.fig.net/pub/fig2006/papers/ts70/ts70_05_kovandova_0825.pdf

- Kovacs J. M. Zentai V. (2012) – Capitalism from outside Economic cultures in Eastern Europe after 1989, CEU press, Budapest Hungary

- Leader+ Backi Karlovac, project financed from the Office for EU integrations, Serbia:
<http://leader.org.rs/ipard/lat/IPARD>,
- Ministry of Agriculture, Forestry and Water Management, (2009): Strategy of rural development for 2009-2013, Republic of Serbia
- Ministry of Agriculture Republic of Latvia, 2007, Final report of SAPARD Program of Latvia, Available at: http://www.zm.gov.lv/doc_upl/SAPARD_Final_report_EN.pdf
- Miljkovic, M.M. Bilali, El H., Berjan S., (2010): Rural Economy Diversification in Serbia, Research Journal of Agricultural Science
Available at:<http://www.rjas.ro/index.php/rjas/article/viewFile/458/449>
- Mészáros, A. (n.d.): SAPARD: The Mechanism and the Critical Points of a Pre-Accessional Programme, Faculty of Law, Hungary
- Marošan S., Knežević Z, Marošan M., (2013): Land Consolidation in Serbia Regional Land Consolidation Workshop on FAO Project “Support to the Preparation of Land Consolidation Strategies and Implementation of Voluntary Land Consolidation Pilot Projects”, Sarajevo, BIH
Available at:
http://www.fao.org/fileadmin/user_upload/Europe/documents/Events_2013/LT_BiH/1.5_en.pdf
- Monasterolo I., Coppola N. (2010): Rural development: governance, policy design and delivery, Paper prepared for presentation at the 118th seminar of the EAAE (European Association of Agricultural Economists), University of Bologna, Bologna
- Milić, B. (2011): Sličnosti i razlike između ruralnih teritorija Srbije, u prilog teritorijalnom pristupu (*Similarities and differences between rural areas in Serbia, in favor of the territorial approach*); Centar za održivu poljoprivredu i ruralni razvoj, Beograd, Srbija
Available at: www.mojafarma.rs
- Ministry of Agriculture, Forestry and Food (2003): Implementation Report on the SAPARD program for the year 2002, Republic of Slovenia
Available at: http://ec.europa.eu/agriculture/external/enlarge/countries/slovenia/imple_si.pdf
- Ministry Of Agriculture (2003): SAPARD Annual Report 2002, Lithuania
Available at: http://ec.europa.eu/agriculture/external/enlarge/countries/lithuania/imple_lt.pdf
- Ministry of Agriculture, (2006): Final Report on the SAPARD Programme in the Czech Republic, Prague, Czech Republic
Available at:
http://www.szif.cz/irj/portal/anonymous/CmDocument?rid=%2Fapa_anon%2Fcs%2Fdokumenty_ke_stazeni%2Fsapard%2F1153463800000%2F1153464349937.pdf
- Mizik, T.,(2010): The Diversity of Agriculture in Former Soviet and Western Balkan Countries, FAO Regional Office for Europe and Central Asia Policy Studies on Rural Transition, No. 2010-2

Available at: <http://www.fao.org/docrep/017/aq339e/aq339e.pdf>

-OECD (2007): *Agricultural Policies in Non-OECD Countries, Monitoring and Evaluation*, ISBN 978-92-64-03121-0

Available at: <http://vvv.oecd.org/dataoecd/11/5/40354124.pdf>

-RTS, (Radio television of Serbia), (2012): *Veća kontrola zemljišta u državnoj svojini*, Greater control of state-owned land Available at (accessed 7.6.2013):

<http://www.rts.rs/page/stories/sr/story/13/Ekonomija/1225794/Ve%C4%87a+kontrola+zemlji%C5%A1ta+u+dr%C5%BEavnoj+svojini.html>

-Single Programming Document of Lithuania, 2004-2006

Available at:

http://www.google.rs/url?sa=t&rct=j&q=single%20programming%20document%20of%20lithuania%202004-2006&source=web&cd=1&cad=rja&ved=0cc8qfjaa&url=http%3a%2f%2fwww.transp.lt%2ffiles%2fuplodads%2fclient%2flithuanian_spd__03.12._final.doc&ei=q6wwuzwue-ib4at5kyhicq&usg=afqjcnfnlsxwz6i0d7_hlhr9jk-a3-ahqw&bvm=bv.47534661,d.bge

-Stankovic, Milica (2012): *Agrarna politika Srbije i Zajednička poljoprivredna Politika, (The Agricultural policy of Serbia and Common Agricultural Policy)*, Skola biznisa, Broj, 3/2012 UDC 338.43.02(497.11)

-Trajkovic M. Marosan, S. Knezevic, Z. (2007): *Current activities on land consolidation in Serbia and next steps*, Regional Workshop on Land Consolidation, organized by the Ministry of Agriculture, Czech Republic, and the Food and Agriculture, Organization of the United Nations (FAO), Prague, Czech Republic

Available at:

http://www.fao.org/fileadmin/user_upload/Europe/documents/Events_2007/Land2007/Serbia_pres.pdf

- The European Agricultural Fund for Rural Development (2007): *Europe Investing In Rural Areas*, Republic Of Bulgaria

Available at: http://www.esiweb.org/pdf/bulgaria_bg-rdp-2007-2013%20third%20official%20version.pdf