

## THE WEST HERZEGOVINA CANTON



## THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020 – 2030



Posušje; July 2019



## **The Strategy for Rural Development of the West Herzegovina Canton**

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## ABBREVIATIONS AND ACRONYMS

ANC	Areas with Natural Constrains
APMT	Agri Policy Measured Tool
DB B&H	District of Brčko Bosnia and Herzegovina
GDP	Gross Domestic Product
GAV	Gross Added Value
ASBH	The Agency for Statistics – Bosnia and Herzegovina
B&H	Bosnia and Herzegovina
CEFTA	Central European Free Trade Agreement
EC	European Commission
EFTA	European Free Trade Association
EU	European Union
EP	Evaluation Program
FADN	Farm Accountancy Data Network
FAO	Food and Agriculture Organization of the United Nations
FAMI	The Federal Agro-Mediterranean Institute Mostar
FB&H	The Federation of Bosnia and Herzegovina
FMAWMF	The Federal Ministry of Agriculture, Water Management and Forestry
FIS	The Federal Institute for Statistics
GLOBALG. A. P.	GLOBAL Good Agricultural Practice
HA	Hectare
HACCP	Hazard Analisis and Critical Control Point
IFAD	International Fund for Agriculture Development
IP	Integrated Production
IPA	Instrument for pre-accession assistance
IPM	Integrated Pest Management



KM	Convertible Mark
LAG	Local Action Group
LFA	Less-favoured-areas
LPIS	Land Parcel Information System
M	Measure
masl	meters above sea level
ME	The Ministry of the Economy
MSPCEP	The Ministry of Spatial Planning, Construction and Environmental Protection
SME	Small and medium enterprises
MFER	The Ministry of Foreign and Economic Relations of B&H
LC	Local Community
OECD	Organization for Economic Cooperation and Development
FF	Family farm
BRD	The Board for Rural Development
PDO	Protection Denomination of Origin
PGI	Protected Geographical Indication
SM	Sub-measure
AMIS	Agriculture Market Information System
RASFF	The Rapid Alert System for Food and Feed
CR	Client Registry
RAH/CR	Register of agricultural holdings/Client registry
RS	The Republic of Srpska
SEA	Socio-Economic Analysis
SIDA	Agency for International Cooperation of the Kingdom of Sweden
PPP	Products for plant protection



TSG	Traditional Specialty Guaranteed
USAID	United States of America Aid
WTO	The World Trade Organization
UN	The United Nations
UNDP	The United Nations Development Programme
VC	Value chain
CAP	Common Agriculture Policy
WHC	The West Herzegovina Canton



## 1. Introduction

Given the perspective of future development in the context of the proclaimed EU path of B&H, the Government of the West Herzegovina Canton (hereinafter referred to as WHC) has entrusted to the competent Ministry of the Economy the preparation of the strategic document for rural development entitled “The Strategy for Rural Development of the West Herzegovina Canton for the period from 2020. to 2030.”. It is expected that this year or next year that B&H will obtain the status of a country candidate for full membership of the EU. The pre-accession period requires that all levels of government have strategic planning documents or clear strategic commitment for the next program (pre-accession) period.

The WHC government and the Minister of the Economy have made the appropriate decisions and acts: a memorandum of understanding between the Ministry of the Economy and University of Mostar – organizational units of the Faculty of Agriculture and Food Technology. Responsible person – the elaboration leader of the Strategy is prof. Dr. Sc. Marko Ivanković.

The Minister issued a Decision on naming a Board for Rural Development for the completion of the Strategy for Rural Development of the West Herzegovina Canton on February 22, 2019. Completion of this document the WHC will have a platform for future projects which will be a foundation for more rapid total rural development, an increase of employment, improvement of infrastructure and finally – increase of the quality of life for all citizens of the West Herzegovina Canton.

The Strategy for Rural Development of WHC in the first section, analyzed the existing state, a SWOT analysis was made on the basis of which the needs were identified. Strategic goals and priorities have been identified, and the document alone, contains measures and operations. The document is coordinated with municipal, cantonal development documents, as well as with documents on the FB&H and B&H levels. Also, all measures are coordinated with EU Regulations 1303/2013, 1305/2013 and 1307/2013 and with other relevant EU regulations. In this way we provide strategic links between development goals and EU legislation and are opening a possibility for the use of pre-accession EU funds.

## 2. Methodology

In the completion of the Strategy for Rural Development of WHC a standardized Methodology for integrated planning of local development (MiPRO) was used, it was accepted and recommended by entity governments and by the Union of municipalities and cities. The MiPRO Methodology is completely coordinated with existing regulations which define development planning on the local level. The bearer of the completion process is the Ministry of the Economy WHC, and of implementing the Strategy, along with maximum participation of all relevant actors of the local community. The MiPRO Methodology is completely coordinated with the main principles and approach to strategic planning which is promoted by the European Union.



The guiding principles underlying the Strategy for Rural Development:

- I. Smart growth- strategic goal 1. – To stimulate competitiveness of agriculture and total rural development.**
- II. Sustainable growth – strategic goal 2. – To assure sustainable management of natural resources and climate changes.**
- III. Inclusive growth – strategic goal 3. – To achieve a balanced territorial development of rural areas, including job creation and job preservation.**

Smart and sustainable growth integrates the economic and environmental aspect, while the principle of social involvement means equal opportunities for all and equality in the sense of identifying needs and interests of the socially excluded groups of the population of rural areas in WHC. In the completion of the Strategy, the principle “bottom up” was used, which means that participation is assured by intensive participation of members of ORR as representatives of associations and the public.

The starting point for the completion of the Strategy for rural development WHC was an analysis of existing strategic documents from the municipal and cantonal levels of government. Strategic documents from higher levels of government – FB&H and B&H were also analyzed. Emphasis was placed on coordinating measures and sub-measures with existing EU legislation which B&H is slowly but certainly implementing in its own legislation.

The Strategy for Rural Development acknowledges the existing level of the total development of WHC and the total financial possibilities of the budget. In regards to this, a multi-year financial framework was planned, intended for financing rural development in WHC. The existing financial framework is a good basis for including funds from pre-accession EU funds after B&H receives the status as a country candidate.

The action plan for three (3) years took into consideration the financial limitations. Based on this framework, measures for rural development which are financed directly from the WHC budget have been isolated.

In the final section, and according to EU regulations, an evaluation and monitoring of the Strategy for Rural Development of the WHC for the period from 2020 to 2030 has been foreseen.



### 3. Title of the document

**“The Strategy for Rural Development of the West Herzegovina Canton for the period from 2020. to 2030.”**

#### **BOSNIA AND HERZEGOVINA – THE FEDERATION OF BOSNIA AND HERZEGOVINA – THE WEST HERZEGOVINA CANTON**

The geographical area covered by the program

#### **THE WEST HERZEGOVINA CANTON**

Description:

The West Herzegovina Canton is located in the southwest part of Bosnia and Herzegovina, and its total area covers 1.362,20 km<sup>2</sup>. The municipalities Ljubuški, Grude and Posušje are bordering municipalities with the EU, that is, with The Republic of Croatia. According to the UNDP study – “Rural Development in Bosnia and Herzegovina: myth or reality”<sup>1</sup>: the following was written:

**“Approximately 60% of the population lives in rural areas, being they are defined as villages or scarcely populated municipalities, and only Montenegro, Ireland and Finland have a higher proportion of rural population” (page 9).**

According to available information, the West Herzegovina Canton is a rural area according to OECD criteria, with the exception of municipal/city/cantonal centers – Široki Brijeg, Posušje, Grude and Ljubuški. The total population according to the recent census from the year 2013 is 94.898 (the estimate in 2017 – 93.696<sup>2</sup>). There is a total of 102 populated areas. The population density is 68,8 persons per km<sup>2</sup>.

The city center of Široki Brijeg (LC Lijeva Obala – 7.600 and LC Desna Obala 4.100 persons or 11.700 inhabitants), which according to OECD criteria may be considered as an urban area. Meaning, 40,46% of the municipality is an urban area, while the rest of the population lives in villages – 69,54%.

The city center of Ljubuški (LC Ljubuški I, Ljubuški II and Ljubuški III) according to estimates has approximately 4.198 or 15,26%, which can be classified as an urban area. However, most of the population lives in 31 populated areas or 84,76%.

<sup>1</sup> [http://hdr.undp.org/sites/default/files/nhdr\\_bih\\_web.pdf](http://hdr.undp.org/sites/default/files/nhdr_bih_web.pdf).

<sup>2</sup> Source: For settled places and areas – Statistic yearbook FB&H 2017., for population - Report 14.2.1. from 31.08.2017., Estimate of total population in the Federation B&H 2017, at mid-year.



The municipality of Grude – LC Grude- populated areas: Grude-city, Pešija, Otok, Cere, Ćorluke, Lončaci, Krštelica, Boboška have a population of 3.055 or 18,03% which can be considered as an urban area. The rest of the population of 81,97% lives in rural areas.

The municipality of Posušje – information on the number of households and population according to local communities is not available. Experts employed in the municipality of Posušje estimate that approximately 20% of the population lives in the center of the municipality while 80% lives in rural areas.

Conclusively: In the WHC: 24,50% (22.593) of the population lives in the municipality/city/canton centers. Therefore, 75.50% (or 70.743) of the population lives in the rural areas of the Canton.

### Map of the West Herzegovina Canton



**Source:**[https://www.google.ba/search?source=hp&ei=04n1XPbIGcGsrGszs5bQBQ&q=karta+hercegovacka&qq=karta+zapanoher&gs\\_l=psy-ab.1.0.33i160l2.1823.8262..11256...0.0..0.525.2579.4j10j4-1j1.....0...1.gws-wiz.....0..35i39j0i131j0j0i203j0i13j0i13i30j0i13i5i30j0i8i13i30j0i13i10i30.RhH8Xaczu5A](https://www.google.ba/search?source=hp&ei=04n1XPbIGcGsrGszs5bQBQ&q=karta+hercegovacka&qq=karta+zapanoher&gs_l=psy-ab.1.0.33i160l2.1823.8262..11256...0.0..0.525.2579.4j10j4-1j1.....0...1.gws-wiz.....0..35i39j0i131j0j0i203j0i13j0i13i30j0i13i5i30j0i8i13i30j0i13i10i30.RhH8Xaczu5A)

## 4. Ex ante evaluation

The description of the procedure, including determining the time-frame of the main events, an outline report, in accordance with key phases of development of the program for rural development.



In January and February 2019, a Contract has been signed by the Ministry of the Economy of the WHC and by the University of Mostar- The Faculty of Agriculture and Food Technology. After that, a Board for Rural Development (BRD WHC) has been named, in which the participants are experts from municipal services, cantonal ministries (economy, education, spatial planning and health care), as well as representatives of associations.

The obligation of the Contract was to carry out an ex-ante evaluation of the Strategy and to evaluate development potential on the basis of the analysis of the existing state (socio-economic analysis – SEA). The ex-ante evaluation is an integral part of strategic planning with the goal to contribute to the quality of the completion of the final document.

***ORR meetings were held as follows: Posušje (municipality) on February 28, 2019; Grude March 29, 2019; Ljubuški April 30, 2019. On June 7, 2019, an extended ORR meeting was held in Široki Brijeg, which was open to the public, media and all interested participants. The final meeting was held in Posušje on July 8, 2019, where the action plan and implementation of the Strategy was closely contemplated.***

The ex-ante evaluation is administratively monitored by the group for project management composed of representatives from the Ministry of the Economy (Department for planning). As mentioned before, the ex-ante evaluation includes preparation of recommendations for strengthening interventional logic and for justifying the draft of the Strategy for Rural Development of the WHC.

**The general opinion of all the ORR participants is to prepare the Strategy for Rural Development of the WHC in accordance to B&H receiving the expected status of a country candidate.** That then means a commitment to a common EU agriculture policy (CAP)<sup>3</sup>. The ex-ante evaluation has been carried out in three (3) phases: bilateral meetings with employees from the Ministry of the Economy in relation to chapters and measures of the Strategy, as well as having held workshops with ORR and programming. A (big) problem was acquiring adequate information, and very often we had to accept the opinion of experts.

#### **ORR paid particular attention to:**

- The analysis of the existing state and accepting existing strategic documents which are important for the total rural development of the WHC;
- With common efforts, the existing state of the WHC (or program area) has been evaluated- agriculture, forestry, environment and natural resources, rural tourism; existing infrastructure, SWOT analysis and assessment of needs);

<sup>3</sup> CAP-Common Agriculture Policy



- The relation between the Strategy with documents on the municipality levels and the WHC. Also, the emphasis is on the “openness” of the Strategy towards the strategic documents of higher levels of government – FB&H and B&H;
- The strategic goals are coordinated with relevant goals of CAP (Common Agricultural Policy);
- On the basis of agreed strategic goals (3) the priorities (6) have been agreed upon;
- A list of measures, sub-measures and operations resulted from the SWOT analysis.

The complete draft of the ex-ante evaluation report has been delivered in June 2019. The analysis of the existing state and socio-economic analysis (SEA) were completed in parallel, facing a big problem – the lack of adequate statistic information.



## **5. Strengths, weaknesses, opportunities and threats (SWOT) and identifying needs**

### **5.1. Strengths, weaknesses, opportunities and threats (SWOT ANALYSIS) - needs**

#### **5.1.1. Description of the existing state of the program area (The West Herzegovina Canton – WHC) – based on available information from various sources**

- *Socio-economic state*

##### **Territory**

Based on rurality criteria (OECD, FAO, EUROSTAT), as well as the necessity for completion of the strategic program and monitoring the influences of measures of rural development, 75,50% of the territory is defined as a rural area, and only 24,50% as city/municipality/canton areas as urban agglomerations.

##### **Population**

According to the 2013 census the WHC had a population of 94.898 (Table 4.) of which 24,50% of the population lived in the city area – the urban areas of the cities/municipalities, and 75,50% in the rural areas. The WHC marks a low average populated density of 68,8 persons/km<sup>2</sup> (FZPPR, mid 2019.). However, the population density according to municipalities is: Grude- 77, Ljubuški- 94, Posušje- 44 and Široki Brijeg- 75 persons/km<sup>2</sup> (Table 1.).

During the war (1992-1995) the population and the economy of rural areas slightly changed the population density because a part of the population from other parts of B&H moved to the WHC area. According to age groups in the rural area, population younger than 15 is 20% (18.821), between 15-64 years- 67,00% (62.662), and older than 65- 13,00% (12.506)<sup>4</sup>. (Table 2.).

The ethnic structure of the population according to the 1991 census: Croats- 86.164, Serbs- 231, Bosniaks- 1.611, Jugoslavs- 278 and other- 708- a total population of 88.992. According to the 2013. census the ethnic structure of the population of the WHC: Croats- 93.725, Serbs- 101, Bosniaks- 718, did not declare- 66, other- 124, unknown- 164 and a total population of 94.898. The working age population in the WHC is 64.101 or 68,40% (Table 3., 4. and 6.).

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<sup>4</sup> Source: The Federal Institute for Statistics, estimate of the total present populaton according to age, sex and cantons, 30.06.2016.



### ***Migration***

Since the 2013 census until today, a total of 1.202 persons changed their residency within the WHC. No adequate reliable indicators exist for a precise evaluation of migration from rural areas to municipality centers.

### ***Education***

The level of education in rural areas in average is a lot lower in comparison to urban areas. A part of the persons who completed only elementary school ages 15 and more within the total population is two times higher in rural areas than in urban areas, which tells us about regional differences.

Currently in 2018/2019 in the WHC area there are 7.859 students enrolled in elementary school. In the school year 2018/2019 a total number of students enrolled in high school is 3.312 in 162 classes, meaning an average of approximately 20 students per class.

A member of the University of Mostar- The Academy of Fine Arts operates in the WHC.

### ***Employment***

In 2017 the employment rate shows the working age population which is employed. In the WHC in 2017 the employment rate for persons ages 15 to 64 was 28,40%, which is very low or 2,25 times less than the EU-28 average (64,12%)- in Table 8. The total number of employed persons in the WHC is 18.191 with an average salary of 759,00 KM (2016.) and 789,00 KM in 2018. The working age population consists of 64.101 persons, meaning that the employment rate is 28,40%. Within the age structure there are 62.662 persons ages 15 to 64 (Table 8. and 11.). The total number of persons included in the category work force (employed and unemployed) is 29.417, where 11.226 are unemployed. The unemployment rate is 38,20% (EU average- 4,6%)- Table 9.



## 5.2. Basic infrastructure in rural areas

### 5.2.1. Utility infrastructure

#### **Water supply and drainage systems**

According to available information, 76% of the population in the WHC is connected to the water supply network (primary and secondary):

- Široki Brijeg- 68%
- Posušje- 70%
- Ljubuški- 79%
- Grude- 93%<sup>5</sup>.

Concerning the water supply issue the worst situation is in Široki Brijeg, whereas the best situation is in the municipality of Grude. In the mentioned program period the goal is that the whole population of the WHC in all areas solve the issue of water supply.

The situation is worse concerning the issue of canalization networks (drainage systems) and drainage of waste waters. In other words, only 13% of the population in the WHC is connected to a drainage system. The highest level of connection to the drainage system has Ljubuški (28%), then Grude (11%) and Široki Brijeg (9%). In the municipality of Posušje a drainage system has not yet been developed.<sup>6</sup>

#### **Supply of electricity**

The supply of electricity in the WHC is satisfactory. Regardless of this<sup>7</sup>, it is necessary to carry out activities for the construction of new power lines (110, 220 and 499 kV networks), as well as construction of and connection to new substations to the 110 kV and 220 kV network. Depending on the growth of the economy the question will be asked concerning high-grade supply of electricity- particularly in business zones and rural areas.

#### **Waste management**

The question concerning waste will be one of the key issues in the next 10 year program period. All four municipalities (meaning the WHC) do not have an adequate solution concerning the waste issue. Landfills for waste deriving from animal origin do not exist, even though there are significant processing capacities in the meat industry in the WHC. Also, the issue concerning a regional landfill has not yet been solved. The system for separating waste (glass, paper, plastic and other) has not yet been introduced as well. Waste management for now is solved on the levels of local governments. The municipality of Ljubuški confided its waste management to the “ALBA” d.o.o. company based on the principle public-private partnership. The municipality is covered 100% by organized collection of waste. The city of Široki Brijeg manages its waste by transporting it to the landfill Uborak on the area of the city of Mostar (Bijelo Polje). Some settlements in the city of Široki Brijeg are not covered by organized transport of waste. The municipality of Posušje is covered 100% by organized collection of waste and management is carried out in part by a public company, and in part by a private company “Ladanušić” d.o.o. through a public-private partnership. In the municipality of Grude organized transport of waste is carried out by JP “Kommunalno” Grude.

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<sup>5</sup> Report on Development of the WHC for 2017.

<sup>6</sup> Report on Development of the WHC for 2017.

<sup>7</sup> The Strategy for Development of the WHC for the period 2014. – 2020.



**The canton has begun the completion of a cantonal plan for waste management, and it will predict necessary measures and activities for raising the quality of waste management.**

Source: The Plan for development of tourism of the WHC, pg.11.-12.

### 5.2.2. Traffic infrastructure

In the WHC 1.193 km of roads are classified into the public road system: 0,00 km highways, 107 km main roads, 148 km regional roads (total: main roads and regional roads- 255 km) and 683 km of local roads. The average density of roads in the WHC is 876m/km<sup>2</sup>.

The average density of unclassified roads in the WHC is 501m/km<sup>2</sup>, unequally arranged on the cantonal level, the lowest in the municipality of Široki Brijeg- 412,80, Posušje- 414,23, Ljubuški- 532,97 and Grude- 797,10 m/km<sup>2</sup>. The average length of unclassified roads in the WHC is 7,29 m/person. As in the differences in the density and length of unclassified roads per person in the canton, there are significant differences in their state as well.

### 5.2.3. Social infrastructure

Because of depopulation, the influence of the war and the long-term economic crisis, an oversight occurred concerning infrastructure maintenance (public green areas, walking and bicycle trails, open drainage canals, markets, parking areas), social and cultural facilities (social facilities, firefighter stations, pre-schools and playgrounds and sports and entertainment facilities), which resulted in poor availability of basic services for the local rural population.

The general state of the main (basic) buildings, social and physical infrastructure in rural areas is not adequate for the needs of rural areas, and if not improved it will continue to be a factor for people leaving (abandoning) the rural areas and lack of social involvement.

### 5.2.4. Information- communication infrastructure

Programs for rural development throughout the EU as a first priority, stress the development of smart villages, and that means broadband internet availability to the population of the rural areas in the EU.

*According to a study on the coverage of broadband infrastructure in Europe, the WHC is a bit behind average in comparison to the EU in the total standard and total fixed standard of broadband coverage (97,5% in the WHC in comparison to the EU-27 99,4% and 94,1% in WHC and 95,5% in EU-27), but significantly below the EU average in the total of NGA coverage (19,1% in the WHC and 53,1% in EU-27). The WHC strategy for broadband access, in accordance with the Digital Agenda for Europe (DAE), established 50% NGA as its Europe 2020 goal. The number and density of broadband connections is distributed unevenly throughout the WHC.*

Source: Program for Rural Development of the WHC for the period from 2014 – 2020, pg. 66.



### **5.2.5. Strategic planning on the municipality/city level**

The needs on the micro level have been identified by the strategic and planning documents on the municipality/city level. In accordance with needs, measures and sub-measures have been predicted for solving identified needs and for achieving strategic goals.

The municipality of Ljubuški issued a strategic document titled “The Strategy for Agriculture and Rural Development of the Municipality of Ljubuški for the period 2018-2022”. Other projects are in course as well. The municipality of Posušje issued a program “Multi-purpose evaluation of soil in the municipality of Posušje”.

Projects of strategic significance were planned in the city of Široki Brijeg and the municipality of Grude as well. On the other hand, all municipality/city strategies are vertically connected to strategic documents on the Canton level, that is, entities and B&H level. For the strategic period 2020-2030 the priorities in the action plan for three (3) years will clearly be highlighted.

As every other strategic document, the Strategy is subjected to updating, that is, evaluation and monitoring with the goal for auditing strategic planning documents and their adjustment to new situations. The financial and administrative capacities of local governments vary greatly and they have little experience in realizing projects funded by the EU.

### **5.2.6. Local action groups (LAG)**

In accordance with B&H commitment towards the EU path, it is necessary on the level of mechanisms of coordination to agree on and prepare a regulation which implies the LEADER approach in the policy of rural development of B&H. After receiving the expected status of a country candidate, pre-accession funds which will include LAG activities will be available.

Local action groups (LAG) include activities for specialization, education, completion of development studies, promotional activities, employee salaries, operating expenses, office material and equipment. Member states are implementing their projects from their local strategies.

Weaknesses noted in relation to administrative capacity, as well as public procurement training will need to be addressed. The process of creating policies for rural development in the local community is still not developed enough, and the level of possibilities of human potential on the local level is very low.

### **5.2.7. Rural tourism (agrotourism and rural tourism)**

Diversification of activities in rural areas implies development of tourism. Family agricultural holdings (family farms- FF) with the goal of stabilizing income resort to diversification of their activities by offering tourism contents – agrotourism, (connection between agricultural production of FF's and direct consumption through the tourism offer).



On the other hand, in populated areas (villages) there are holdings that do not have agricultural production but are developing the tourism offer in the village areas. Agrotourism and rural tourism are two significant components of rural tourism in general.

Rural tourism in the WHC is still at the beginning and is underdeveloped, which is a consequence of long-term neglect of rural areas and of FFs. The “food and drinks” component of family agricultural holdings/FFs as a tourist product is still poorly developed and unexplored.

### **5.2.8. The economic state**

The WHC is the second (2.) most developed canton in the Federation of B&H (after the Sarajevo Canton). The GDP per capita is 4.000 € or 8.107 KM/per capita. And so, the current standard of living of B&H citizens and in countries in the region is far below average EU-28 and moves from 60% in the WHC to 31,39% in Bosnia and Herzegovina and in Albania (Table 41.).

The total gross domestic product (GDP) amounted to 65.459.196 KM in 2017. During the four year period (2014.-2017.), the intermediate consumption value of agricultural production in the WHC dropped from 52,45% in 2014 to 44,82% in 2017, while GDP data issued in that same period show an increase from 47,55% in 2014. to 55,45% in 2017.

The average labor productivity (measured as the GDP ratio and the number of employed persons) for 2017 in the WHC amounted to in average 109.412 KM/per person which is an unreal fact and will not be used in further considerations. According to Eurostat information, the average labor productivity for EU-27 amounts to 51.719 EUR/person which is on higher level than in the EU.

### **5.2.9. Foreign trade balance**

The WHC continually marks a deficit in the foreign trade balance. The economic crisis additionally affected the continuance of this negative trend. According to facts from FIS<sup>8</sup>, the total export of goods from the WHC in 2017 amounted to 517.213.215 KM which accounts for 7,13% of the total export of the FB&H, while import amounted to 1.404.622.481 KM which accounts for 11,30% of total import, meaning that coverage of import over export is 36,82%. The deficit – 887.409.266 KM of import and coverage of import over export amounts to 36,82%. The total exchange of goods is negative (-887.409.266 KM) (Table 15.).

In 2017, the most significant markets of exchange were agricultural – food products from the EU. The European Union is still the main foreign trade partner of B&H, and in the total range of exchange of goods participates with 65%, then countries who signed the “CEFTA 2006” agreement with 14%, while other countries participate with 21%. Export to the EU accounted for 72% of B&H’s total export, and import from EU countries accounted for 61% of B&H’s total import.

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<sup>8</sup> The Federal Institute for Statistics (FIS)



## **6. Analysis of the situation concerning agriculture, forestry and the food processing industry**

### **6.1. The structure of agricultural holdings and socio-economic indicators**

2.772 agriculture holdings in 2017 were engaged in agriculture. Those agriculture holdings in the WHC use 44.365 ha of agricultural land – arable land 22.153 ha (Table 19.). In average, an agricultural holding in the WHC uses 0,31 to 0,50 ha of agricultural land. That is significantly lower than average per holding in the whole EU-28 (14,40 ha).

According to FIS facts from 2017, according to categories of used land- the most common are arable land and gardens with 14.851 ha (67,04%), then permanent pastures with 22.212 ha (50,07%), permanent plantations with 1.104 ha (4,98%), meadows with 6.198 ha (27,98%) (Table 19.).

Arable areas of most of the family farms (FF) are very fragmented and often very distant from each other, which is one of the reasons for the inefficiency of agricultural production. In 2012, the agricultural production of an average holding took place on in average on 15 cadastral parcels.

### **6.2. The structure of agricultural holdings**

By looking into the Register of agricultural holdings<sup>9</sup> (RAH/CR), it is visible that the size of agricultural holdings is approximately 1,00 ha (1,09 ha), which is lower than the average of the FB&H (1,97 ha).

According to organizational forms of business, in 2018 most of the holdings acted as “FF” at least 2.777 holdings (85,82%), natural persons- 222 (6,86%) and legal persons (crafts, limited liability company, joint stock company) 237 or (7,32%). According to other organizational forms in the Register RAH/CR there were 104 legal entities, 3 cooperatives, 2 religious organizations, 43 associations and 4 other clients (Table 37.).

All of the mentioned information undoubtedly indicates a low level of organization of agricultural holdings, especially FF, because of negative historical connotations of former cooperatives as well as absence of processes of inclusion into higher forms of organization and other forms of cooperation. In B&H the FADN system<sup>10</sup> does not exist – on the basis of which it would be possible to calculate the average economic size of an agricultural holding – calculated on the basis of the total value of production shown as a standard output (SO) per holding.

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<sup>9</sup> Source: FMAWMF, Sarajevo, 2019

<sup>10</sup> FADN – Farm Accountance Data Network



Agriculture and the food industry are very important branches of the economy of B&H, its entities and District of Brčko, from the point of view of contributing to the economy, total employment and socio-economic development. In B&H the **gross added value (GAV)** of agriculture (together with forestry and fishing), varied in the past period in the absolute amount of (1,6-1,8 billion KM), but is generally growing. However, in relative terms it is decreasing because of the faster growth of the GAV of other branches, non-agricultural sectors (from 8,1% in 2006, to 6,2% in 2015). Thereby, agriculture has a higher significance for the Republic of Srpska than for the FB&H and District of Brčko (The Agency for Statistics of B&H). **The Federation of Bosnia and Herzegovina:** In the Federation of B&H the GAV of agriculture was between 707 (2006) and 857 million KM (2015), and its participation in the GDP of the Federation of B&H is decreasing and was 4,6% in 2015.

Source: The Strategic Plan for Rural Development of B&H (2018-2021)-framework document, page 11.

However, considering the fact that since the war ended there were not any systematic investments in raising the level of technical and technological equipment of FFs, it is clear that there is a necessity for these types of investments – technical and technological equipment. In order to improve competitiveness and economic sustainability of agricultural holdings, further technical and technological modernization of agricultural holdings, and increase of labor productivity, as well as the increase of level of education – are very important.

**The Federation of Bosnia and Herzegovina:** According to statistic facts (The Federal Institute for Statistics) for 2015, within the structure of agricultural land of a total of 1.181.000 ha, arable land covers 747.000 ha or 63,2% (arable land- fields and gardens 428.000 ha, orchards 45.000 ha, vineyards 5.000 ha, meadows 267.000 ha), and uncultivated 435.000 ha or 36,8% (pastures 432.000 ha and reeds and ponds 2.000 ha). According to facts from BH MAC for 2013, in the FB&H there is approximately 938,90 km<sup>2</sup> which is considered to be mined.

Source: The Strategic Plan for Rural Development of B&H (2018-2021)-framework document, pg. 13.

### 6.3. Economic indicators

**The Federation of Bosnia and Herzegovina:** Formally, in agriculture in the FB&H in 2015 there were 2.832 employed persons (0,60%), and informally (according to facts from a labor force survey) there were 53 thousand workers employed (10,60%).

Source: Strategic Plan for Rural Development of B&H- framework document, pg. 11.

A high proportion of the population is engaged in agriculture and in related activities. However, the WHC is a big importer of food as well as B&H too. The value of agricultural production in the WHC in 2018 was 33.589.489 KM, which is an increase of 16% in relation to the previous year. In 2018, the value of plant production was 59,6% of the total value of agricultural production, and the value of livestock production was 34,2%. Viewed by production sectors, the participation of plant production within the total value of agricultural production was



increasing, while livestock production and the total value of agricultural production continued to decrease.

#### **6.4. Employment and salaries**

The total numbers of employed persons in the WHC in 2017 was 18.440 of which 307 were registered as employed in agriculture, forestry and fishing. That means that 1,66% of employed persons work in this sector. This kind of employment in agriculture have highly-developed agricultures of Germany and the Netherlands. However, the rest of the facts (physically) viewed, give the real picture of the state of agriculture and rural development in the WHC. The average salary of employed persons was 789,00 KM, but in the agriculture sector, forestry and fishing the salary was lower – 774,00 KM.

While the Strategy was being completed, a survey was conducted on a sample of (N=100). One of the questions was about the minimum monthly income of one family living in a rural area. After processing the results from all 4 municipalities of the WHC, we received an amount of **1.893,50 KM/month. That means that that is a satisfactory income for one family living in a rural area which ensures existence (Table 18.).**

#### **6.5. Investments – technical-technological renewal**

Investments in fixed capital in the agricultural sector in the WHC were estimated on the basis of the total consumption of fixed capital on the level of the FB&H (71.044.000 KM). Therefore, it is estimated that the WHC invested 1/10 of this (7.104.000 KM) in the agriculture sector. Gross investments in fixed capital in 2017 were 8,39% of the total GAV of agriculture.

#### **6.6. Plant production**

According to methods of use of agricultural land in the WHC in 2018, the most common were arable lands and gardens with 18.701 ha, which is 67,18% of the total of used agricultural land, while orchards are 0,27%, vineyards 1,73%, of used agricultural land. Productivity of plant production is relatively low, and the average of main crop yields are below European levels. One of the main problems in plant production is insufficient watering/irrigation, which continued by all the more frequent droughts – in average every 3-5 years, results in significant damage in farming and depending on the intensity and length of the drought can decrease crop yields from 20-70%.

The underdevelopment of water supply systems on agricultural land (exception: Ljubuški polje and Mostarsko blato), where there are water supply systems whose total length of main and side channels is approximately 490 km), which is an additional factor substantiated by the fact that only 1,10% of the total used agricultural land is irrigated. Most farmers do not have the possibility to invest in water supply infrastructure, that risk is especially visible in the summer period. And so, by the SWOT analysis one of the expressed needs is – irrigation of agricultural crops.

The production of potatoes makes up the biggest part of the total plant production. During the period of 2015 to 2017 the average of planted potatoes was 1.153 ha, with an average of



production of 9.036 tons (yield of 7,80 t/ha). Statistic facts on production of the “early” “young” potato – known as the brand “Ljubuški rani” was at the level of 7.000 to 8.000 tons/year.

Within the structure of grain production, the most dominant are wheat (695 ha) and barley (575 ha), rye (9,00 ha), and oats (2,00 ha). Production of corn (kernals) 610 ha (in 2018), but corn for silage 94 ha; production of vegetables (beans, cabbage, tomatoes, peppers) – 1.534 ha; production of hay (432 ha), alfalfa (800 ha), fodder beet (33 ha) and grass- clover mixture- 68 ha.

***One of the main obstacles for agricultural and rural development is the lack of organization regarding land registry and cadastre, which leads to inefficient use or abandonment of agriculture land. The average area of agricultural holdings in the FB&H is unfavourable and is predicted that it amounts to approximately 1,97 ha. However, considering that an appropriate land register does not exist, it is only possible to speak about estimates.***

***Generally speaking about yields and competitiveness, the primary agricultural production is still far from European standards. Results of plant production is subject to changes from year to year and greatly depends on weather conditions. The production of fruit and vegetables is showing a tendency of growth, while there is an expansion of fruit production, especially olives.***

The production of the original tobacco variety/sort – the Herzegovinian types (Ravnjak, Šeginovac, VH-32, Svijetla Herzegovina- SH-2) is currently in the state of stagnation and disappearance because of the lack of legislation.

#### **6.6.1. Fruit**

The production of fruit in 2018 took place on about 157.755 trees (144 ha), which makes up of a total of 0,27% of used agricultural land. A total of approximately 1.150 tons of fruit was produced (Table 23.). The average yields are lower than those in EU countries due to outdated technology and frequent droughts. In the fruit and vegetable sector, there is a need to invest in technical and technological modernization, to introduce new production technologies, storage and product preparation for the market and for promoting production and organization of producers, markets, all of this with a common goal to ensure stronger productivity growth and creating new jobs.

According to facts from the Federal Agro-Mediterranean Institute- Mostar, in 2018 there were 330 ha of olive groves approximately a total of 60.000 fertile trees in Herzegovina. According to facts from FIS, in 2018 there were 1.537 ha of medicinal herbs (xeranthemum immortelle) in Herzegovina of which 70% was in the WHC.



## **6.7. Livestock production**

According to facts from FIS, in 2017 the share/portion of livestock production in the total value of agricultural production consisted of 35,80% which is in comparison to EU-27 (40,80% shares), and this shows that the structure of agricultural production in the WHC is unfavorable.

The most obvious lack in livestock production is the high number of small unspecialized FF with unfavorable age structure, level of education and technological equipment. Along with unorganized and difficult approach to the market, all of this is influencing its competitiveness and is causing its disappearance/extinction.

It is necessary to improve the total economic efficiency of the holdings by restructuring and modernization, to stimulate market organization and cooperation of producers, adapt to new demands in accordance with the EU acquis (pre-accession process) in terms of health and well-being of animals and environmental protection, which will act preventively against the further decrease of its efficiency and survival/existence. This is important so that a stronger productivity growth can be ensured and for the creation of new jobs within this sector.

In 2017, there was a total of 4.852 head of cattle, which represents a decrease of 14% in the observed period between 2015 and 2017. In that period, the number of sheep was on a stable level of 14.380 (Pramenka breed). The number of goats is slowly increasing and in 2017 reached at 3.894 goats (Alpina and Sanska). Beekeeping and honey production is constantly slowly increasing and in 2017 reached the number of 3.894 hives (Table 25.).

In 2017, the number of registered horses was 7, which is a negligible number. Except for recreational and sporting purposes, horse breeding is also used for meat production. Since the consumption of horse meat in the WHC is low, that is why this meat is primarily intended for export.

## **6.8. Organic and integrated production**

Since there is lack of legislation and impossibility for certification of organic production (ISO standard 17065) we do not have producers in this sector. However, expectations are going into the direction towards solving legislation in accordance with EU acquis. In this document, the need for this type of production is clearly pointed out, because producers see a market opportunity in organic production. There are big unused natural resources as well (soil, water,...).



In this document organic production is expressed as one of the needs (SWOT) and in accordance with that- measures have been set for solving these needs. The main goals of the Strategy for rural development of the WHC are increasing areas for organic agricultural production, strengthening organization of organic producers, promoting processing and marketing organic products as well as setting up a system for educating and informing consumers about organic production. Most of the land that is currently being used for organic production can be classified as arable land, meadows, pastures and orchards.

### 6.9. Special food quality labels

In the WHC there is one (1) product whose name is protected on the national level at the Institute for Intellectual Property of B&H (Tobacco-Herzegovinian Ravnjak). However, we have to yet adopt EU regulation on the B&H level in order to approach the protection of agricultural – food products as protected trademarks (ZOI) and registered trademarks of geographical origin (ZOZP). Currently in the WHC there are not any registered products as products of traditional specialty guaranteed.

### 6.10. Areas with difficult management conditions

The WHC has according to EU criteria, areas with difficult management conditions, but does not have distinct regulations on how to implement these measures. Considering the fact that the Strategy is a document intended to be realized in the next 10 years, it is necessary to first map these areas and after that implement common measures on the EU level for these types of operations.

Which areas are currently marked as less favorable?

#### **Which areas are currently marked as less favourable?**

According to articles from the Council regulations (EZ) 1257/1999 <sup>11</sup>, which are still in force, an area can be classified as less favorable according to one of three categories. Each category is characterized by a specific group of disadvantages that are common for certain areas of agricultural land all across Europe, and which threaten/endanger the continued use of agricultural land: According to **article 18.**, mountain areas are characterized as less favorable because of high altitudes or because of steep slopes at lower altitudes or a combination of both areas. Areas north of the 62. parallel are limited as are mountains. According to **article 19.**, “medium” areas with special needs are those areas where there is a threat/danger of abandoning the use of agricultural land and where it is necessary to preserve the landscape. **The following difficulties are shown:**

**Land of poor productivity:** production which results from low productivity of the natural environment and with a small number of population who mainly depend on agriculture.

According to **article 20.**, **areas with special disadvantages** are areas where cultivation should be continued with in order to:

<sup>11</sup> Available at: <https://eur-lex.europa.eu/legal-content/hr/TXT/?uri=CELEX:31999R1257>



- **preserve or improve the environment,**
- **preserve the landscape,**
- **preserve areas with tourism potentials,**
- **protect the coast.**

**How does the LFA scheme function?**<sup>12</sup> Not all of the agricultural holdings within the LFA have received a compensation fee. LFA users for at least five (5) years must perform activities on the agricultural holding from the first payment and cultivate a minimum area which is established by member states. Besides that, member states apply a number of specific eligibility criteria. LFA payments are awarded yearly per hectre of use/cultivated agricultural areas. Payment levels can vary from at least **25€/hectre and at the most 200€/ha.**

**Facts and numbers:** Even 57% of the total cultivated agricultural areas in EU is classified as less favoured area. Despite the high percentage of areas marked as LFA, only a limited number of agriculturists use (benefit from) the compensation fee. In 2005, approximately 104 million agricultural holdings, which represents about 13% of the total number of agricultural holdings in the EU-25, received support in terms of all LFA schemes. Significant variations can be noticed among member states, which is a result of eligibility regulations which were established by the member states. Payment range per hectare can be very variable, from 25€/ha to 200€/ha. Financial support for LFA amounted to 8 billion Euros, which is approximately 18% of Community funds for rural development from 2000-2006. In the period from 2007-2013, the allocation of the European agricultural fund for rural development (EAFRD) intended for the scheme amounted to 12,60 billion Euros or 13,90% of the total allocated Community funds, which suits 32% of intended funds for improving the environment and villages by support by sustainable land management (axis of 2 rural development policies).

Source: [https://ec.europa.eu/agriculture/rural-development-previous/2007-2013/less-favoured-areas-scheme\\_en](https://ec.europa.eu/agriculture/rural-development-previous/2007-2013/less-favoured-areas-scheme_en)

## 6.11. Water resources

Water use opportunities in the WHC are favourable. The mean annual sum of precipitation ranges from 1.200 to more than 2.000 l/m<sup>2</sup> in higher mountain areas. Snow is rare in this climate area, but not an impossible phenomenon. This is the richest area in terms of precipitation in B&H, but the “schedule” of rainfall throughout the year is different in comparison to the continental area.

The Mediterranean precipitation system is characterized by a lot of rainfall during the colder part of the year and extremely dry summers. It rains mostly in November and December, and the least in June, July and August. The average total of precipitation is more than 1.400 l/m<sup>2</sup>.

The yearly total of precipitation increases in areas of higher altitude, and so in higher Herzegovinian areas and southwest areas of high Herzegovina there is a precipitation of 1.800 mm (goes beyond 2.000 l/m<sup>2</sup>).

Permanent sources of water supply in the canton are: Lištica (Borak) for Široki Brijeg, Vrioštica for Vitina and Ljubuški, Tihaljina/Mlade/Trebižat for irrigation and energetics, Klokun for Klobuk, Studenčica for Studenci, Grudsko vrilo for Grude, Crnašnica for

<sup>12</sup> Less Favoured Area – LFA



Knešpolje, Orovnik for Donji Gradac, Žvatić for Dobrič, the spring Ugrovača for Rakitno and the artificial accumulation lake Tribistovo for Posušje. Besides those very valuable water sources a more practical significance in the Canton has: the permanent lake Blidinje located on the border of the WHC and the Herzeg-Bosnian Canton, Krenica in the municipality of Grude and the occasionally flooded areas of fields – Mostarsko blato, Imotsko-bekijsko polje, Mokro polje, Trn, Kočerinsko polje, lake near Izbično, Dobrinj in Crnač, and many other karst fields which flood during the rain season and where water is not retained for longer periods. The protection of water sources and water as a natural source were taken into consideration all sources for water supply which are currently being used and those that are planned to be used. Water sources can be endangered from the point of view of quality and amount. A significant number of water sources, which are currently being used, do not have a defined protection zone. A big part of subterranean waters in the Canton is directly endangered by pollution of waste waters from the municipality of Posušje. Drinking water sources are especially endangered in the municipality of Grude and Ljubuški because the area of Posušje and the Posušje field fall under the protection zone of these sources, and so it is necessary and a priority to approach the construction of a canalization system in Posušje for rainfall waters and waste waters in order for the mentioned water sources south of Posušje, which are at lower altitudes, to become permanently protected from pollution of Posušje's untreated waters that penetrate underground watercourses.

Source: The Strategy for Development of the West Herzegovina Canton for the period of 2014-2020, pg. 12.

There is a clear need for further development of an irrigation system for agricultural areas along with a simultaneous construction of a drainage system and system for the prevention of flooding of karst fields during the spring sowing season (April-May). In accordance with all that was mentioned, it is necessary to plan in the strategic part of this document sub-measures for solving the expressed necessities.

## 6.12. Risk management

As the most significant risks, the WHC is faced with high levels of damage caused by natural disasters (floods, droughts and fires). In terms of risks relating to agriculture, there is a strong necessity for improvement of the system of infrastructure for irrigation, because of droughts great pressures exist for securing the food chain in terms of mycotoxin pollution and degradation of soil conditions, decrease of levels of subterranean waters, etc.

The system for disaster management should be improved as in terms of infrastructure and needed human and technical capacities for lowering risks, and as well as in terms of improving prevention, alacrity and solutions for disasters.

In the WHC there are six (6) insurance companies, from which two (2) of them are currently offering insurance policies for crops, animals and disasters. Because of low investment potential, agriculturalists do not insure their crops, which often suffer severe damage due to natural disasters caused by sudden climate changes and by illnesses.

So, there is a priority need to subsidize the insurance premium which will be anticipated by the measure – *Risks* in the strategic section of this document.



## 6.13. Food processing industry

### 6.13.1. Structural indicators

The food industry in the WHC is founded on natural resources which have been preserved in great measures in comparison to developed countries. It is a known fact that development of animal production in every country is closely related to the potentials of agricultural land (1ha=1 dairy cow or 10 sheep/goats...).

Meat processing was recognizable in the WHC up until 10 years ago (3 industrial slaughterhouses), but today there is only one active processing capacity. The milk processing industry could not keep up with international competition and the open B&H market. On the other hand, we have positive examples of small businesses concerning meat processing (meat “drying” businesses) and FFs which are becoming more and more recognizable in Herzegovina and beyond.

In the SWOT analysis development guidelines in this sector are clearly outlined – trademark products (PDO/PGI/TSG). We can count on that market segment considering the fact that the Dalmatian tourism market is closeby, from where many tourists come to Herzegovina and to the WHC and are searching for among other things, an enogastronomic (food and wine) experience. A more detailed description can be found in the document ***“The Strategy for Tourism Development in the WHC for 2019.-2026.”***<sup>13</sup>:

There is a great need for modernization of technology and technological renewal, including investments in new technologies and process control, preserving and encouraging more efficient use of raw materials, directed towards improving efficiency and decreasing influences on the environment of the food processing industry.

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<sup>13</sup> Adopted document



### 6.13.2. Processing on family farms (FF)

In the analysis of the state/condition of the WHC, and with the purpose of achieving a higher and more stable FF income, it has been noticed that there is a need for development of smaller processing capacities and getting products with more added value. One of the sub-measures is encouraging these types of operations on FFs.

### 6.14. Forestry sector

The term “*forestry sector*” in the Program for EU rural development includes *forestry, hunting and wood processing*. According to the regulation on forests, a forest is considered to be land covered with forest trees in the form of “stands” on an area larger than 0,10 ha, and the term forest land means land where forests (trees) are grown or land, which because of its natural characteristics and management conditions are intended for forest breeding.

Sustainable forest management in the WHC has a centuries-old tradition for perserving and improving protection, biodiversity and generally usefull functions of forests. The total area of forests and forest land in the WHC is 68.164 ha (Table 26.). Total timber/wood production amounts to 3.644.000 m<sup>3</sup>. Timber production per ha amounts to 188 m<sup>3</sup>/ha.

Besides the generally useful function of forests, forests are a source of firewood as well (3.267.000 m<sup>3</sup> or 56,39%). In the WHC there is approximately 28.128 ha of pastures which are potential pastures but are currently treated as “forest land”, which represents a big source and potential for the development of goat and sheep breeding.



## Social development – cross-section

In the WHC pre-school education takes place in 10 pre-schools, 1 in Grude, 3 in Ljubuški, 3 in Posušje and 3 in Široki Brijeg. There are 640 children enrolled in these pre-schools, with 285 girls and 355 boys. In the Canton there are 14 elementary schools and 53 district schools with a total of 974 classrooms. In 2018, a total of 7.859 students attended these schools. High school education in the WHC takes place in 3 high schools... In terms of vocational schools there are 27 different vocations. There are 261 teachers employed in the high schools. In the high schools there are 1.235 students, and in vocational schools 2.077 students- of different vocations.

Source: The Ministry of education, culture and sports of the WHC, May 2019.

Regarding adult education and retraining in Široki Brijeg there are adequate educational capacities, not just for the needs of the labor market in the WHC, but for the entire region of Herzegovina. Regarding the cultural scene in the WHC, it is really very rich and diverse and its roots go back far in time. In order to show this in the shortest possible terms and in a more credible way, we will display it according to municipalities.

On the cultural scene the most visited are: concerts, festivals, folklore festivals, folklore society performances, exhibitions in galleries, book presentations, Franciscan and public libraries, Franciscan museums. There are theatres in Grude, Posušje and Široki Brijeg where cultural and social events take place.

The Canton is recognizable for its sports activities. Modern sport began to develop in the late 19<sup>th</sup> century, when young people from Široki Brijeg joined the first sports society in Herzegovina "*Hrvatski sokol*" in Mostar (1896). The WHC can be proud of its exceptionally successful sports clubs and individuals who are achieving notable international success. The cantonal sports competitions which have been held every year since 1997- organized by the Ministry of education, science, culture and sports and by municipalities – help in the progress and improvement of school sports.

Source: Strategy for Development of the WHC for 2014-2020, page 10.

**Health care** in the WHC is provided through well-organized and well-equipped health centers and local first aid stations, where the system of family medicine is in function. In the Canton there are 4 private clinics, 4 health centers, 9 local infirmaries and 4 emergency centers.

**In terms of residence**, there is a series of historical circumstances that led to the formation and development of certain residence cultures. In the WHC 90% of residential buildings are of independent or individual character, and 10% are collective residential buildings which are located in the urban centers of the municipalities.

**Civil protection** (CZ ŽZH) is well-organized and functions well within the system of civil protection of the FB&H. In terms of vulnerability, the WHC is very vulnerable in the case of potential disruptions in the production and transport of (bread) cereals, as well as of fossil fuels because a commodity inventory system does not exist. The WHC is located on a seismic area and is at high risk for earthquakes.



**The safety of citizens and property in the WHC is good**, and facts show that the number of **criminal offenses** is decreasing and an average of 65% of these cases were solved in regards to the neighboring cantons where the percentage of solved cases is 45%. This trend should be kept because it acts favorably on the positive investment surrounding, which is one of the more important pre-conditions for business development.

In addition to services and architectural solutions for **persons with disabilities** in the WHC, there is no adequate accommodation for persons with disabilities and special needs, whose lives are directly dependent on accommodation in professional institutions where they would have appropriate daily health care and other forms of care. For now, the WHC co-finances four (4) institutions of this type which are not located in the WHC, but the needs could soon reach the level where this type of accommodation will be necessary to organize within the Canton itself.

The modern lifestyle and many other negative influences, such as the high rate of unemployment, distorted scales of moral values, it seems that the trend of addiction is constantly increasing, with 5 registered cases in 2005 to 19 cases in 2011. The number of gambling addicts is also increasing even though there are no statistics for these cases. Juvenile delinquency numbers are also increasing even though the education and social sectors are paying more attention to these issues by implementing various prevention programs.



## 7. SWOT analysis

### Strengths established in the program are:

- ✓ agriculture is historically important and represents the most frequent economic activity of the population in rural areas,
- ✓ healthy and nonpolluted agricultural land,
- ✓ available water resources,
- ✓ favorable pedological and climate conditions for agricultural production,
- ✓ good traffic connections (roads, vicinity of the airports in Mostar, Dubrovnik and Split (150 km),
- ✓ experience and tradition in agricultural production – private sector,
- ✓ existing infrastructure (land, machinery, buildings),
- ✓ a relatively well-constructed channel network for irrigation (municipality of Ljubuški and part of Mostarsko blato- approximately 490 km),
- ✓ almost all branches of agriculture are developed (viticulture- wine making, pomiculture, farming, cattle breeding, bee keeping),
- ✓ organic production- an increase of interest for integrated and organic production,
- ✓ will and enthusiasm to work, and acquiring new knowledge and technologies,
- ✓ technical and technological motivation of agriculturalists,
- ✓ registration of agriculturalists according to B&H regulations (FB&H),
- ✓ well-organized and well-educated bee keepers,
- ✓ agrotourism, village and rural tourism as an addition to agricultural activities and natural sources and cultural heritage of high quality, and extensive family businesses offer a strong basis for the development of rural tourism,
- ✓ high quality domestic products due to favorable natural conditions and traditional production methods: there is a real possibility for increasing the number of registered products with quality labels which are being applied for EU registration (after adopting EU legislation),
- ✓ expressed system of local self-government units and certain experience in composing local development plans for strategies based on place and local management and
- ✓ increased environmental awareness in the agricultural community: for example, significant decrease of use of mineral fertilizers supported by intensive informing campaigns.

### The weaknesses established in the program area:

- ✓ the accessibility of professional advisory services in the Canton is ensured by the establishment of an agriculture institute and municipal advisory services with a small number of advisors and an unbound accounting system for tracking facts according to the FADN system which would be used for strategic planning,
- ✓ insufficient knowledge and training of advisors considering implementation of new techniques and technologies which contribute to sustainable and efficient use of natural resources,
- ✓ limited application of research knowledge and transferring it to the agricultural sector with scarce interest of farmers/agriculturalists for development, examination, application and declaring the newest knowledge and innovations,
- ✓ unsatisfactory technical and technological equipment – inappropriate mechanization for today's needs (age) – the absence of machine rings as an element of rationalization and economy of the product,



- ✓ fragmentation of agricultural holdings and incoherence among farmers,
- ✓ small and medium enterprises are run by older aged persons,
- ✓ traditional approaches to production,
- ✓ lack of appropriate capacities for preparation of products for the market (sorting areas, packaging areas and refrigerator vehicles),
- ✓ small amount of irrigated areas,
- ✓ education and knowledge of small farmers is at a low level,
- ✓ unsatisfactory educational structure of older agricultural holdings,
- ✓ high input costs (inputs- result in negative outputs),
- ✓ unorganized and insufficiently developed market for agricultural products,
- ✓ low prices of agricultural products,
- ✓ lack of leading associations and cooperatives, and cooperative relations,
- ✓ weak cooperation with state (government) institutions,
- ✓ migration of educated persons from B&H to west European countries,
- ✓ not recognizing one's own values,
- ✓ unfavorable approach to favorable loans and lack of one's own working capital,
- ✓ individual appearances towards the system,
- ✓ bee keeping – hobby, a high income activity??
- ✓ insufficient and erratic access to the wide network in rural areas,
- ✓ Lack of access roads and other physical infrastructure in rural areas which serve as support to the rural population, and long-term negligence of physical, recreational and social infrastructure in rural areas. Limited access to services in terms of remoteness and availability, as well as effects on social inclusion,
- ✓ Consolidated trend of migration from rural areas to urban areas, especially ages from 20-35,
- ✓ A large number of small FFs can not profit from the economy and are on the edge of economic sustainability,
- ✓ Insufficient coverage of the areas with local action groups (LAG),
- ✓ Lack of information, marketing and inclusion of agricultural and forestry manufacturers in the systems of quality,
- ✓ Lack of self-sufficiency for most agri-food products and on unfavorable import-export ratio,
- ✓ Non-competitive agricultural production and low productivity in the food processing sector. The sector is characterized by low income and small yields,
- ✓ Low level of added value of agri-food products,
- ✓ Low level of investments in modernization, technology and innovation of agricultural holdings, forestry and the processing economy, taking into consideration the structure, average size of holding as well as its economic size, together with the absence of support from higher levels (FB&H and B&H),
- ✓ Insufficient level of processing wood – raw materials,
- ✓ Poor acceptance of innovation due to low levels of education and knowledge,
- ✓ Lack of general information and education in rural communities on the importance and use of sustainable management of eco-systems in agriculture and forestry and biodiversity conservation,
- ✓ Small coverage of insurance policies in the production of agricultural and wood products from damages caused by natural disasters and wildlife,
- ✓ Loss of soil and its fertility due to erosion, significantly higher than the EU average, and 23,23% of agricultural areas are at high risk of soil erosion,
- ✓ Insufficient capacity to adequately manage manure on farms,
- ✓ Agricultural holdings and food processing buildings are not fully coordinated with EU standards in terms of public health, food quality, health and wellbeing of animals, and preservation of nature,
- ✓ Degradation of landscapes and reduction of biodiversity due to abandonment of agriculture and intensification of agricultural production: approximately 54,4% of the land in the WHC is of great natural value,



- ✓ A large part of the degradation stages of forest stands, which affect 43,58% of forests and forest land and inadequate enrichment of forest eco-systems containing rare and endangered indigenous species of trees and shrubs,
- ✓ The presence of mined forests and agricultural areas: 613,6 km<sup>2</sup> are currently considered to be questionable mined areas, of which 81% is forest area and 19% is agricultural area; a small proportion of forest areas in private ownership with an international certificate for sustainable management and 60% of forests in private ownership do not have a forest management plan,
- ✓ Outdated and neglected systems for improvement of drainage,
- ✓ Underdeveloped irrigation infrastructure: only 1,10% of used agricultural land in the WHC is being irrigated, and the increase of more frequent droughts leads to unequal crop production,
- ✓ Outdated and energy inefficient facilities, techniques and technologies in agriculture and forestry, and the lack of knowledge and awareness about them, and
- ✓ Low level of use of renewable energy sources: insufficient promotion and transfer of knowledge for the use of forest biomass.

#### **Opportunities identified in the program area:**

- ✓ Open market – EU market placement opportunities (young/early potato),
- ✓ Acquiring new technologies and knowledge,
- ✓ Organic production and traditional markets with organic products,
- ✓ Using renewable energy sources,
- ✓ Irrigation and water (wealth),
- ✓ Healthy environment,
- ✓ Human resources,
- ✓ Economic resources,
- ✓ Infrastructure,
- ✓ Market niches for agri-food products (production of original products, tobacco growing – the Herzegovinian “Ravnjak” as a tourism product of great value),
- ✓ Production of plants (fruit, vegetables, flowers, medicinal herbs...),
- ✓ Connection and joint appearance on the market (associations, cooperatives, clusters),
- ✓ Establishing and organizing cooperatives and clusters in agricultural production,
- ✓ Protection of geographical origin and creating Herzegovinian brands, for example: agri-food products, tobacco and tobacco products, (young/early potato “**Ljubuški rani**”, **Herzegovinian “Ravnjak”, Herzegovinian honey, Herzegovinian prosciutto, bacon, sirloin, olive oil and others...**),
- ✓ Protection of geographical origin (PDO for example, cheese from bellows...) and traditional speciality labels (TSG),
- ✓ Access to EU funds after receiving the status of a country candidate for EU membership (usage of pre-accession funds),
- ✓ LAG- as a proven method for rural development,
- ✓ Harmonization and enforcement of regulation measures with EU regulation,
- ✓ Increased interest in high landscape areas and the cultural value of rural areas as part of the demand for rural tourism in the WHC, strongly connected with nature, local products and cultural tradition and
- ✓ Better integration of rural communities including opportunities for direct sale by small producers by ICT and access to the wide network within and out the WHC.

#### **Threats identified in the program area:**

- ✓ Great foreign competition on a totally open and unorganized market of agri-food and tobacco products in B&H,



- ✓ Lack of development of the relevant Ministry of agriculture, food and rural development on the B&H level as the bearer of the whole agriculture policy in B&H,
- ✓ On the B&H level there is no Agency for payments in agriculture B&H nor an Agency for interventions on the market for agri-food products,
- ✓ Lack of legislation on the B&H level (the Wine Regulation, Regulation for organization of the market for agri-food products, Tobacco Regulation- no rule book (4) and other...),
- ✓ Insufficient level of subsidies in agriculture and rural development (mostly in the FB&H),
- ✓ A need for adjustment in productions and product assortments according to EU market standards requests,
- ✓ Harmonization of traditional customs in production, processing and placement with norms and regulations of the EU market,
- ✓ Insufficient education of agriculturalists required by EU market,
- ✓ Unpredictability of payments and long debt collection periods for agricultural products (FF)- by retail chains,
- ✓ A clear strategy for agriculture and rural areas does not exist on the national level (an adopted Strategic plan for rural development of B&H),
- ✓ Limited land resources available to small holdings,
- ✓ Climate impact and climate changes,
- ✓ Unfavorable loan conditions for small FFs,
- ✓ There is no subsidy system through capital investments and increasing technical-technological level and capital equipment of FFs,
- ✓ Lack of quality cooperation with the advisory service,
- ✓ Insufficient control over raw materials and protective sources in agricultural production (degradation of the environment),
- ✓ The more aging population in rural areas may increase pressure on the availability of health service and the health support services, as well as the local authority units,
- ✓ The continuance of migration may lead to the decrease of rural communities and abandonment of rural settlements, with associated loss of cultural and traditional values,
- ✓ The world financial crisis and weak investment potential are deteriorated by the lack of loan access, and so obstacles for modernization are created,
- ✓ High placement costs for agri-food products in big sales chains,
- ✓ Vulnerability of rural areas to natural disasters, such as floods, droughts, wind- by which the way of life in the agricultural sector is at risk and
- ✓ Abandonment of agricultural areas with rural outflow of population, together with the changes and consequent reduction and intensity of forest eco-system management.

## 8. Needs assessment – A list of needs identified by SWOT

Name (reference) of need (N)	Proposed measure for solution
N 01. Increasing the competitiveness of the processing and marketing sector for agricultural products	<b>MEASURE 1:</b> Direct payments to agricultural producers (plant and animal production)
N 02. Increasing the level of professional competence, awareness and transfer of knowledge	”
N 03. Strengthening advisory services in agriculture and forestry	<b>MEASURE 2:</b> Advisory services, FF management and assistance services



<b>N 04.</b> Strengthening cooperation of the research system with the economy with the goal for development, implementation and spreading of innovation	“
<b>N 05.</b> Development of a quality system and greater involvement/inclusion of producers in the quality scheme	<b>MEASURE 3:</b> Quality system for agricultural and food products and introducing standards
<b>N 06.</b> Need for better information and promotion	”
<b>N 07.</b> Investing in FFs- raising the level of capital equipment	<b>MEASURE 4:</b> Investing in physical assets
<b>N 08.</b> Reconstruction, modernization and increase of competitiveness of agricultural holdings (FF) (investments along the value chain- primary production-processing-sale)	”
<b>N 09.</b> Drainage and irrigation of karst fields	”
<b>N 10.</b> Land consolidation	”
<b>N 11.</b> Increasing added value to agricultural products (processing, protection of geographical origin, standards); market research	”



N 12. Use of renewable energy sources	”
N 13. Ensuring favorable sources for financing agriculture, processing and marketing agri-food products; financing rural development in total	”
N 14. Demine forest land in the Blidinje area for development of rural tourism	<b>MEASURE 5:</b> Restoration of agricultural potential damaged by natural disasters and catastrophes, and introducing prevention activities
N 15. Introducing organic production	”
N 16. Construction and maintenance of infrastructure in rural areas	<b>MEASURE 6:</b> Support development of infrastructure and general services in rural areas
N 17. Availability of public services in rural areas- public transport, education, health care, cultural and sports activities	”
N 18. Facilitating diversification, creation and development of small enterprises as well as job creation	<b>MEASURE 7:</b> Diversification of activities in rural areas
N 19. Promotion of rural tourism and development of new tourism products in rural areas	”
N 20. Promotion of traditional original products and connection of the WHC and Dalmatian tourist destinations	”
N 21. Modernization of technologies, machinery, tools and equipment for wood and forest-growing tasks and for pre-industrial wood processing	<b>MEASURE 8:</b> Investing in development of forest areas and improving sustainability of forests
N 22. Organization of producers and positioning them better on the market	<b>MEASURE 9:</b> Establishing cooperatives, producer groups and organizations
N 23. Protecting the environment along with strengthening resistance to climate changes	<b>MEASURE 10:</b> Agriculture, environment and climate changes
N 24. Introducing organic production with processing and having products with “eco” labels	<b>MEASURE 11:</b> Organic farming
N 25. Maintaining the continuity of agricultural production in the areas with natural or specific limits for agriculture	<b>MEASURE 12:</b> Payments to areas with natural limits or other specific limits/restrictions
N 26. Establishment of short supply chains (producer-	<b>MEASURE 13:</b> Cooperation



consumer)	
<b>N 27.</b> Support for risk prevention and risk management in agriculture	<b>MEASURE 14:</b> Risks management
<b>N 28.</b> Encouraging local development in rural areas	<b>MEASURE 15:</b> LEADER (CLLD) Community Led Local Development



## 9. Link to strategic documents of lower and higher levels

### 9.1. Compliance with municipal, cantonal, FB&H and B&H strategic documents and with the EU acquis (EU legal act number)

The document “**The Strategy for Rural Development of the WHC for the period of 2020-2030**” derived from existing strategic documents on the level of local governments (municipalities) and on the level of the WHC as well. The document acknowledges and is coordinated with documents existing on higher levels as well- The Federation of B&H and B&H. This document is also coordinated with existing acquis which will be in force in the EU in the next program period.

(10) The Strategy for Agriculture and Rural Development of the Municipality of Ljubuški for the Period 2018-2022

(11) Integrated Strategy for Development of the Municipality of Ljubuški 2014-2024

(12) Multi-purpose Evaluation of Soils in the Municipality of Posušje

(13) Draft of the Strategy for Development of Široki Brijeg 2017-2026

(14) Draft of the Spatial Plan 2012-2032 for the City of Široki Brijeg

(15) The Strategy for Physical Planning of the WHC

(16) Spatial Plan of the WHC for 2012 to 2032

(17) The Strategy for Development of Tourism of the WHC 2019-2026

(18) Program for Rural Development of the Federation of B&H for 2018-2021

(19) The Strategic Plan for Rural Development of B&H (2018-2021)- General document

(20) Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing the Council Regulation (EZ) no. 1698/2005

(21) Regulation (EU) no. 1306/2013 of the European Parliament and Council from December 17, 2013 on financing, management and monitoring of the common agricultural policy and repealing the Council Regulation (EEZ) no. 352/78, (EZ) no. 165/94, (EZ) no. 2799/98, (EZ) no. 814/2000, (EZ) no. 1290/2005 and (EZ) 485/2008, UNIT II GENERAL REGULATIONS ON AGRICULTURAL FUNDS, CHAPTER I. Agricultural funds

(22) Regulation (EU) no. 1307/2013 of the European Parliament and Council from December 17, 2013 on establishing rules for direct payments to agriculturalists who are included in the support programs in terms of joint agriculture policy and on repealing the Council Regulation (EZ) no. 637/2008 and Council Regulation (EZ) no. 73/2009

(23) Regulation (EU) no. 1303/2013 of the European Parliament and Council from December 17, 2013 on determining joint regulations on European funds for regional development, European Social Fund, Cohesian Fund, European Agriculture Fund for Rural Development and the European Fund for maritime and Fishing and on determining general regulations on the European Fund for Regional Development



(24) Council Regulation (EZ) no. 834/2007 from June 28, 2007 on organic production and labelling of organic products

(25) Council Regulation (EZ) no. 889/2008 from September 5, 2008 by which regulations are determined in detail for implementation of Council Regulation (EZ) no. 834/2007 on organic production and labelling and control to the European Fund for Regional Development

**Receiving the expected status as a country candidate for EU membership gives B&H an open approach to funds for financing adjustments in the pre-accession period. Because of this, the document is coordinated with all strategic documents on the lower and higher levels and especially with EU regulations which cover rural development.**



## **10. THE VISION OF RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON**

### **Distinctive, enterprising, attractive**

The West Herzegovina Canton will be a recognizable-distinctive canton for its rural tourism, as a business region and as a region of culture.

The WHC is the second most developed canton, and will remain as the most entrepreneurial region in B&H by its business infrastructure, business initiatives, production, export and number of enterprises.

The WHC will be an attractive tourism region because people will wish to visit the Canton and its tourism locations. It will be entrepreneurial in the business sense because the business world will wish to invest its capital into the Canton.

The WHC should be a recognizable canton not only in B&H but beyond as well. There are already world-renowned brands in the canton such as Blidinje, waterfall Kravica, the tower of Duke Stjepan, the source of the Lištica river – spring Borak, and on the basis of this, the WHC will be recognizable not only in tourism but in entrepreneurship and culture.

Posušje, March 26, 2019

**Minister of economy of the WHC**

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**Dario Sesar**



## 11. STRATEGIC PART

### **Strategic goals:**

#### **Strategic goals:**

- **GOAL 1. Raising the competitiveness of agriculture and overall rural development**
- **GOAL 2. Secure sustainable management of natural resources and climate changes**
- **GOAL 3. Achieve balanced territorial development of rural areas, including creating and preservation of jobs**

### **Strategic priorities:**

- 1. To encourage transfer of knowledge in agriculture, forestry and rural areas*
- 2. To strengthen competitiveness of all types of agriculture and to increase agricultural sustainability*
- 3. To promote organization in the food chain and risk management in agriculture*
- 4. Returning, preserving and promoting eco-systems dependant on agriculture and forestry*
- 5. To promote effectiveness of resources and support, a shift towards low carbon and climate-reilient farms in agriculture, the food and forestry sector*
- 6. To promote social inclusion, decrease of poverty and economic development in rural areas.*



## 12. STRATEGIC GOALS – MEASURES - OPERATIONS

### 12.1. Strategic goal 1. Raising competitiveness of agriculture and overall development of rural areas

#### Priority goal1: Raising competitiveness of agriculture and income of FFs

<b>MEASURE 1: Direct payments to agricultural producers (plant and animal production)</b>	<b>Description of measure:</b> Currently in B&H direct payments to FFs (physical and legal entities) is based on the principle – payments per liter or kg of purchased quantities of agricultural products. For example, milk – 0,28 KM/liter for legal entities and crafts, and 0,26 KM/liter for natural persons, and freshwater fish and sea fish 1,16 KM/kg. Rest of the payments are carried out per ha or per cattle. In the pre-accession period it is possible to keep the existing model for mentioned productions along with an explanation. On the WHC level, it is also possible to introduce a model of direct payments for production with a reminder that there should not be any overlapping. In certain cases this is possible, it is not restricted by law, if the WHC evaluates this as an interest for the WHC. Also, some productions which are not recognizable on the FB&H level such as the production of industrial tomatoes – it is possible to subsidize this by direct payments according to legal solutions of the WHC. In the pre-accession period, full implementation of the payment model by area or conditional number of cattle/stock should definitely be worked on. That way producers can see the real picture of their competitive position on the market. The measure directly supports the income of FFs in rural areas of the WHC
<b>Sub-measure 1.1. Direct payments in plant and animal production</b>	<b>Description of sub-measure:</b> Direct payments in plant and animal production in the EU is based on payments per unit of production area (ha) and conditional number of cattle (UG). This payment method forces FFs to follow market trends and leaves freedom of choice in production. Of course, this refers to „shortwave“ crops (one year/annual crops), and is not applicable for long-standing plantations. This way, market distortions are avoided and diversities of prices in purchasing of agricultural products.
Operations/activities:	<b>Type of operation:</b> <i>Direct payments in plant and animal production (per ha or number of cattle); production related payments (per kg, liter); direct payment for original products which are characteristic for the WHC, which are not recognizable on the FB&amp;H level.</i>



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Coordination with EU acquis (number of legal act- EU):	<p>Regulation (EU) no. 1305<sup>14</sup>/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agricultural fund for rural development (EPFRR) and repealing the Council Regulation (EZ) no. 1698/2005</p> <p>Regulation (EU) no. 1307<sup>15</sup>/2013 of the European Parliament and Council from December 17, 2013 on determining rules for direct payment to agriculturalists in support programs within the framework of joint agriculture policy and repealing Council Regulation (EZ) no. 637/2008 and Council Regulation (EZ) no. 73/2009</p> <p><i>Article 36.- Unique payments program according to area; Article 52. Voluntary production related support<sup>16</sup></i></p> <p><i>Direct payments for original products characteristic for the WHC, which are not recognizable on the FB&amp;H level; payments for tobacco production- Herzegovinian sort: Ravnjak 108, Šeginovac, VH-32, Visoki Hercegovac and Svijetla Hercegovina SH-2. Reminder: production must be coordinated with Tobacco Regulation B&amp;H („Official Herald B&amp;H 32/10); payments for original sorts of fruit, vegetables, medicinal herbs; payments for breeding native breeds (sheep-Pramenka, cow-Buša and others)</i></p>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation with other measures:	M 02, M 03, M 04, M 09 and M 13
Success indicators;	Number of users; number of hectares sown; number of cattle for which a premium has been paid for; quantity of purchased products; amount of paid incentives (according to certain sub-measures); growth in production volume and value.

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/HR/TXT/PDF/?uri=CELEX:32013R1305&from=ES>

<sup>15</sup> <https://eur-lex.europa.eu/legal-content/HR/TXT/?uri=CELEX:32013R1307>

<sup>16</sup> Cereals, oilseeds, protein crops, leguminous vegetables in grains, flax, cannabis, rice, nuts, potatoes for starch production, milk and milk products, seeds, sheep and goat meat, beef and veal meat, olive oil, mulberry silk, dried fodder, hop, sugar beets, sugar cane and chicory, fruit and vegetables and annual crops; **Source- Regulation 1307/2013**



<p><b>Sub-measure 1.2. Support for vocational training and activities for skills acquisition</b></p>	<p><b>Description of sub-measure:</b> Training for agriculturalists for certain vocations (for example, winemaker, florist and cheese maker...) is a practice and condition in order to receive any type of support from programs and EU funds. So, agriculturalists should undergo a 120 hour education (theoretical and practical work) after which they receive a vocational certificate. It is a practice that that type of vocation/occupation is recognized as a completed school education and is listed/marked in the agriculturalist's employment documents. Special emphasis was put on vocations training of young agriculturalists and for them acquiring necessary skills.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Vocational training for multiple compliance, package of measures for agriculture, environment and climate change, organic production; vocational training for agriculturalists and young agriculturalists; workshops for entities involved in short supply chains and production groups and organizations; other- according to stated needs in the field.</i></p>
<p>Coordination with EU acquis (number of legal act EU):</p>	<p>Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) AND REPEALING Council Regulation (EZ) no. 1689/2005.</p> <p><i>Article 14. – Transfer of knowledge and information activities; Article 15. – Advisory services, services for management of agricultural holdings and help/aid for agricultural holdings</i></p>
<p>Users:</p>	<p>Natural and legal entities registered into the RAH/CR</p>
<p>Way of Use:</p>	<p>Rules and regulations of the Ministry of the Economy WHC</p>
<p>Relation with other measures:</p>	<p>M 02, M 03, M 04, M 09 and M 13</p>
<p>Success indicators:</p>	<p>Number of users; number of hectares sown; number of cattle for which a premium has been paid for; quantity of purchased products; amount of paid incentives (according to certain sub-measures); growth in production volume and value.</p>
<p>Other notes:</p>	



<b>Sub-measure 1.3. Support for demonstration and information activities</b>	<b>Description of sub-measure:</b> Support from this measure covers vocational training and activities pertaining to acquiring skills, demonstration activities and information activities. Vocational training and activities pertaining to acquiring skills can include courses, workshops and lessons. Support can also cover short exchanges of experience in management of agricultural holdings and forests, as well as visits to agricultural holdings and forests.
Operations/activities:	<b>Type of operation:</b> <i>Demonstration activities;</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing of Council Regulation (EZ) no. 1698/2005  <i>Article 14. – Transfer of knowledge and information activities; Article 15.- Advisory services, services for mangement of agricultural holdings and assisstance for agricultural holdings</i>
Users:	Advosory service: private and public institutions registered for mentioned activities, training providers and other activities pertaining to transfer of knowledge or information.
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation with other measures:	M 02, M 03,M 04, M 09 and M 13
Success indicators;	Number of users; number of hectres sown; number of cattle for which a premium has been paid for; quantity of purchased products; amount of paid incentives (according to certain sub-measures); growth in production volume and value.
Other notes:	



<b>MEASURE 2: Advisory services, services for FF management and assistance</b>	<b>Description of measure:</b> The existing situation concerning advisory services in B&H is as follows: The Srpska Republic has an Agency for advisory services in agriculture and rural development. In the Federation of B&H there are parts of advisory services in cantons without clear goals and priorities and implementation measures. The FMAWHF is responsible for drafting the regulation and legal framework, enforcer and supervisor. The WHC has a clear concept and a good base in the Institute for agriculture WHC, but the concept should be strengthened in terms of staff, materials and should approach the training program of a trainer in accordance with assistance programs TAIEX.
<b>Sub-measure 2.1. Support for offering consulting/advisory services</b>	<b>Description of sub-measure:</b> Providing advisory services at this level of GDP per capita in B&H and the existing level of agricultural development is possible only by public agricultural advisory services. Support is provided to a body or individual chosen for the foundation of the service for agricultural holding management, assistance to agricultural holding or consulting services for agricultural holdings or forestry. Consulting for certain agriculturalists, young agriculturalists as defined in Regulation 1307/2013 and other land managers is related with at least one EU priority for rural development and includes at least one of these elements: obligations on the level of agricultural holdings which result from issued management conditions and/or standards for good conditions in agriculture and conditions for the protection of the environment from unit VI. Chapter I. of the Regulation no. <b>1306<sup>17</sup>/2013</b> if necessary, agricultural practice useful to the climate and environment, as determined in unit III. Chapter 3. of the (EU) Regulation no. <b>1307/2013</b> and maintaining agricultural area from article 4. Paragraph 1. of the Regulation (EU) no. 1307/2013 measures on the level of agricultural holdings provided in the programs for rural development for modernization of agricultural holdings, developing competitiveness, sector integration, innovations, market orientation and encouraging entrepreneurship – requirements as defined by member states for implementation of article 11. paragraph 3. General directives on waters; requirements as defined by member states for implementation of article 11. paragraph 3.- General directives on waters; if it is relevant, standards for work safety or safety standards related to agricultural holdings; special consulting for agriculturalists who are for the first time establishing an agricultural holding.  Consulting can also refer to other issues, especially to information referring to adjustment to climate changes and reducing them, bio-diversity and protection of waters as determined in annex I. (EU) Regulation no. 1307/2013 or issues related to economic results and environmental efficiency of agricultural holding, including aspects of competitiveness. That may include consulting on development of short supply chains, organic production and health aspects of stock production. Consulting to forest owners minimally includes valid current obligations from the framework of Directives 92/43/EEZ, 2009/147/EZ and the Gernerl directives on waters. Consulting may also include other issues regarding economic results and environmental efficiency of forestry holdings. If it is duly justified and appropriate, consulting can

<sup>17</sup> <https://eur-lex.europa.eu/legal-content/HR/TXT/?uri=CELEX%3A32013R1306>



	be held, in part, in groups, taking into consideration individual users of the consulting service.
Operations/activities:	<b>Type of operation:</b> <i>Consulting on moderation and increase in competitiveness of agricultural holdings (increasing productivity and economy of agricultural production, production of processed products with higher added value); Consulting of forest owners; Consulting of young agriculturalists.</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agricultural fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005.  <i>Article 15. – Consulting services, services for management of agricultural holdings and assistance to agricultural holdings</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M 01, M 03, M 04, M 09 and M 13
Success indicators;	Number of users; growth in production volume and value.
Other notes:	

<b>Sub-measure 2.2. Support for providing consulting services</b>	<b>Description of sub-measure:</b> The WHC must ensure that advisors who work in the consulting/advisory system for agriculturalists be appropriately qualified and regularly trained. It is necessary to ensure that consulting be separated from control. In that sense, the chosen and nominated bodies and individuals do not reveal to others personal or individual information and facts which they find out during their consulting activities, except to the user who manages the certain FF, with the exception of any irregularity or violation which is revealed during their activity, for which there is an obligation, determined in EU law and in national law, to report to public bodies, especially in case of a criminal offense. The training of a trainer is a system which ensures constant education of consultants/advisors and contributes to the total competitiveness of agriculture (innovations are first adopted by counselors and then are transferred to agricultural holdings- FF).
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THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Operations/activities:	<b>Type of operation:</b> <i>Consulting on modernization and increase in the competitiveness of agricultural holdings (increasing productivity and economy of agricultural production, production of precessed products with higher added value...); Consulting forest owners; Consulting young agriculturalists (farmers)</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agricultural fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005.  <i>Article 15.- Consulting services, services for management of agricultural holdings and assistance for agricultural holdings.</i>  Regulation (EU) no. 1306/2013 of the European Parliament and Council from December 17, 2013 on financing, management and monitoring of common agriculture policy and repealing Council Regulation (EEZ) no. 352/78, (EZ) no. 165/94, (EZ) no. 2799/98, (EZ) no. 814/2000, (EZ) no. 1290/2005 and (EZ) 785/2008.  Article 13. Special requirements relating to the agriculturalists consulting system
Users:	Consultants/Advisors
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M 01, M 03, M 04, M 09 and M 13
Success indicators;	Number of measure users; number of holdings covered per advisor; other

<b>MEASURE 3: Quality</b>	<b>Description of measure:</b> Quality systems and total standardization of production are poorly developed in B&H, and in
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<p><b>systems for agricultural and food products and introducing standards</b></p>	<p>the WHC as well. Market participants are more and more requesting that FFs introduce production standards such as: good agricultural practice, GLOBAL G.A.P<sup>18</sup>, GRASP<sup>19</sup>, GMP standards<sup>20</sup>, standards of integral production, that is, integrated pest management IPM<sup>21</sup>, HACCP<sup>22</sup> standard, that is, control of potential biological, chemical and physical dangers by which raw materials are exposed to, semi-finished products and finished food products during their production and distribution. The so-called „voluntary“ standards which facilitate the export of products to certain parts of the world such as HALAL and KOSHER also should not be ignored. The purpose in the next 10 year period is to encourage producers to introduce and adopt one or more mentioned standards, in order to improve their productivity and quality standards in whole. The introduction of standards is a market request which requires certain financial investments, and in the beginning phase and at this level of development FFs cannot do this by themselves. The introduction of standards with gradual introduction of products with labels of geographical origin increases the added value of those products and positively effects the increase of income of FFs.</p>
<p><b>Sub-measure 3.1. Support for new participation of FFs in quality systems</b></p> <p><b>Sub-measure 3.2. Support for information activities and promotion which are provided by groups of producers in the internal market</b></p>	<p><b>Description of sub-measure:</b> The support relates to including FFs into the process of adoption and application of standards into their own production. The role of advisers is essential in this sub-measure.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Support for participation of agriculturalists in the quality systems for agriculture and food products (market standards (GLOBALGAP, GRASP, GMP), quality systems such as HACCP, integral production, organic production, and labels of geographical origin (PGI), protected labels of origin (PDO), guaranteed traditional specialty (TSG) and other quality schemes) and support for information activities and promotion.</i></p>

<sup>18</sup> Good Agricultural Practice (GAP)

<sup>19</sup> Risk evaluation in social practice

<sup>20</sup> Good Manufacturing Practice -

<sup>21</sup> Integrated pest management (IPM –

<sup>22</sup> Hazard Analysis and Critical Control Point – system for food safety which is based on the analysis and control of potential biological/microbiological, chemical and physical dangers to which raw materials are exposed to, possible handling dangers, production, distribution and consumption of the final product.



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Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agricultural fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 16. Quality programs for agricultural products and food</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M 01, M 02, M 04, M 09 and M 13
Success indicators;	Number of holdings included; Number of products with labels PDO/PGI/TSG
Other notes:	



<p><b>MEASURE 4: Investments in physical assets</b></p>	<p><b>Description of measure:</b> This measure covers support for material and/or intangible investments which improve the total results and sustainability of agricultural holdings and cover processing, placement on the market and/or development of agricultural products from Annex I (Regulation on Agriculture FB&amp;H, „Official Newspapers of FB&amp;H; no. 88/07“). These investments also include development of infrastructure related to development, modernization or adjustment of agriculture and forestry, including approach to agricultural holdings and forest land, consolidation and improvement of land, energy and water supply and their conservation; either the investments are not productive, which refer to agriculture, the environment and climate, including protection of bio-diversity species and habitats and strengthening the values of public space or other systems of high natural values which should be specifically defined. Support for restructuring agricultural holdings in the WHC area is being directed in accordance with stated and identified needs in the SWOT analysis. This method is closely related to the EU priority for rural development which refers to „strengthening profitability of agricultural holdings and competitiveness of all types of agriculture in all regions and promotion of innovative agricultural technologies and sustainable forest management“. Support can be awarded to young agriculturalists who are for the first time establishing an agricultural holding – as the manager of the holding in terms of investments intended for coordination with EU standards which are being applied to agricultural production, including work safety.</p>
<p><b>Sub-measure 4.1. Support for investments in family agricultural holdings and agricultural holdings (FF)</b></p>	<p><b>Description of sub-measure:</b> Increasing competitiveness of existing FFs in the WHC is one of three strategic goals by investing in increasing the level of capital equipment of FFs and by enlarging the properties- it is then possible to compete on the domestic and later on foreign markets. Investments in FFs refer to investments along the value chain (primary production, processing, marketing) in order to receive products with added value which will enable an appropriate income of FFs.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Restructuring, modernization and increasing competitiveness of agricultural holdings (investments along the value chain – primary production – processing – sale). Investments in plant, animal and fish production in accordance with the definition of an agricultural product („Regulation on Agriculture FB&amp;H“, number: 88/07 and 07/13). Support for investments in infrastructure and storage equipment, processing and marketing of agri-food products. Support for general types of investments of common use for the whole rural area (irrigation/drainage of karst fields and flood protection). The handling and use of manure with the goal of lowering the adverse impact on the environment. The use of renewable energy sources from bio-mass and agricultural and forest waste. Support for investments in physical property for the production of original and traditional products with protected labels in accordance with the EU regulation. Promotion of agri-food trade and export including presence/participation in international fairs and exhibitions.</i></p>



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Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 17.-Investments in physical property; Article 19. Development of agricultural holdings and business</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M 01, M 02, M 03, M 11
Success indicators;	Number of included FFs – measure users, Increase of sales and increase of export as a result of investment (in %); Increase of employment as a result of investment; number of constructed/reconstructed facilities (by type); number of acquired/purchased equipment (by type); areas of new orchards, vineyards and olive gardens (by type); the extent of renewable energy production; other measurable indicators.
Other notes:	

<b>Sub-measure 4.2.: Support for investments in processing, marketing and/or development of agricultural products</b>	<b>Description of sub-measure:</b> Investments in FFs refer to investments in processing and marketing of agricultural products in order to get a product with added value which will enable FFs to have an appropriate income. The sub-measure includes market research (domestic and foreign) and the use of renewable energy sources.
Operations/activities:	<b>Type of operation:</b> <i>Increasing added value of agricultural products (processing, protection of geographical origin, standards), market research; use of renewable energy sources (bio-mass, forest wastes and other).</i>
Coordination with municipal, cantonal, FB&H and B&H strategic documents and with EU acquis (no. Of EU legal act):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005.  <i>Article 17. – Investment in physical property; Article 20. – Basic services and village renewal in rural areas</i>



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Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M01 – Transfer of knowledge and information activities (article 14.) M03 – Quality programs for agricultural products and food (article 16.) M04 – Investments in physical property (article 17.) M09 – Establishment of producer groups and organizations (article 27.) M13 - Cooperation (article 35.)
Success indicators;	Number of included FFs – measure users, Increase of sales and increase of export as a result of investment (in %); Increase of employment as a result of investment; number of constructed/reconstructed facilities (by type); number of acquired/purchased equipment (by type); areas of new orchards, vineyards and olive gardens (by type); the extent of renewable energy production; other measurable indicators.
Other notes:	Measure included in the Action Plan 2020.-2022.



<b>Sub-measure 4.3.: General investments in the production structure</b>	<b>Description of sub-measure:</b> Increasing the competitiveness of existing FFs in the WHC is possible by investing in the general production structure. This way all users have certain benefits. For these types of investments, FFs themselves are not financially equipped and leaves one possibility of investment through the support system. For these types of projects there are international financing sources.
Operations/activities:	<b>Type of operation:</b> <i>Investments in general infrastructure of public irrigation and drainage; Agricultural land management; Investments in forest infrastructure.</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005.  <i>Article 17. – Investments in physical property; Article 20. – Basic services and village renewal in rural areas; Article 21. – Investments in development of forest areas and improving profitability of forests; Articles 22.- 26. – Afforestation and creating forest areas; Article 46. – Investments for irrigation</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M01 – Transfer of knowledge and information activities (article 14.)  M03 – Quality programs for agricultural products and food (article 16.)  M04 – Investments in physical property (article 17.)  M09 – Establishment of producer groups and organizations (article 27.)  M13 - Cooperation (article 35.)
Success indicators;	The number of FFs included – measure users; number of land managed in ha; Increase of sale and increase of export as result of investments (in %); Increase of employment as result of investment; Increase in the number of ha covered by irrigation systems; Construction of forest roads; Other measurable indicators



Other notes:	Measure included in the Action Plan 2020.-2022.
<b>Sub-measure 4.4. Support for non-production investments related to achieving agro-environmental and climate goals</b>	<b>Description of sub-measure:</b> Environmental protection is a priority in further enhancing competitiveness of FFs. The goal of this sub-measure is to preserve and promote necessary changes in agricultural practice which positively contribute to the environment and climate. Including it into the program of rural development is necessary on the national and/or regional level. Payments related to agriculture, the environment and climate changes are awarded to agriculturalists, groups of agriculturalists or other land managers who voluntarily carry out activities which include one or more obligations related to agriculture, the environment and climate changes on agricultural land. If the environmental goals are justified and achieved, payments relating to agriculture, the environment and climate changes, may be granted to other land managers or to groups of other land managers.
Operations/activities:	<b>Type of operation:</b> <i>Non-production investments related to environmental protection.</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 28. - Agriculture, environment, climate conditions</i>  Regulation (EU) no. 1307/2013 of the European Parliament and Council from December 17, 2013 on determining regulation for direct payments to agriculturalists in the support program within the framework of common agriculture policy and repealing Council Regulation (EZ) no. 637/2008 and Council Regulation (EZ) no. 73/2009, Chapter 3.  <i>Article 43.- Payments for agriculture practice useful for the climate and the environment.</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M01 – Transfer of knowledge and information activities (article 14.)  M04 – Investments in physical property (article 17.)  M09 – Establishment of producer groups and organizations (article 27.)



	M10 – Agriculture, environment and climate change (article 28.). M13 - Cooperation (article 35.)
Success indicators;	Number of FFs included – measue users; Increase in production (number of ha); Other measurable indicators
Other notes:	

<b>Sub-measure 4.5. Support for establishing a scheme for financing agriculture, rural development and tourism in the WHC</b>	<b>Description of sub-measure:</b> The general rule is that without investments there is no economic growth and no increase in total competitiveness of agriculture and rural areas. For that purpose the sub-measure scheme for financing agriculture, rural development and tourism in the WHC has been designed. Within the existing regulation it is possible to organize a special account from where funds would be withdrawn for this scheme. It refers to loans and proven schemes which function successfully in the EU and in the Republic of Croatia in Istra and the Karlovačka Canton. Improving the market position and increasing the value of FFs, crafts, small and medium enterprises in rural areas is possible if there are inexpensive funds with low interest rates available and grace periods which are adjusted to production processes and technologies of farming. For example, it is possible to credit for raising vineyards, orchards and olive gardens for a 10 year period – at first from 3 years and with an interest rate of 1,5%. Investments in modernization and enlargemnt of production capacity in agricultural production and processing. Goal of sub-measure – promotion of new investments which will increase production in FFs, introducing new technologies, technical solutions, new sorts and breeds in production.
Operations/activities:	<b>Type of operation:</b> Establishing a „Scheme for financing agriculture, rural development and tourism in the WHC“ (funds from municipalities, cities, and the West Herzegovina Canton; funds from donations and from pre-accession funds after receiving the country-candidate status; GOAL: Financing activities in rural areas under favorable conditions.
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 17. – Investments in physical property</i>  Regulation (EU) no. 1306/2013 of the European Parliament and Council from December 17, 2013 on financing, management and supervision of the common agriculture policy and repealing Council Regulation (EEZ) no. 352/78, (EZ) no. 165/94, (EZ) no. 2799/98, (EZ) no. 814/2000, (EZ) no. 1290/2005 and (EZ) no. 485/2008, UNIT II. GENERAL



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	PROVISIONS ON AGRICULTURE FUNDS, CHAPTER I. Agriculture funds <i>Article 3.- Funds for financing agricultural expenses, (b) European agriculture fund for rural development (EPFRR).</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation to other measures:	M03 – Quality programs for agricultural products and food (article 16.) M04 – Investments in physical property (article 17.)
Success indicators;	Number of FFs included – sub-measure users; Number of FFs which are included in the loan scheme; new introduced technologies, Increase of capital equipment of sub-measure users, other measurable indicators
Other notes:	Sub-measure is included in the Action Plan 2020.-2022.



## 12.2. Strategic goal 2. Ensure sustainable management of natural resources and climate changes

### Priority 1: Sustainable management of natural resources (agricultural land, forests, water..)

<p><b>MEASURE 5: Restoration of agricultural production potential damages caused by natural disasters and catastrophes and introducing appropriate prevention activities</b></p>	<p><b>Description of measure:</b> In the marginal areas of the WHC there is forest land which have not yet been demined. For successful revitalization and „The WHC without mines“, it is necessary to implement demining measures regarding forest land. It is necessary to implement the measure with professional demining units – if possible – with support from higher levels of government. Also, the goal of this measure is to implement reclamation of existing agricultural areas which are mostly under concession. Namely, it is about approximately 1.200 ha already reclaimed areas for the needs of planting immortelle. Those kinds of areas are only partially suitable for planting long-standing plantations. All mentioned areas are reclaimed at different depths –some areas at 20 cm and some at 60 to 80 cm. It is necessary to re-shred some of the mentioned areas with heavy machinery at depths that are suitable for planting long-standing plantations.</p>
<p><b>Sub-measure 5.1. Restoration of agricultural land and production potential</b></p>	<p><b>Description of sub-measure:</b> Restoration of agricultural land and its production potential. Restoration of production areas by fees for reclamation of karst fields – we then have potential production areas for long-standing plantations.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Demining of agricultural land and forest land (the Blidinje area); Creating new production areas by reclamation of karst;</i></p>
<p>Coordination with EU acquis (number of legal act EU):</p>	<p>Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005</p> <p><i>Article 17. – Investments in physical property; Article 18. – Restoration of agricultural production potential damaged by natural disasters and catastrophes by introducing appropriate prevention activities</i></p>
<p>Users:</p>	<p>Natural and legal entities registered into the RAH/CR</p>
<p>Way of use:</p>	<p>Rules and regulations of the Ministry of the Economy WHC</p>
<p>Relation to other measurers:</p>	<p>M10 – Agriculture, environment and climate changes (article 28.).</p>



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Success indicators;	Number of users; Total area of new reclaimed karst areas; number of FFs which fulfill conditions for this type of support; Amount of paid support in KM
Other notes:	

<b>Sub-measure 5.2. Support for organic production and lowering risks and reducing results of climate change</b>	<b>Description of sub-measure:</b> The WHC is an area with original sorts and breeds of domestic animals which are an important part of the historical, cultural and economic inheritance of the rural areas. Each EU member state supports measures for protecting the natural basis of natural genetic resources and are part of every plan for rural development. The sub-measure will promote introducing policies, programs and practical initiatives in order to ensure implementation of good agricultural and ecological practices; protection and sustainable use of agricultural land; and wider protection of bio-diversity and of the rural landscape. The sub-measure will include monitoring the use of agricultural land; monitoring the level of potential pollution and erosion; monitoring the possible losses of agricultural land because of it becoming construction land; and monitoring public and private lawns and meadows and their sustainable use and protection. The WHC is exposed to negative influences of the more and more noticeable climate changes. We suppose that the climate changes from year to year will become even more noticeable, and so it is necessary to foresee for a 10 year period a plan with sub-measures for reducing negative consequences of climate change on agricultural production and so directly on the income of FFs. These changes have already had significant consequences on yields of certain products. In these kinds of circumstances the risks for the income of agricultural holdings are gradually increasing, and as well as for quality of life and for socio-economic status of rural households. Because of this, sub-measures will be created and implemented which will help agriculturalists in solving the impacts of climate change in accordance with the best EU experiences and practices.
Operations/activities:	<b>Type of operation:</b> Monitoring of agricultural land in the WHC (monitoring fertility, heavy metal pollution, pesticides, PCB and PAH, erosion, conversion of agricultural land into construction land, etc.); Program for development and protection of areas with natural limitations (areas in unfavorable positions- altitude); Support for maintaining original breeds of domestic animals (cow- Buša, sheep- Pramenda and others); Support for transition to organic production and Support for aimed programs for reducing effects of climate change on agricultural production and innovation actions (for example, investments in renewable energy sources in agricultural holdings- solar energy, energy from organic waste).
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005



	<i>Article 17. – Investments in physical property; Article 29. – Organic production</i>
Users:	Natural and legal entities registered into the RAH/CR
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation with other measures:	M03 – Quality programs for agricultural products and food (article 16.) M04 – Investments in physical property (article 17.)
Success indicators;	Number of users and number of FFs who fulfill conditions for this type of support; number of ha under organic production; number of types and number of original breeds; number, type and area of planted original sorts for which support is provided; amount of support paid in KM
Other notes:	

<p><b>MEASURE 6: Support for development of infrastructure and general services in rural areas</b></p>	<p><b>Description of measure:</b> The general trend of moving from rural areas, not only in B&amp;H but in neighboring countries and in the EU as well, and the more greater pressure on urban areas, is conditioned greatly by differences in availability of general services which are necessary for staying and for survival in rural areas. Considering that the WHC is marked as a rural area (with the exceptance of municipality/city/canton centers) it is necessary to introduce measures for balancing and decreasing the differences in the availability of certain public services for the population in the rural areas. The consequence of undeveloped physical rural infrastructure and limited availability of certain public services in the rural areas in the WHC directly affects on the imbalanced economic, rural, social and territorial development. The measure means investing in the physical infrastructure necessary for the total development of rural areas. The measure is focused on the balanced rural – territorial development and improving living and work conditions of the rural population and improving their overall connectivity and approach. Support will be provided in the form of grants for investments in physical infrastructure in rural areas (for example, road infrastructure, electric supply, water supply, canalization, radio, TV, Internet) and improving the availability of services which are necessary to the rural population. The measure is common for all countries which are part of the transition process- where the development of rural areas is a dominant priority because of the population living in the rural areas, the big part of the territory which is rural, and the low levels of developed infrastructure and public services in rural- in regards to urban areas.</p>
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<b>Sub-measure 6.1. Support for improving the development of public infrastructure in rural areas and preventing emigration</b>	<b>Description of sub-measure:</b> Improving general living conditions in rural areas in order to prevent emigration.
Operations/activities:	<b>Type of operation:</b> <i>Construction of water supply infrastructure (drinking water from the water supply system for all households in the rural areas); Asphalt roads for all settled areas (construction, maintenance); construction and maintenance of non-classified roads in fields and forest areas; promotion of development of smart villages in rural areas along with improvement of local infrastructure; Internet and cable TV, radio signal for all households in rural areas; Electric supply- suitable for household consumption and for public lighting of settlements and development of small and medium enterprises; Water supply- for the wider range of settlements in the WHC; Construction of a canalization network; Organized waste transport; other</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 17. – Investments in physical property ; Article 20. – Basic services and village restoration in rural areas</i>
Users:	Local communities, associations and local action groups (LAG)
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation with other measures:	M 04;
Success indicators;	Increase % of the rural population (households) to whom certain services are available; the number of constructed, reconstructed and maintained facilities of rural infrastructure; the number of held sports, cultural and other manifestations in rural areas; the value of invested funds KM; the number of population in rural areas, migration balance; number of approved projects for establishing public services.
Other notes :	



<p><b>Sub-measure 6.2. Support for availability/access of public services in rural areas (public transport, education, health care and social protection systems, cultural and sports activities)</b></p>	<p><b>Description of sub-measure:</b> Public services must be improved and become similar to services in urban areas. This means, Internet access, public transport, health care services. Special attention must be made to education of pupils in rural areas. The support means monetary expenditures/payments for classes that have less than 15 students per class (124 students). In 17 settled places in the WHC there are classes of this type. Support will be provided in the form of 200,00 KM per year. The commitment of the WHC government – is survival/existence of classes that have less than 15 students in the mentioned settled areas. The sub-measure contains all other activities for taking care of vulnerable groups (the elders- pensioners). Support refers to organization of cultural, sports manifestations in rural areas.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Support for supplementary education for students in rural areas (music school, sports practice, dance...); free textbooks in elementary schools; free public transport for students in rural areas – to and from municipal centers; free meal in elementary schools originating from FFs in the WHC (for all students)- short chain programs, free Internet access in all schools in rural areas; support for organization of sports, cultural manifestations in rural areas; support for creating activities/contents for pensioners in rural areas (support for construction of nursing homes in rural areas along with ensuring primary health care).</i></p>
<p>Coordination with EU acquis (number of legal act EU):</p>	<p>Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005</p> <p><i>Article 17. – Investments in physical property ; Article 20. – Basic services and village restoration in rural areas</i></p>
<p>Users:</p>	<p>Local communities, associations and local action groups (LAG)</p>
<p>Way of use:</p>	<p>Rules and regulations of the Ministry of the Economy WHC</p>
<p>Relation with other measures:</p>	<p>M01, M 02, M03 i M 04, M 09 and M 13</p>
<p>Success indicators;</p>	<p>Increase % of rural population (households) to whom the mentioned services will be available; the number of students included in this measure; the number of established short supply chains; the number of sports, cultural and other manifestations held in rural areas; the value of invested funds KM; the number of population in rural areas, migration balance; the number of approved projects for establishing public services.</p>



### 12.3. Strategic goal 3: Achieve balanced territorial development in rural areas, including creating and preserving jobs (employment)

Priority goal: Balanced, sustainable and planned development of rural tourism

<p><b>MEASURE 7: Diversification of activities in rural areas</b></p>	<p><b>Description of measure:</b> The goal of this measure is to create pre-conditions for development of new business activities in rural areas. So, besides primary agricultural production it is necessary to work on creating FFs with higher yearly incomes so that assumptions can be made for them to be included within the tax system. After that, FFs are potentially ready for diversification of activities, that is, for introducing a system for processing agricultural products and so having products with higher added value. The first activity after that is creating pre-conditions for the development of agro-tourism in rural areas. Also, it is necessary to stimulate all aspects of tourism in rural areas. Further, the development and diversification of non-agricultural activities and creation and development of non-agricultural SMEs<sup>23</sup>- in rural areas should be stimulated. This measure should also stimulate women in business in rural areas, as well as development of small agricultural holdings which are potentially economically cost-effective. Cost-effectiveness of the new activities which receive support from the framework of this measure, will be presented with an economic plan. Support for starting a craft business and SMEs in the rural areas of the WHC for the purpose of preserving original and traditional products on the B&amp;H market. It is especially important connecting with Dalmatia- as a neighboring region in the EU considering the increasing tourism market and the increasing demand for these products.</p>
<p><b>Sub-measure 7.1. Promotion of economic development in rural areas in the outermost regions</b></p>	<p><b>Description of sub-measure:</b> The goal of the sub-measure is the establishment of FFs in the tax system who produce processed products and so improving income and becoming participants in the market. Support for establishing crafts, small and medium enterprises in rural areas where jobs and existence of the population in the rural areas will be secured.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Support for establishing FFs in the tax system; support for establishing crafts, small and medium enterprises in rural areas; Lowering municipality and Canton allocations for 50-75% (depending on the distance from municipality centers, the number of population and other factors); Introducing special support for establishing and maintaining crafts, small and medium enterprises in less favorable areas<sup>24</sup></i></p>

<sup>23</sup> SME – small and medium enterprises

<sup>24</sup>Engl. - Less Favoured Area (LFA) – LFA payments are granted yearly per ha of used agricultural areas. The level of payment may vary from at least 25€/ha or at the most 200€/ha.. According to articles of the Council Regulation (EZ) 1257/1999 which are still in force, an area may be classified as less favorable according to one of three categories. Each category is characterized by a specific group of handicaps, in common for certain areas of agricultural land throughout Europe, and which endanger the continued use of agricultural land.

✓ According to article 18., **mountain areas** are characterized as less favorable or handicapped because of their high altitudes or because of their steep slopes at lower altitudes or a combination of these two areas. Areas north of the 62nd parallel are limited as mountains are.



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Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 17.</i> – Investments in physical property ; <i>Article 20.</i> – Basic services and village restoration in rural areas
Users:	Local communities, associations and local action groups (LAG)
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation with other measures:	M01, M 02, M03 i M 04, M 09 and M 13
Success indicators;	Number of applications submitted and approved; the number of agricultural holdings with diversified sources of income; the number of support users; the number of users who recieved support for development of micro and small enterprises;

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- According to article 19...“medium“ areas with special needs are those areas where there is a danger of abandonment of use of agricultural land and where it is necessary to preserve the landscape. They show/have all of the following difficulties:
- Land of low productivity;
  - Production resulting from low productivity of the natural environment;
  - Low number or less and less population which mainly depends on agricultural activities.
- According to article 20, areas affected by special disabilities in areas in which cultivation should be continued in order to maintain:
- a. Preserve or improve the environment;
  - b. Preserve the landscape;
  - c. Preserve potential tourism areas;
  - d. Protect the coast.



<p><b>Sub-measure 7.2. Promotion of rural tourism and development of new tourism products in rural areas</b></p>	<p><b>Description of sub-measure:</b>Development of rural tourism means all aspects of tourism in rural areas, while „village“ tourism is a narrower term – meaning tourism activities in village/rural spaces/areas. The narrowest type of rural tourism is agro-tourism which develops on FFs and is a logical extension of diversification of activities in rural areas.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Support for development of tourism in rural areas (agro-tourism, „village“ tourism); Support for development of new tourism products (in accordance to the document – The Strategy for Development of Rural Tourism of the WHC for the Period of 2019,-2026,) and other types of support related to tourism in rural areas.</i></p>
<p>Coordination with EU acquis (number of legal act EU):</p>	<p>Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005</p> <p><i>Article 17. – Investments in physical property</i></p>
<p>Users:</p>	<p>Local communities, associations and local action groups (LAG)</p>
<p>Way of use:</p>	<p>Rules and regulations of the Ministry of the Economy WHC</p>
<p>Realtion with other measures:</p>	<p>M01, M 02, M03 and M 04,M 13</p>
<p>Success indicators;</p>	<p>Increase of % of FFs who developed tourism contents; Number of beds and other tourism contents in rural areas; the number of built, reconstructed and maintained tourism buildings in rural areas; value of invested funds KM;</p>
<p>Otehr notes:</p>	



<p><b>Sub-measure 7.3. Promotion of traditional and original products and connecting the WHC with tourist destinations of Dalmatia</b></p>	<p><b>Description of sub-measure:</b> Promotional activities directed towards improving the market position of producers of original and traditional products is one of the common ways of increasing income in rural areas. The EU considers that support by acquiring protection labels (PDO/PGI/TSG) in accordance with EU regulation – is a tool for the total development of rural areas. Promotion and support for promotion of original and traditional products by organization of fairs, promotional material contribute to increase of income in rural areas. The WHC is particularly sensitive to issues of original products because some products are practically at the point of extinction and it is necessary to revitalize them.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Support for preserving original and traditional products in rural areas; Support for obtaining protection labels (PDO/PGI/TSG) in accordance with EU regulation; support for promotion of original and traditional products; Support for organization of manifestations „Festival of original and traditional products of Herzegovina“; Support to producers of original and traditional products in organized appearances on the domestic and foreign markets; Support for market research concerning original and traditional products; Support for associations of original and traditional products; Support for brand development and trademarks; Support for connecting producers of original and traditional products with the tourism markets of Dalmatia and other types of support</i></p>
<p>Coordination with EU acquis (number of legal act EU):</p>	<p>Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005</p> <p><i>Article 17. – Investments in physical property ; Article 20. – Basic services and village restoration in rural areas</i></p>
<p>Users:</p>	<p>FFs, crafts, SME, associations and local action groups (LAG)</p>
<p>Way of use:</p>	<p>Rules and regulations of the Ministry of the Economy WHC</p>
<p>Realtion with other measures:</p>	<p>M01, M 02, M03 i M 04, M 09 and M 13</p>
<p>Success indicators;</p>	<p>The number of FFs, crafts and SMEs; associations included in the sub-measure; number of supported original, traditional productions in the WHC area; number of manifestations held in rural areas; the value of invested funds KM; the number of approved projects for support and preservation of original and traditional products.</p>
<p>Other notes:</p>	



<p><b>MEASURE 8: Investments in the development of forest areas and improving sustainability of forests</b></p>	<p><b>Description of measure:</b> The goal of the measure is creating pre-conditions for the development of forest areas and improving sustainability of forests. The further goal of the measure is investing in equipment (machines, tools and wood cutting devices, attracting, exporting and wood extracting), equipment for production of forest biomass, for forest – nurturing works/procedures, storage and drying of wood.</p>
<p><b>Sub-measure 8.1. Support for investments for improving resistance and environmental value of forest eco-systems and investments in forest technologies- processing, mobilization and marketing of forest products</b></p>	<p><b>Description of sub-measure:</b>New forest technologies for sustainable use of forest resources as well as investments in wood processing systems and receiving a product with added value. The goal of the measure is the production of final products made of wood (furniture and similar). Considering development of rural tourism investments in forest paths (walking trails) are necessary, construction of viewpoints (lookout points) in suitable places along with other supporting infrastructure.</p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> <i>Conversion of degraded forest components and forest cultures; establishment and arrangement of educational trails, viewpoints (lookouts) and other small infrastructure; modernization of technology, machines, tools and equipment for wood extraction and for forest-raising jobs; modernization of technology, machines, tools and equipment for pre-industrial wood processing; marketing of wood and non-wood forest assortments.</i></p>
<p>Coordination with EU acquis (number of legal act EU):</p>	<p>Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005</p> <p><i>Article 17. –Investments in physical assets; Article 22. –Afforestation and creating forest areas, Article 21.- Investing in development of forest areas and improving profitability of forests; Article 23. – Establishing agriculture- forest systems; Article 24. – Prevention and elimination of damage in forests due to fire, natural disasters and catastrophes; Article 25. – Investing in strengthening resilience and environmental value of forest eco-systems; Article 26. – Investing in forest technology and processing, in mobilizing and marketing of forest products.</i></p>
<p>Users:</p>	<p>Forest owners; associations of forest owners; crafts, micro, small and medium enterprises registered according to national regulations</p>
<p>Way of use:</p>	<p>Rules and regulations of the Ministry of the Economy WHC</p>



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Realtion with other measures:	M01, M 02, M03 and M 04
Success indicators;	The number of hectres of forest land included in the measure; the amount of support for the measure (KM)
Other notes:	

<b>MEASURE 9: Establishment of cooperatives, production groups and organizations</b>	<b>Description of measure:</b> Small estates, fragmented agriculture areas generate small ranges of production which are very often non-comprtitive with imported products from countries of the EU. FFs are not market players and alone cannot seriously be placed on the market. On the other hand, the increase of the number of retail chains which dictate sales conditions and prices put small FFs into a more difficut position. These kinds of conditions certainly give FFs the need to associate, at first into associations and later into cooperatives. EU countries (Italy, Germany, Spain, France...) have a long tradition of cooperatives. Experts evaluate that 80% of income of agriculture in Italy is realized through cooperatives. Negative consequences of collectivization in the ex-country can still be felt today in the WHC area (in 2014. a positive shift was noted – an agriculture cooperative was created – „Plodovi zemlje“ (The Fruits of the Earth) in Ljubuški).
<b>Sub-measure 9.1. Establishing cooperatives, production groups and organizations</b>	<b>Description of sub-measure:</b> The sub-measure has the goal to stimulate the establishment of cooperatives and maintaining them in the first few years of their work. Producers already understand the market situation and are strengthening the market position.
Operations/activities:	<b>Type of operation:</b> <i>Establishing all types of cooperatives for the purpose of improving the market position of producers in rural areas; financing management of cooperatives- maximum of 3 persons-(directer, sales manager, commercialist); length of operation- 3 years. The assembly of the cooperative approves and chooses management. Every business year, the assembly analizes the results and accepts the work report and accepts the work plan for the next (upcoming) year. The assembly dismisses management; establishment of production groups and organizations; lowering profit tax for cooperatives (cantonal income<sup>25</sup>); introduction of special support for establishing and maintaining cooperatives in less favourable areas.</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parlament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005

<sup>25</sup> Amount of profit tax 10%. Suggestion to decrease 50-75% depending on the above mentiond factors. In the existing conditions and legal solutions, cooperatives are exposed to double taxing.



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	<i>Article 27. – Establishing producer groups and organizations</i>
Users:	FFs; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Realtion with other measures:	M01, M 02, M03 and M 04, M 11 and M13
Success indicators;	The number of newly founded cooperatives and number of FFs covered/included
Other notes:	

<b>MEASURE 10: Agriculture, environment and climate change</b>	<b>Description of measure:</b> The impact of agriculture on environmental pollution is relatively high (experts estimate approximately 25% CO <sub>2</sub> - developed agricultural countries of the EU). This measure, in the past few years, is becoming more and more important. Considering the fact that this means a 10 year planning period, this measure is included in this document.
<b>Sub-measure 10.1. Payments of obligations related to agriculture, environment and climate change</b>	<b>Description of sub-measure:</b> This sub-measure has the goal to introduce payments that are closely related to environmental measures and climate change. The mentioned operations describe this sub-measure in more detail.
Operations/activities:	<b>Type of operation:</b> <i>Tillage and sowing in a field with a slope for arable annual crops; grassing of permanent crops; preservation of lawns of high natural value; pilot measure in line with EU regulations; maintaing extensive orchards; maintaining extensive olive groves; preserving endangered original and protected domestic animal breeds; maintaining drywalls; use of pheromone, visual and nutritional traps; pest confusion method in perennial plantations; improved maintainance of inter-row space in perennial plantations; mechanical weed control within rows of perennial plantations.</i>



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Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 28. – Agriculture, environment and climate conditions</i>
Users:	FFs; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Realtion with other measures:	M01, M 02, M03 and M 04
Success indicators;	Number of FFs included in the measure for environmental protection; amounts of paid support for FFs – in the system of environmental protection
Other notes:	Realization of measure: condition – the status of B&H as a country candidate. After which pre-accession funds will be available from which it would be possible to finance the measure. The current financial possibilities of the WHC do not allow the financing of this measure.

<b>MEASURE 11: Organic farming</b>	<p><b>Description of measure:</b> Great potential for organic farming in B&amp;H exists. Raising consumer awareness and increase concern about health results in increased demand for organically grown products. Of course, by increasing consumer powers of the population (31,39% B&amp;H in regards to EU-28) the demand for these products will increase. In the next 10 year period we expect an increase of areas under organic production.</p> <p><b>Goal of this measure:</b> Promotion of practice of organic farming which are useful for the environment – from the standpoint of air, soil, water and biodiversity, by which negative effects of conventional agriculture has on the environment are decreased. Operations within the measure, with the goal of preserving the quality of water, air and soil, and increasing soil fertility, contribute to the health of people and animals by production of safe, chemically non-treated food. That is sustainable agricultural production, which is in harmony with nature and the laws of nature, and so contributes to preserving biodiversity. In a broader context, it contributes to the development of specific rural areas, perserving cultural heritage and the typical Herzegovinian landscape.</p>
<b>Sub-measure 11.1. Payments for transition and maintaining the practice</b>	<p><b>Description of sub-measure:</b> The sub-measure has the goal to introduce payments that are closely related to organic production. The sub-measure supports the transition from conventional to organic production (time of conversion – a minimum of 2 years). Considering the fact that organic products have higher production costs/prices, and accordingly</p>



<b>and methods of organic farming;</b>	sales prices- it is necessary to compensate the differences between conventional and organic production. The mandatory period of transition to organic production lasts for two years for arable land and three years for perennial plantations, with the possibility of shortening the transition period in accordance with the Commission Regulation (EZ) no. 889/2008 <sup>26</sup> from September 5, 2008 on detailed rules for implementation of Council Regulation (EZ) no. 834/2007 <sup>27</sup> on organic production and labeling organic products in terms of organic production, labeling and professional control.
Operations/activities:	<b>Type of operation:</b> <i>Payments for transition to organic production (2 years and 3 years for perennial plantations); Maintaining organic production (compensation payments per head of livestock or ha).</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  Article - 29. Regulation (EU) no. 1305/2013  Council Regulation (EZ) no. 834/2007 from June 28, 2007 on organic production and labeling of organic products;  Council Regulation (EZ) no. 889/2008 from September 5, 2008 by which detailed rules are determined for implementation of the Council Regulation (EZ) no. 834/2007 on organic production and the labeling of organic products in terms of organic production, labeling and control
Users:	FFs; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Relation with other measures:	M01- , M02- , M04-
Success indicators;	Number of ha under organic production; number of educated agriculturalists/farmers; realized support for organic production
Other notes:	The realization of this measure is possible after B&H receives the status of a country candidate. After that, pre-accession funds will be available by which it will be possible to finance this measure. The current financial possibilities of the WHC

<sup>26</sup> <https://eur-lex.europa.eu/legal-content/HR/TXT/?uri=CELEX%3A32007R0834>

<sup>27</sup> <https://eur-lex.europa.eu/legal-content/HR/TXT/?uri=CELEX%3A32008R0889>



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	do not allow the financing of this measure.
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<p><b>MEASURE 12: Payments to areas with natural limitations and other special limitations</b></p>	<p><b>Description of measure:</b> Special limitations in production are in the mountain areas, areas with natural limitations. The EU prescribes exactly which areas they consider to be areas with natural limitations (less favourable areas) for agriculture production and they have great significance in preserving rural areas and for preventing emigration.</p>
<p><b>Sub-measure 12.1. Payments for mountain areas-MA, areas with significant natural limitations- SNL and areas with special limitations- ASL</b></p>	<p><b>Description of sub-measure:</b> <i>The sub-measure has the goal to introduce payments that are closely related with natural limitations. (LFA)- Less Favoured Area- LFA payments are granted yearly per ha of used agricultural areas. The level of payments may vary from at least 25€/ha and at the most 200€/ha. According to articles of the Council Regulation (EZ) no. 1257/1999<sup>28</sup> which is still in force, an area can be classified as less favoured according to one of three categories. Each category characterizes a specific group of limitations, common for certain areas of agricultural land throughout Europe, but which threaten the continuance of use of agricultural land:</i></p> <p><i><b>According to article 18., mountain areas</b> are characterized as areas which, because of their high altitudes or because of steep slopes at lower altitudes or a combination of both are limited. Areas north of the 62nd parallel are also limited as mountain areas.</i></p> <p><i><b>According to article 19., „medium“ areas</b> with special needs are those areas where there is a threat of abandoning the use of agricultural land and where it is necessary to preserve the landscape. The following difficulties are shown: land of low productivity; production resulting from the low productivity of the natural environment; and the low number or less and less number of population which mainly depend on agricultural activities.</i></p> <p><i><b>According to article 20,</b> areas affected with special limitations are areas where production should be continued in order to preserve or improve the environment; preserve the landscape</i></p>
<p>Operations/activities:</p>	<p><b>Type of operation:</b> In accordance with EU Directives. After partly adopting EU regulation (acquis communitarie)</p>

<sup>28</sup> <https://publications.europa.eu/en/publication-detail/-/publication/990b1cfd-85a1-4e74-b725-43dbe839f4dd/language-hr>



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Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  Article 31. – Payments related to areas with natural limitations or other special limitations  Article32. - Determining areas with natural limitations and other special limitations
Users:	FFs; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Realtion with other measures:	M 04 – Investments in physical assets, sub-measure
Success indicators;	Number of ha included in areas with natural limitations; number of covered/included FFs; value of paid support
Other notes:	The realization of this measure is possible after B&H receives the status of a country candidate. After that, pre-accession funds will be available by which it will be possible to finance this measure. The current financial possibilities of the WHC do not allow the financing of this measure.

<b>MEASURE 13: Cooperation</b>	<b>Description of measure:</b> The increase of income of FFs is possible by establishing short supply chains (FF-consumer without a mediator. The common practice in the EU is that products from farms are used in public institutions (pre-schools, schools, nursing homes, hospitals and similar). This way final consumption is directly connected to producers. FFs receive subvention for delivered products, and consumers receive products at acceptable prices from local producers. Considering the fact that wholesale and retail is excluded, producers this way increase the level of their income. Limited communication between agriculturalists/farmers, research and food sector results in a lack of awareness on the development and use of innovations. Joint cooperation of economic operators and institutions, geographicacally concentrated (loacally or regionally) a better exchange of information will be achieved, knowledge and goods because of production or processing of common products in agriculture, and in the food and food processing industry sector. Added value of this measure is that it will encourage farmers to work together, corresponding to few key challenges and needs of the rural economy, considering the size of agricultural holdings, dependance on mediators in the agriculture and food and food processing sector, low tendency for cooperation and high costs for introducing innovations for individual holdings. Knowledge and approach to innovations, including innovative processes, is very low in the agriculture and food
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	processing sector.
<b>Sub-measure 13.1. Support for horizontal and vertical cooperation of participants in the supply chain in order to establish and develop short supply chains and local markets</b>	<b>Description of sub-measure:</b> The sub-measure has the goal to connect producers and final consumers.
Operations/activities:	<b>Type of operation:</b> <i>Short supply chains and local markets (consumption of local products for subsidized student meals, consumption in nursing homes, etc.). After partly adopting the EU legislation (acquis communitarie).</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 35. - Cooperation</i>
Users:	FFs; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Realtion with other measures:	M 01, M 02, M03, M04
Success indicators;	Established short supply chains for public institutions in the WHC; amounts of subventions for holdings included in the short supply chains
Other notes:	The realization of this measure is possible after B&H receives the status of a country candidate. After that, pre-accession funds will be available by which it will be possible to finance this measure. The current financial possibilities of the WHC do not allow the financing of this measure.

<b>MEASURE 14. Risk</b>	<b>Description of measure:</b> Considering the fact that agriculture is „a factory under the open sky“, every year there is a high risk for destruction/damage of production (weather disasters- hail, floods, droughts...). Farmers are not able to carry this
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<b>management</b>	high of a risk and to pay insurance premiums. This measure has the goal to subsidize insurance policies according to the potentials/possibilities of the WHC budget.
<b>Sub-measure 14.1. Insurance premiums for crops, animals and plants</b>	<b>Description of sub-measure:</b> The sub-measure has the goal to lower the risk of production and so ensure adequate income for farmers. Subventions of insurance policies.
Operations/activities:	<b>Type of operation:</b> In accordance with EU Directives- crop, animal and plant insurance (from production losses caused by unfavourable climate conditions, animal and plant diseases, parasite infestation, environmental incidents and measure adopted in accordance with the Directive 2000/29/EZ). <i>After partly adopting the EU legislation (acquis communitarie).</i>
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1305/2013 of the European Parliament and Council from December 17, 2013 on support for rural development from the European agriculture fund for rural development (EPFRR) and repealing Council Regulation (EZ) no. 1698/2005  <i>Article 36. – Risk management; Article 37. – Crop, animal and plant insurance</i>
Users:	FFs; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Realtion with other measures:	M 01, M04
Success indicators;	Number of ha included in the insurance system; amount of grants for subsidizing insurance policies
Other notes:	The realization of this measure is possible after B&H receives the status of a country candidate. After that, pre-accession funds will be available by which it will be possible to finance this measure. The current financial possibilities of the WHC do not allow the financing of this measure.

<b><u>MEASURE 15. LEADER (CLLD) (eng. Community Led Local Development -</u></b>	<b>Description of measure:</b> Local communities recognize the needs of the population in rural areas the best. This approach- „ <b>bottom up</b> “ is shown to be successful in the current practice of EU countries. Development of the community under local leadership is applicable in transition countries such as B&H and definitely in the WHC.
<b>Sub-measure 15.1.</b>	<b>Description of sub-measure:</b> The foundation of local action groups (LAGs) is a sub-measure which best ensures the



<b>Preparatory assistance</b>	development of the community.
Operations/activities: Implementation of operations within the CLLD strategy: preparation and implementation of activities concerning cooperation of LAGs, current expenses and animations	<b>Type of operation;</b> In accordance with EU Directives: After partly adopting EU legislation (acquis communitarie)
Coordination with EU acquis (number of legal act EU):	Regulation (EU) no. 1303 <sup>29</sup> /2013 of the European Parliament and Council from December 17, 2013 on determining common regulations of the European fund for regional development, European social fund, Cohesion fund, European agricultural fund for rural development and the European Maritime and Fisheries Fund and on determining the general regulations on the European fund for regional development, European social fund, Cohesion fund and the European Maritime and Fisheries Fund.  Article 35. – Regulations (EU) no. 1303/2013 of the European Parliament and Council.  Articles 42. - 44. Regulations (EU) no. 1305/2013 of the European Parliament and Council.  Delegated Commission Regulation (EU) no. 807/2014.  Implementation Commission Regulation (EU) no. 808/2014.
Users:	Local authority units; associations, cooperatives, crafts, micro, small and medium enterprises
Way of use:	Rules and regulations of the Ministry of the Economy WHC
Realtion with other measures:	
Success indicators;	Number of projects resulting from local community activities

<sup>29</sup> <https://eur-lex.europa.eu/legal-content/hr/TXT/?uri=celex%3A32013R1303>



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Other notes:	The realization of this measure is possible after B&H receives the status of a country candidate. After that, pre-accession funds will be available by which it will be possible to finance this measure. The current financial possibilities of the WHC do not allow the financing of this measure.
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### 13. Indicative action plan

Measure mark	MEASURE	Sub-measure	YEAR											
			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<b>M 01</b>	MEASURE 1: Direct payments to agricultural producers (plant and animal production)	Sub-measure 1.1. Direct payments in plant and animal production												
		Sub-measure 1.2. Support for vocational training and activities for skills acquisition												
		Sub-measure 1.3. Support for demonstration and information activities												
<b>M 02</b>	MEASURE 2: Consulting services, services for FF management and assistance	Sub-measure 2.1. Support for offering consulting/advisory services												
		Sub-measure 2.2. Support for providing consulting services												
<b>M 03</b>	MEASURE 3: Quality systems for agricultural and food products and introducing standards	Sub-measure 3.1. Support for new participation of FFs in quality systems												
		Sub-measure 3.2. Support for information activities and promotion which are provided by groups of producers in the internal market												



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<b>M 04</b>	<u>MEASURE 4: Investments in physical assets</u>	Sub-measure 4.1. Support for investments in family agricultural holdings and on agricultural holdings																			
		Sub-measure 4.2.: Support for investments in processing, marketing and/or development of agricultural products																			
		Sub-measure 4.3.: General investments in the production structure																			
		Sub-measure 4.4. Support for non-production investments related to achieving agro-environmental and climate goals																			
		Sub-measure 4.5. Support for establishing a scheme for financing agriculture, rural development and tourism in the WHC																			
<b>M 05</b>	<u>MEASURE 5: Restoration of agricultural production potential damaged by natural disasters and catastrophes and introducing appropriate prevention activities</u>	Sub-measure 5.1. Restoration of agricultural land and production potential																			
		Sub-measure 5.2. Support for organic production and lowering risks and reducing results of climate change																			





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		farming												
<b>M 12</b>	MEASURE 12: Payments to areas with natural limitations and other special limitations	Sub-measure 12.1. Payments for mountain areas-MA, areas with significant natural limitations-ASNL and areas with special limitations-ASL												
<b>M 13</b>	MEASURE 13: Cooperation	Sub-measure 13.1. Support for horizontal and vertical cooperation of participants in the supply chain in order to establish and develop short supply chains and local markets												
<b>M 14</b>	MEASURE 14. Risk management	Sub-measure 14.1. Insurance premiums for crops, animals and plants												
<b>M 15</b>	<u>MEASURE 15. LEADER (CLLD)</u> (eng. Community Led Local Development)	Sub-measure 15.1. Preparatory assistance												

Detailed action plans will be elaborated yearly.

\* measures marked in orange – are included in the 3-year action plan 2020.-2022.

\*\* measures marked in white – financing possible after B&H receives the status of a country candidate

**Reminder; The measure will be implemented in accordance with multi-annual financial framework and possibility of the WHC budget.**



## 14. Financial plan – multi-annual financial framework (MAFF)

Multi-annual financial framework (MAFF)				
	WHC budget		Transfers -rural development(KM)	
Year	Planned (KM)	Realized (KM)	Chain index	Base index( 2019.= 100)
2019.	3.420.000,00	3.420.000,00	1,00	1,00
2020.	4.064.535,00	4.064.535,00	1,19	1,19
2021.	4.520.000,00	4.520.000,00	1,11	1,32
2022.	4.185.000,00	4.185.000,00	0,93	1,22
2023.	4.268.700,00	4.268.700,00	1,02	1,25
2024.	4.354.074,00	4.354.074,00	1,02	1,27
2025.	4.441.155,48	4.441.155,48	1,02	1,30
2026.	4.529.978,59	4.529.978,59	1,02	1,32
2027.	4.620.578,16	4.620.578,16	1,02	1,35
2028.	4.712.989,72	4.712.989,72	1,02	1,38
2029.	4.807.249,52	4.807.249,52	1,02	1,41
2030.	4.903.394,51	4.903.394,51	1,02	1,43

In accordance with the possibilities of the WHC budget, a multi-annual financial framework (MAFF) was planned. Current allocations are at the level of 3.420.000,00KM (4,02% from 84.994.142,00-WHC budget for 2019.). It is common that these kinds of strategic documents plan 3,00 to 6,00% of the budget. However, in reality that amount is never reached. For example, the FB&H budget for 2019. (2.653.843.356,00KM- allocations for agriculture and rural development are 68.700.000,00KM or 2,59%). The goal within the program period by 2030 is to reach the level of 5,77% of the WHC budget for investments for rural



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development. The planned growth at the annual level is 2,00%.



## 15. Three year action plan 2020.-2022.

MARK	Strategy for rural development of the WHC 2020.-2030.	Carrier	Sector	Planned funds				Realized 2018. and 2019.		SOURCES (KM)	
				2020	2021	2022	2020-2022	ME + MSPCEP			
								2018.	2019.		
PG 1.	<i>Priority goal 1: Increasing the competitiveness of the agricultural processing and marketing sector and income of FF</i>									Economic code	Ministry
M 01	Direct payments to agricultural producers (plant and animal production)	ME	Agriculture	700.000,00	700.000,00	700.000,00	2.100.000,00	1.000.000,00	1.200.000,00	614400	ME
SM 1.1.	Direct payments in plant and animal production	"	Agriculture	680.000,00	680.000,00	680.000,00	2.040.000,00				
SM 1.2.	Support for vocational training and activities for skills acquisition	"	Agriculture	20.000,00	20.000,00	20.000,00	60.000,00				
SM 1.3.	Support for demonstration and information activities	"									
M 02	Consulting services, services for FF management and assistance	ME	Agriculture	50.000,00	50.000,00	50.000,00	150.000,00				



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SM 2.1.	Sub-measure 2.1. Support for offering consulting services										
M 03	Quality systems for agricultural and food products and introducing standards	ME	Agriculture	0,00	0,00	0,00	0,00				
SM 3.1.	Support for new participation of FFs in quality systems	"									
SM 3.2.	Support for information activities and promotion which are provided by groups of producers in the internal market	"									
M 04	Investments in physical assets	ME	Agriculture	1.200.000,00	1.600.000,00	1.750.000,00	4.550.000,00	850.000,00	1.100.000,00		
SM 4.1.	Support for investments in family agricultural holdings and in agricultural holdings	"	Agriculture	60.000,00	60.000,00	60.000,00	180.000,00			614400	ME
SM 4.2.	Support for investments in processing, marketing and/or development of agricultural products	"	Agriculture	100.000,00	200.000,00	300.000,00	600.000,00			614400	ME
SM 4.3.	General investments in the production structure	"	Agriculture	850.000,00	1.100.000,00	1.100.000,00	3.050.000,00	850.000	1.100.000	614100	ME



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SM 4.4.	Support for non-production investments related to achieving agro-environmental and climate goals	"	Agriculture	40.000,00	40.000,00	40.000,00	120.000,00			614400	ME
SM 4.5.	Support for establishing a scheme for financing agriculture, rural development and tourism in the WHC	WHC government	Agriculture	150.000,00	200.000,00	250.000,00	600.000,00			614400	ME
SG 2.	<i>Strategic goal 2. Ensure sustainable management of natural resources and of climate change</i>	ME + MSPCEP									
PG 2.	<i>Sustainable management of natural resources (agricultural land, forests, water..)</i>	ME + MSPCEP									
M 05	Restoration of agricultural production potential damaged by natural disasters and catastrophes and introducing appropriate prevention activities	ME	Agriculture	0,00	0,00	0,00	0,00				
SM 5.1.	Restoration of agricultural land and production potential	ME + MSPCEP	Agriculture				0,00				



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SM 5.2.	Support for organic production and lowering risks and reducing results of climate change	MG	Agriculture				0,00				
SG 3.	<i>Establish a balanced territorial development of rural areas, including creating and preserving jobs</i>	ME + MSPCEP									
PG 3.	<i>Priority goal 3: Balanced, sustainable and planned development of rural areas</i>	ME + MSPCEP									
M 06	Support for development of infrastructure and general services in rural areas	ME + MSPCEP		560.000,00	560.000,00	560.000,00	1.680.000,00	560.000,00	560.000,00	722400	
SM 6.1.	Support for improving the development of public infrastructure in rural areas and preventing emigration	ME + MSPCEP + MECP+LC					0,00				
SM 6.2.	Support for availability of public services in rural areas (public transport, education, health care and social protection systems, cultural and sports activities)	ME + MSPCEP + MECP+LC					0,00				
PG 4	<i>Improving the quality of life in rural areas by creating new sources of income and by improving physical infrastructure, social inclusion and availability of public services</i>										



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M 07	Diversification of activities in rural areas	ME + MSPCEP	ME + MSPCEP	200.000,00	250.000,00	300.000,00	750.000,00	200.000	250.000	614400	ME
SM 7.1.	Promotion of economic development in rural areas in the outermost regions	ME + MSPCEP	Agriculture				0,00				
SM 7.2.	Promotion of rural tourism and development of new tourism products in rural areas	ME + MSPCEP	Tourism				0,00				
SM 7.3.	Promotion of traditional and original products and connecting the WHC with tourist destinations of Dalmatia	ME	Agriculture				0,00				
PG5	<i>Returning, preserving and promoting eco-systems dependant on agriculture and forestry</i>										
M 08	Investments in the development of forest areas and improving sustainability of forests	ME + MSPCEP	Agriculture	560.000,00	560.000,00	0,00	1.120.000,00	560.000	560.000,00	722400	WHC government
SM 8.1.	Support for investments for improving resistance and environmental value of forest eco-systems and investments in forest technologies-processing, mobilization and marketing of forest products		Agriculture				0,00	560.000	560.000		



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PG 6	<i>Promoting social inclusion, decreasing poverty and economic development in rural areas</i>										
M 09	Establishment of cooperatives, production groups and organizations	ME	Agriculture	0,00	0,00	0,00	0,00				
SM 9.1.	Establishing cooperatives, production groups and organizations		Agriculture				0,00				
M 10	Agriculture, environment and climate change	ME + MSPCEP	Environment	794.535,00	800.000,00	800.000,00	2.394.535,00	794.535	800.000	614300	MSPCEP
SM 10.1.	Payments of obligations related to agriculture, environment and climate change		"				0,00				
M 11	Organic farming	ME	Agriculture	0,00	0,00	25.000,00	25.000,00			614400	ME
SM 11.1.	Payments for transition and maintaining the practice and methods of organic farming		Agriculture				0,00				
M 12	Payments to areas with natural limitations and other special limitations	ME + MSPCEP	Agriculture	0,00	0,00	0,00	0,00				
SM 12.1.	Payments for mountain areas-MA, areas with significant natural limitations-SNL and areas with special limitations-SL		Agriculture				0,00				



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M 13	Cooperation	ME	Agriculture	0,00	0,00	0,00	0,00				
SM 13.1.	Support for horizontal and vertical cooperation of participants in the supply chain in order to establish and develop short supply chains and local markets		Agriculture				0,00				
M 14	Risk management	MF + ME	Agriculture	0,00	0,00	0,00	0,00				
SM 14.1.	Insurance premiums for crops, animals and plants		Agriculture				0,00				
M 15	LEADER (CLLD) (eng. Community Led Local Development)	WHC government	Agriculture	0,00	0,00	0,00	0,00				
SM 15.1.	Preparatory assistance		Agriculture				0,00				
	TOTAL:			4.064.535,00	4.520.000,00	4.185.000,00	12.769.535,00	3.964.535,00	4.470.000,00		
	Planned growth of allocations for rural development			1,000	1,112	1,030	1,02	do 2030			



## 16. EVALUATION PLAN

### Goals and purpose

The goals and purpose of evaluating the Strategy for Rural Development of the WHC are conducted for the purpose of undertaking certain activities which are necessary for management. For that purpose yearly plans are made on the implementation of the Strategy. In order to insure sufficient and adequate evaluation activities, and appropriate funds for support of implementation of those activities – an Evaluation Plan has been developed<sup>30</sup> (further in the text EP). EP for evaluation of the Strategy for Rural Development of the WHC for the period 2020-2030, whose goals are as follows:

- ✓ *Insure implementation of the EP with the goal for receiving adequate information necessary for management of the Strategy,*
- ✓ *Include relevant experts from the administration of the WHC government, as well as external associates;*
- ✓ *Make annual reports of the EP and submit the reports to relevant ministry of the WHC government;*
- ✓ *Ex post evaluation is an important tool for management of implementation of the whole document.*

In order to achieve the mentioned goals, regular activities are carried out based on the principles: transparency, timeliness. The goal is to determine whether the annual activities during the realization of the Strategy have achieved/accomplished the goals and priorities that were set.

### Management and harmonization

The monitoring and evaluation system of the Strategy consists of those bodies, mechanisms and activities included in the monitoring and evaluation of its implementation.

The bodies included in the monitoring and evaluation system are:

- ✓ **Governing body,**
- ✓ **Monitoring committee – work group for evaluation of the Strategy 2020-2030,**
- ✓ **The Ministry of the Economy of the WHC,**
- ✓ **Associations,**

The Minister of the Economy appoints members of the mentioned bodies.

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<sup>30</sup> According to article 56. and 114. of the Regulation (EU) no.1303/2013,



### **Governing body**

The governing body is responsible for the functioning and management of the monitoring and evaluation system and for quality, timeliness and transferring results of evaluation activities.

In terms of monitoring, the Governing body makes the Annual reports on implementation. It is responsible for monitoring the quality of implementation of the program by using defined indicators and insures timely availability of all information and necessary documents for monitoring the progress of the program to the Monitoring Board.

The Governing body is responsible for making and implementing the Evaluation Plan and must insure – minimally the following legal obligations:

- ✓ **That during the program period the contribution to the goals of each priority be evaluated at least once**
- ✓ **That the ex-ante and ex-post evaluations be on time and in coordination with the monitoring and evaluation system**
- ✓ **That the European Commission be informed about each evaluation by annual reports on implementation**
- ✓ **That the evaluation results be published**

On the basis of article 35. of the Regulation (EU) no. 1305/2013, the Governing Body must send the first annual report by June 30, 2021. The report sent in 2021. should include the 2020. calendar year. Furthermore, by June 30th every current year annual reports should be sent for the previous year. The Governing Body is responsible for the establishment and coordination of tasks of the Work Group for evaluation of the Strategy – since it presides over the work group.

### **The Monitoring Board**

The role of the Monitoring Board is to monitor the efficiency and quality of the implementation of the Strategy, and to review the progress of using the funds from the WHC budget according to the goals set in the Strategy. Among other tasks, the Monitoring Board analyzes the activities and results of implementation of the Evaluation Plan and can give recommendations to the Governing Body related to the implementation and evaluation of the Strategy, and then, monitor the actions taken as the result of evaluation recommendations.

### **The Work Group for the evaluation of the Strategy 2020-2030**

Institutional capacities for implementing the Evaluation Plan will be insured by the work of the Work Group for evaluation of this Strategy. The Work Group for evaluation PRR will be established within three (3) months after the adoption of the Strategy by the WHC assembly:

Tasks of the Work Group for evaluation will be:

- ✓ ***Support for managing the monitoring and evaluation processes;***
- ✓ ***Determine adequate and targeted evaluation activities in accordance with the needs of the program;***



- ✓ *Establishment of an informal multi-annual evaluation plan through the development of a planning form;*
- ✓ *Development of an informal annual evaluation plan for each year in accordance with the above mentioned;*
- ✓ *Regularly monitor timeliness and progress of evaluation activities in accordance with the annual plan;*
- ✓ *Preparation of description of evaluation activities;*
- ✓ *Offering assistance to the evaluator in collecting information and doing evaluation activities;*
- ✓ *Monitoring the quality of information and progress of the action plan for collecting information;*
- ✓ *Support for controlling the quality of all evaluation activities;*
- ✓ *Assistance in monitoring activities undertaken according to recommendations of the evaluator;*
- ✓ *Analization of the drafts of evaluation reports;*
- ✓ *Assistance in spreading evaluation results.*

**The Governing Body presides over the Work Group for evaluation of the Strategy.**

### **Independent evaluators**

All evaluation activities will be conducted by external experts which are functionally independent of the Governing Body and the Ministry of the Economy WHC.

### **Output indicators**

Relevant output indicators are monitored in the database of operations and are shown in Tables. The tables show cumulative values of the output indicators of operations in relation to planned values of output indicators provided for in the Indicator Plan.

All key information for each operation chosen for financing, as well as final operations, will be evidenced in the electronic database of operations. Based on collected information, the monitoring tables will be made on a monthly basis. Using information from the reports and from the tables as well, the Governing Body will make annual reports on the implementation of the Strategy.

### **Communication**

Evaluation results must be available to the public. Activities will be developed in cooperation with the responsible Departments for marketing, the Governing Body and in accordance with the whole communication concept of the Strategy. The spreading of evaluation results will indicatively be done in two (2) ways:

**Within the Ministry of the Economy WHC** – workers and decision makers of the Governing Body, especially related to the implementation of recommendations of the evaluation and for the



whole implementation of the Strategy 2020-2030. Internal availability of monitoring results and evaluation will be insured in order to improve efficient implementation of the program.

External experts, contracted to conduct the evaluation, in addition to preparing the evaluation report, will be obliged to present the evaluation results through workshops to the Governing Body. This way of spreading information is crucial for maximizing the results of monitoring and evaluation activities and ultimately improves program efficiency.

**External dissemination/spreading of information** – has the goal to inform the public. In accordance with the transparency principle, the evaluation reports will be published on the Ministry of the Economy WHC web site. Besides making whole reports, evaluators will be obliged to hand in a summary of reports with clearly shown evaluation results, which will be available to the public as well. These summaries will be presented in that way that implementation of the program can be clearly presented, and which monitoring activities and evaluation are being planned. If necessary, other appropriate tools will be used, press releases etc.



## 17. ATTACHMENTS

Table 1. Population, number of settled areas, population density

Municipality	No. of settled areas	Area of municipality in km <sup>2</sup>	Population (mid-year assessment)	Population density	Urban centers (population)	Percentage (%)
Grude	13	220,8	16.947	76,8	3055	18,03%
Ljubuški	35	292,7	27.505	94,0	4198	15,26%
Posušje	20	461,1	20.324	44,1	4000	19,68%
Široki Brijeg	34	387,6	28.920	74,6	11.700	40,46%
<b>THE WEST HERZEGOVINA CANTON</b>	<b>102</b>	<b>1.362,2</b>	<b>93.696</b>	<b>68,8</b>	<b>22953</b>	<b>24,50%</b>

Source of information: The Federal Institute for development programming

Table 2: Assessment of the total number of current population according to age, sex and cantons, 30.06.2016.

	Sex	Total:	0-14	15-64	65+
	<b>Total</b>	<b>2.206.231</b>	<b>408.724</b>	<b>1.556.536</b>	<b>240.971</b>
	Male	1.082.238	209.711	774.076	98.451
<b>THE WEST HERZEGOVINA CANTON</b>		<b>93.989</b>	<b>18.821</b>	<b>62.662</b>	<b>12.506</b>
		<b>100%</b>	<b>20%</b>	<b>67%</b>	<b>13%</b>

Source of information: The Federal Institute for development programming



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Table 3: The national structure of the population in the WHC 1991.

Municipality	Total	Bosniaks	Croats	Serbs	Yugoslavians	Other
Grude	16.358	4	16.210	9	5	130
Ljubuški	28.340	1.592	26.127	65	227	329
Posušje	17.134	6	16.963	9	26	130
Široki Brijeg	27.160	9	26.864	148	20	119
<b>THE WEST HERZEGOVINA CANTON</b>	<b>88.992</b>	<b>1.611</b>	<b>86.164</b>	<b>231</b>	<b>278</b>	<b>708</b>
	<b>100,00%</b>	<b>1,81%</b>	<b>96,82%</b>	<b>0,26%</b>	<b>0,31%</b>	<b>0,80%</b>

Source of information: The Federal Institute for development programming

Table 4: The national structure of the population in the WHC 2013.

Municipality	Total	Bosniaks	Croats	Serbs	Did not declare	Other	Unknown
Grude	17.308	3	17.216	10	3	11	65
Ljubuški	28.184	707	27.271	41	51	78	36
Posušje	20.477	2	20.424	5	4	12	30
Široki Brijeg	28.929	6	28.814	45	8	23	33
<b>THE WEST HERZEGOVINA CANTON</b>	<b>94.898</b>	<b>718</b>	<b>93.725</b>	<b>101</b>	<b>66</b>	<b>124</b>	<b>164</b>
	<b>100,00%</b>	<b>0,76%</b>	<b>98,76%</b>	<b>0,11%</b>	<b>0,07%</b>	<b>0,13%</b>	<b>0,17%</b>

Source of information: The Federal Institute for development programming



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Table 5. Population in the FB&H 2017.

Municipality	According to census 1991.	Population (estimate at mid-year)	Absent population	Column 4/2	Column 5/Ø FB&H	Indeks absent population
Grude	16.358	16.947	589	3,6	-17,8	217,8
Ljubuški	28.340	27.505	-835	-2,9	14,6	185,4
Posušje	17.134	20.324	3.190	18,6	-92,2	292,2
Široki Brijeg	27.160	28.920	1.760	6,5	-32,1	232,1
<b>THE WEST HERZEGOVINA CANTON</b>	<b>88.992</b>	<b>93.696</b>	<b>4.704</b>	<b>5,3</b>	<b>-26,2</b>	<b>226,2</b>

Source of information: The Federal Institute for development programming

Table 6: Working age population

Municipality	Population (estimate at mid-year)	Working age population	% Working age population
Grude	16.947	11.409	67,3
Ljubuški	27.505	18.743	68,1
Posušje	20.324	14.186	69,8
Široki Brijeg	28.920	19.763	68,3
<b>THE WEST HERZEGOVINA CANTON</b>	<b>93.696</b>	<b>64.101</b>	<b>68,4</b>

Source of information: The Federal Institute for development programming



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Table 7: Natural population growth WHC

Municipality	Population (estimate at mid-year)	Newborns	Died	Died infants	Number of marriages	Number of divorces
		2017	2017	2017	2017	2017
Grude	16.947	89	174	0	67	6
Ljubuški	27.505	197	264	0	107	15
Posušje	20.324	130	131	0	89	3
Široki Brijeg	28.920	292	283	1	133	6
<b>THE WEST HERZEGOVINA CANTON</b>	<b>93.696</b>	<b>708</b>	<b>852</b>	<b>1</b>	<b>396</b>	<b>30</b>

Source of information: The Federal Institute for development programming

Table 8: Employment rate and activities

Municipality	Population (estimate at mid-year)	Number of employed <sup>1</sup>	Working age population	Work force	Rates	
		Ø 2017			Employment in % <sup>2</sup>	Activities in % <sup>3</sup>
Grude	16.947	3.402	11.409	5.299	29,8	46,4
Ljubuški	27.505	4.113	18.743	6.888	21,9	36,7
Posušje	20.324	3.574	14.186	5.990	25,2	42,2
Široki Brijeg	28.920	7.102	19.763	11.240	35,9	56,9
<b>THE WEST HERZEGOVINA CANTON</b>	<b>93.696</b>	<b>18.191</b>	<b>64.101</b>	<b>29.417</b>	<b>28,4</b>	<b>45,9</b>

Source of information: The Federal Institute for development programming



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Table 9: Unemployment rate WHC

Municipality	Unemployed Ø 2017	Number of employed <sup>1</sup>	Work force	Degree <sup>2</sup> of unemployment in %
Grude	1.898	3.402	5.299	35,8
Ljubuški	2.775	4.113	6.888	40,3
Posušje	2.416	3.574	5.990	40,3
Široki Brijeg	4.137	7.102	11.240	36,8
<b>THE WEST HERZEGOVINA CANTON</b>	<b>11.226</b>	<b>18.191</b>	<b>29.417</b>	<b>38,2</b>

<sup>1)</sup> Total employment on the territory of FB&H includes employed in business entities (legal entities), crafts and free professions, defense and police. The number of employed in defense (8.000), is not classified according to municipalities and cantons. <sup>2)</sup> Degree of unemployment is calculated in the way that the number of unemployed is divided by workforce (employed + unemployed) and is multiplied by 100.

Source of information: For employment and unemployment: The Federal Institute for Statistics; The monthly statistic review according to cantons in the FB&H 2/18; The monthly statistic review according to cantons in the FB&H 2/18.

Table 10: Unemployment rate according to qualification

Municipality	DEGREE OF EDUCATION								
	TOTAL	Higher ed.	College ed.	H.S. ed.	Lower qualif.	Highly qualif.	Worker	PKV	Unqualified
	Ø 2017	Ø 2017	Ø 2017	Ø 2017	Ø 2017	Ø 2017	Ø 2017	Ø 2017	Ø 2017
Grude	1.898	130	99	570	0	7	786	18	287
Ljubuški	2.775	242	139	788	0	1	1.238	22	345
Posušje	2.416	149	125	1.069	3	6	625	38	401
Široki Brijeg	4.137	411	191	1.323	1	11	1.729	40	431



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

<b>THE WEST HERZEGOVINA CANTON</b>	<b>11.226</b>	<b>932</b>	<b>554</b>	<b>3.750</b>	<b>4</b>	<b>25</b>	<b>4.379</b>	<b>118</b>	<b>1.463</b>
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Source of information: The Federal Employment Institute Sarajevo, The monthly statistic reviews - bulletins 2017; Processed by: The Federal Institute for development programming

Table 11: Average net salary ŽZH

<b>Municipality</b>	<b>Average net salary Ø 2017</b>	<b>FB&amp;H = 100</b>
Grude	925	108
Ljubuški	836	97
Posušje	671	78
Široki Brijeg	754	88
<b>THE WEST HERZEGOVINA CANTON</b>	<b>789</b>	<b>92</b>

Source of information: The Federal Employment Institute Sarajevo, The monthly statistic reviews - bulletins 2017; Processed by: The Federal Institute for development programming

Table 12: Average pensions in the WHC

<b>Municipality</b>	<b>Type of pension</b>						<b>TOTAL number</b>	<b>TOTAL amount</b>
	<b>Old-age pension</b>		<b>Disability pen.</b>		<b>Family pen.</b>		<b>Pensioners</b>	<b>Amount of pension</b>
	Number	Amount	Number	Amount	Number	Amount		
Grude	1.105	470.245	352	115.256	480	153.322	1.937	738.824
Ljubuški	1.861	795.671	707	234.053	696	221.189	3.264	1.250.913
Posušje	980	437.573	319	103.306	633	180.376	1.932	721.255
Široki Brijeg	2.226	1.004.178	915	301.350	1.059	343.317	4.200	1.648.845



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

<b>THE WEST HERZEGOVINA CANTON</b>	<b>6.172</b>	<b>2.707.667</b>	<b>2.293</b>	<b>753.966</b>	<b>2.868</b>	<b>898.204</b>	<b>11.333</b>	<b>4.359.837</b>
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Source of information: The Federal Institute for Pensions and disability insurance Mostar- regular information on paid pensions.

Table 13: Number of pensions according to type WHC

CANTONS	Type of pension						Total	
	Old-age pension		Disability pen.		Family pen.			
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
<b>WEST HERZEGOVINA</b>	<b>A6.172</b>	<b>2.707.667</b>	<b>2.293</b>	<b>753.966</b>	<b>2.868</b>	<b>898.204</b>	<b>11.333</b>	<b>4.359.837</b>
Average WHC		439		329		313		385
TOTAL FB&H	180.810	83.893.826	62.103	21.298.295	103.625	34.676.280	346.538	139.867.706
REPUBLIC OF SRPSKA	5.687	1.358.432	1.790	482.652	3.917	1.108.884	11.394	2.949.968
Brčko District	2.111	782.127	995	310.626	1.667	517.664	4.773	1.610.416
TOTAL B&H	188.608	86.034.385	64.888	22.091.573	109.209	36.302.828	362.705	144.428.090
OVERSEAS	32.782	5.431.938	7.839	1.495.129	9.213	1.941.693	49.834	8.868.761
<b>TOTAL</b>	<b>221.390</b>	<b>91.466.323</b>	<b>72.727</b>	<b>23.586.703</b>	<b>118.422</b>	<b>38.244.521</b>	<b>412.539</b>	<b>153.296.851</b>

Source of information: The Federal Institute for development programming; processed by: The Federal Institute for development programming



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 14: Average pensions in the WHC

Municipality	Number of employed per retiree	Total average pension in KM	Average old-age pension in KM	Average disability pension in KM	Average family pension in KM
Grude	1,8	381	426	327	319
Ljubuški	1,3	383	428	331	318
Posušje	1,8	373	447	324	285
Široki Brijeg	1,7	393	451	329	324
<b>THE WEST HERZEGOVINA CANTON</b>	<b>1,6</b>	<b>385</b>	<b>439</b>	<b>329</b>	<b>313</b>

Source of information: The Federal Institute for development programming; processed by: The Federal Institute for development programming

Reminder: The average pension in the FB&H is 334,33 KM; The lowest pension in the FB&H is 326,17 KM; Guaranteed pension in the FB&H is 434,90 KM; the highest pension in the FB&H is 2.174,48 KM

Table 15: Foreign Trade WHC

Municipality	EXPORT in KM	Participation in export in %	IMPORT in KM	Participation in import in %	Coverage of imports by exports in %	Trade balance in KM
	I-XII 2017	2017	I-XII 2017	2017		
Grude	106.027.306	1,46	283.618.808	2,28	37,38	-177.591.502
Ljubuški	29.338.809	0,40	280.878.976	2,26	10,45	-251.540.167
Posušje	125.028.707	1,72	341.377.207	2,75	36,62	-216.348.500
Široki Brijeg	256.818.394	3,54	498.747.490	4,01	51,49	-241.929.097
<b>THE WEST HERZEGOVINA CANTON</b>	<b>517.213.215</b>	<b>7,13</b>	<b>1.404.622.481</b>	<b>11,30</b>	<b>36,82</b>	<b>-887.409.266</b>

Source of information: Indirect Taxation Authority B&H, through the mediation of the Agency for statistics B&H



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 16: Foreign Trade WHC

Municipality	EXPORT + IMPORT in KM	Population (mid-year estimate)	EXPORT per capita in KM	IMPORT per capita in KM	EXPORT + IMPORT per capita in KM
Grude	389.646.114	16.947	6.256	16.736	22.992
Ljubuški	310.217.785	27.505	1.067	10.212	11.279
Posušje	466.405.913	20.324	6.152	16.797	22.949
Široki Brijeg	755.565.884	28.920	8.880	17.246	26.126
<b>THE WEST HERZEGOVINA CANTON</b>	<b>1.921.835.696</b>	<b>93.696</b>	<b>5.520</b>	<b>14.991</b>	<b>20.511</b>

Source of information: Indirect Taxation Authority B&H, through the mediation of the Agency for statistics B&H

Table 17: Income per capita

Municipality	Population (mid-year estimate)	Income in KM	Income/PC (per capita) in KM	INCOME per capita in KM FB&H = 100
Grude	16.947	2.988.670	176	108
Ljubuški	27.505	3.481.472	127	78
Posušje	20.324	2.464.769	121	74
Široki Brijeg	28.920	6.728.511	233	143
<b>THE WEST HERZEGOVINA CANTON</b>	<b>93.696</b>	<b>15.663.421</b>	<b>167</b>	<b>103</b>

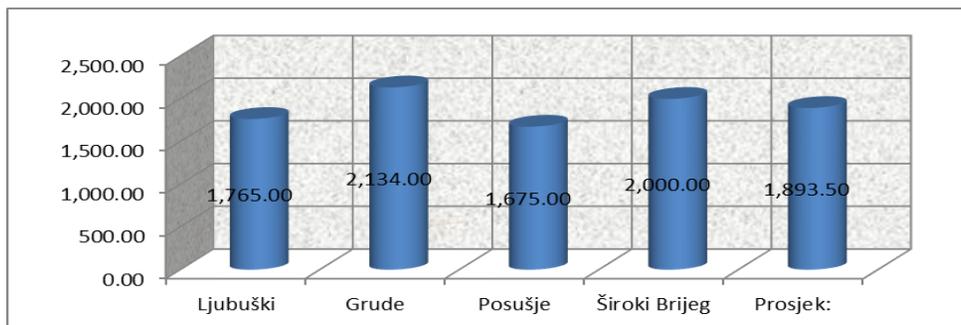
Source of information: The Federal Institute for development programming



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 18: Minimum monthly income

No.	Municipality	Amount (KM)
1.	Ljubuški	1.765,00
2.	Grude	2.134,00
3.	Posušje	1.675,00
4.	Široki Brijeg	2.000,00
5.	<b>Average:</b>	<b>1.893,50</b>



Source: questionnaire

**Question 21: Which is the minimum of total income of FFs that is acceptable for survival/remaining (so people do not emigrate) (write the amount in KM)?**

Table 19: Agriculture area according to categories of use

Municipality	TOTAL	Arable land					Pastures	Fishponds	Reeds and ponds
		ALL	Fields and gardens	Orchards	Vineyards	Meadows			
Grude	11.255	5.680	4.200	7	115	1.358	5.575	0	0
Ljubuški	12.554	6.074	5.302	42	526	204	6.480	0	0
Posušje	12.167	7.310	5.349	15	12	1.934	4.857	0	0
Široki Brijeg	8.389	3.089	0	84	303	2.702	5.300	0	0
<b>THE WEST HERZEGOVINA CANTON</b>	<b>44.365</b>	<b>22.153</b>	<b>14.851</b>	<b>148</b>	<b>956</b>	<b>6.198</b>	<b>22.212</b>	<b>0</b>	<b>0</b>
		<b>49,93%</b>	<b>67,04%</b>	<b>0,67%</b>	<b>4,32%</b>	<b>27,98%</b>	<b>50,07%</b>		

Source of information: The Federal Institute for statistics; Processed by: The Federal Institute for development programming

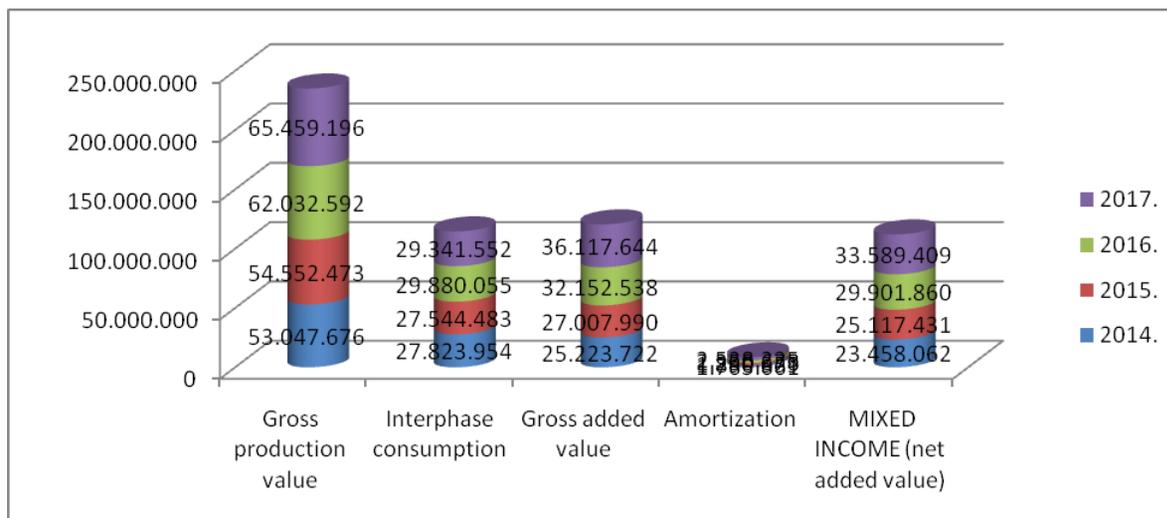


THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 20: Gross added value of agriculture WHC

Year	Gross production value	Interphase consumption	Gross added value	Amortization	MIXED INCOME (net added value)
2014.	53.047.676	27.823.954	25.223.722	1.765.661	23.458.062
2015.	54.552.473	27.544.483	27.007.990	1.890.559	25.117.431
2016.	62.032.592	29.880.055	32.152.538	2.250.678	29.901.860
2017.	65.459.196	29.341.552	36.117.644	2.528.235	33.589.409

Source: The Federal Institute for Statistics





THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 21: Fields and gardens – uncultivated land

Municipality	FIELDS, GARDENS in ha					
	Total arable	Cultivated	Left on fields	Fallow land	Uncultivated fields and gardens	% of uncultivated land
Grude	4.200	1.548	13	0	2.639	62,8
Ljubuški	5.302	2.335	28	0	2.939	55,4
Posušje	5.349	1.663	0	0	3.686	68,9
Široki Brijeg	0	0	0	0	0	0,0
<b>THE WEST HERZEGOVINA CANTON</b>	<b>14.851</b>	<b>5.546</b>	<b>41</b>	<b>0</b>	<b>9.264</b>	<b>62,4</b>

Source of information: The Federal Institute for statistics; Processed by: The Federal Institute for development programing

Table 22. Yields per ha- grains, vegetables DTS

Crops	2015			2016			2017		
	Harvested area	Yield, tons		Harvested area	Yield, tons		Harvested area	Yield, tons	
	in ha			in ha			in ha		
	Fields and gardens	total	per ha		total	per ha		total	per ha
Wheat	770	2.210	2,9	751	2.228	3	695	2.095	3
Rye	2	4	2,1	2	5	2,4	9	26	2,9
Barley	602	1.556	2,6	592	1.593	2,7	575	1.583	2,8



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. - 2030.

Oats	2	4	2,1	2	5	2,4	2	5	2,4
Corn - kernal	743	1.801	2,4	650	1.903	2,9	610	1.856	3
Potato	1.376	10.212	7,4	1.153	9.036	7,8	1.134	7.139	6,3
Onion	193	1.130	5,9	182	1.137	6,2	180	1.081	6
Beans	53	96	1,8	48	88	1,8	43	74	1,7
Cabbage	238	1.903	8	164	2.264	13,8	155	2.107	13,6
Tomato	196	2.011	10,3	187	1.942	10,4	181	1.868	10,3
Green pepper	78	350	4,5	77	348	4,5	74	338	4,6
Clover - hay	521	1.045	2	460	935	2	432	872	2
Alphalpha	843	1.805	2,1	807	1.804	2,2	800	1.744	2,2
Green corn	83	450	5,4	93	627	6,7	94	571	6,1
Fodder beet	50	194	3,9	33	156	4,7	33	152	4,6
Grass mixture and legumes	0	0	0	0	0	0	0	0	0
<b>TDS</b>	<b>72</b>	<b>147</b>	<b>2</b>	<b>60</b>	<b>156</b>	<b>2,6</b>	<b>68</b>	<b>180</b>	<b>2,6</b>
<b>TOTAL</b>	<b>5822</b>	<b>24918</b>	<b>65,4</b>	<b>5261</b>	<b>24227</b>	<b>76,1</b>	<b>5085</b>	<b>21691</b>	<b>74,1</b>
<b>UNCULTIVATED</b>	<b>12.879</b>			<b>13.440</b>			<b>13.616</b>		
<b>IN %</b>	<b>68,87%</b>			<b>71,87%</b>			<b>72,81%</b>		

Source of information: The Federal Institute for statistics-of the canton in numbers



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 23. Fruit production in WHC

	2015			2016			2017		
Fruit	Number of fertile trees	yield		Number of fertile trees	yield		Number of fertile trees	yield	
		Total tons	kg per tree		Total tons	kg per tree		Total tons	kg per tree
Cherries	32.250	331	10,2	32.650	32.650	10,3	33.100	304	9,2
Sour cherries	8.100	56	6,9	8.140	8.140	7,4	8.090	53	6,5
Apricots	4.650	52	11,1	4.650	4.650	10,9	4.700	49	10,4
Apples	36.920	335	9,1	34.650	34.650	8,7	35.060	282	8
Pears	10.775	52	4,8	10.870	10.870	5,5	10.800	37	3,5
Plums	35.080	171	4,9	35.100	35.100	8	34.500	122	3,5
Peaches	18.250	204	11,2	18.750	18.750	10,7	18.800	218	11,6
Walnuts	11.730	98	8,4	11.700	11.700	9,3	12.100	85	7
	157.755	1299	8	156.510	156.510	9	157.150	1.150	8

Source of information: The Federal Institute for statistics-of the canton in numbers



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 25. The number of livestock – animal production

Year	2012	2013	2014	2015	2016	2017
Cattle	5.032	5.342	6.641	5.626	5.135	4.852
				1,00	0,91	0,86
Cows and pregnant heifers	4.114	4.091	4.656	4.767	4.191	4.128
Sheep	11.777	14.059	16.595	15.591	15.419	14.380
Sheep for breeding	8.759	8.714	10.534	10.721	10.490	10.520
Pigs	9.173	7.460	13.318	12.936	11.686	15.581
Sows and gilts	30	32	54	59	49	85
Horses	33	34	37	59	53	57
Mares and foals	-	3	5	15	13	17
Poultry (in thousand heads)	98	98	104	123	125	128
Laying hens (in thousand heads)	79	78	85	99	98	102
Goats	2.098	2.010	4.086	3.773	3.874	3.894
Bee hives	13.352	13.292	17.646	18.390	18.140	18.190
<b>Production of milk, wool, eggs and honey</b>						
Number of dairy cows	3.624	3.620	4.132	4.210	3.578	3.583
Cow milk (thousand liters)	5.171	5.454	6.667	7.067	6.874	6.727
Per dairy cow (liters)	1.427	1.506	1.613	1.679	1.921	1.877



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Number of dairy sheep	6.111	6.007	7.346	7.400	7.088	7.263
Sheep milk (thousand liters)	165	164	279	283	271	282
Per dairy sheep (liters)	27	27	38	38	38	39
Number of dairy goats	1.658	1.656	3.409	3.159	2.635	2.931
Goat milk (thousand liters)	252	251	625	569	397	433
Per dairy goat (liters)	152	151	183	180	151	148
Number of sheared sheep	9.280	9.280	11.575	12.100	11.565	11.850
Wool (tons)	9	9	16	17	17	17
Per sheep (kilograms)	1	1	1,4	1,4	1,4	1,5
Number of laying hens (thous.)	79	78	85	99	98	87
Eggs (thous. pieces)	9.552	10.487	11.526	13.896	14.236	15.604
Per hen (pieces)	121	134	136	141	146	179
Honey (tons)	124	114	165	165	162	162
Per bee hive (kilograms)	9,3	8,6	9,4	9	8,9	8,9

Source of information: The Federal Institute for statistics-of the canton in numbers



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 26: Forest land – wood pulp/mass

Municipality	Area in ha	Wood pulp in 000 m3	Wood pulp per ha/m <sup>3</sup>
Grude	10.355	176	17
Ljubuški	15.251	519	34
Posušje	14.476	955	66
Široki Brijeg	28.082	1.994	71
<b>THE WEST HERZEGOVINA CANTON</b>	<b>68.164</b>	<b>3.644</b>	<b>188</b>

Source of information: The Federal Institute for statistics; Processed by: The Federal Institute for development programing

Table 27: Traffic infrastructure in the WHC

Municipality	Area in km2	Traffic infrastructure in km	Highways	Regional roads	Total highways and regional	Local roads
Grude	221	0	18	31	49	176
Ljubuški	293	0	37	42	79	156
Posušje	461	0	25	60	85	191
Široki Brijeg	388	0	27	15	42	160
<b>THE WEST HERZEGOVINA CANTON</b>	<b>1.362</b>	<b>0</b>	<b>107</b>	<b>148</b>	<b>255</b>	<b>683</b>

Source of information: The Federal Institute for statistics

Table 28: Elementary school education in the WHC- number of students



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Municipality	Number of schools	Number of classes	Number of students	Number of teachers	Population (mid-year estimate)	Number of students per 1000 inhabitants
Grude	11	87	1.377	124	16.947	81
Ljubuški	18	121	1.994	105	27.505	72
Posušje	13	102	1.782	173	20.324	88
Široki Brijeg	23	144	2.498	195	28.920	86
<b>THE WEST HERZEGOVINA CANTON</b>	<b>65</b>	<b>454</b>	<b>7.651</b>	<b>597</b>	<b>93.696</b>	<b>82</b>

Table 29: High school education in the WHC- number of students

Municipality	Number of schools	Number of classes	Number of students	Number of teachers	Population (mid-year estimate)	Number of students per 1000 inhabitants
Grude	1	39	755	56	16.947	45
Ljubuški	2	40	1.012	85	27.505	37
Posušje	3	41	829	93	20.324	41
Široki Brijeg	3	60	1.207	112	28.920	42
<b>THE WEST HERZEGOVINA CANTON</b>	<b>9</b>	<b>180</b>	<b>3.803</b>	<b>346</b>	<b>93.696</b>	<b>41</b>

Source of information: The Federal Institute for statistics; Processed by: The Federal Institute for development programming



Table 30: Number of classes with less than 15 students according to settled areas WHC

	<b>Schools with less than 15 students</b>		<b>Subsidy</b>	<b>Subsidy</b>
<b>No.</b>	<b>Settled area</b>	<b>Number of students</b>	<b>KM/month</b>	<b>KM/year</b>
1.	Buhovo	12	200	2.400,00
2.	Čerigaj	6	200	1.200,00
3.	G. Crnač	9	200	1.800,00
4.	Izbično	8	200	1.600,00
5.	D. Britvica	2	200	400,00
6.	Podvranić	8	200	1.600,00
7.	Šipovača	6	200	1.200,00
8.	Grljevići	4	200	800,00
9.	Dole	7	200	1.400,00
10.	Cerno	5	200	1.000,00
11.	Prolog	10	200	2.000,00
12.	Vašarovići	12	200	2.400,00
13.	Borajna	4	200	800,00
14.	Ružići	9	200	1.800,00
15.	Drinovačko Brdo	8	200	1.600,00



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16.	Tribistovo	3	200	600,00
17.	Zagorje	11	200	2.200,00
<b>18.</b>	<b>TOTAL:</b>	<b>124</b>	<b>200</b>	<b>24.800,00</b>
<b>19.</b>	<b>Normal number of students (18 schools x 20 students)</b>	<b>360</b>		
<b>20.</b>	<b>Difference (normal-existing state )</b>	<b>236</b>		

Source: The Ministry of Education, Culture and Sports-WHC

Table 31: Number of physicians/dentists per capita WHC

Municipality	Population (mid-year estimate)	Number of physicians	Number of dentists	Number of sickbeds	POPULATION		
					Per 1 physician	Per 1 dentist	Per 1 sickbed
Grude	16.947	16	5	0	1059	3389	0
Ljubuški	27.505	24	6	0	1146	4584	0
Posušje	20.324	16	4	0	1270	5081	0
Široki Brijeg	28.920	23	6	0	1257	4820	0
<b>THE WEST HERZEGOVINA CANTON</b>	<b>93.696</b>	<b>79</b>	<b>21</b>	<b>0</b>	<b>1186</b>	<b>4462</b>	<b>0</b>

Source of information: The Federal Institute for statistics; Processed by: The Federal Institute for development programing

Table 32: The structure of business entities WHC



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Municipality	Population (mid-year estimate)	Number of business entities				Number of entities per 1000 inhabitants
		TOTAL	Legal entity	Branches in the legal entities system	Natural persons/craftsmen	
Grude	16.947	777	513	192	264	45,8
Ljubuški	27.505	1.553	862	260	691	56,5
Posušje	20.324	1.081	725	141	356	53,2
Široki Brijeg	28.920	1.542	1.053	294	489	53,3
<b>THE WEST HERZEGOVINA CANTON</b>	<b>93.696</b>	<b>4.953</b>	<b>3.153</b>	<b>887</b>	<b>1.800</b>	<b>52,9</b>

Source of information: The Federal Institute for statistics; Processed by: The Federal Institute for development programing

Table 33: The level of development of the WHC in relation to the FB&H

Municipality	Employ. rate in %	Unemploy. rate in %	Number of students /elem.+H.S./ per 1000 inhabitants	Income per capita	Indeks absent popul.	The Federation B&H = 100					Index of development
						Degree of empl.	Degree of unempl.	Number of students per 1000 inhab.	Income per capita	Absent pop.	
Grude	29,8	35,8	126	176	3,6	98,8	117,4	103,9	108,2	217,8	129
Ljubuški	21,9	40,3	109	127	-2,9	72,7	107,1	90,3	77,6	185,4	107
Posušje	25,2	40,3	128	121	18,6	83,5	106,9	106,1	74,4	292,2	133
Široki Brijeg	35,9	36,8	128	233	6,5	119,1	115,1	105,8	142,7	232,1	143
<b>THE WEST HERZEGOVINA CANTON</b>	<b>28,4</b>	<b>38,2</b>	<b>122</b>	<b>167</b>	<b>5,3</b>	<b>94,0</b>	<b>112,0</b>	<b>101,0</b>	<b>102,5</b>	<b>226,2</b>	<b>127</b>

Source: The Federal Institute for development programing

Table 34. The level of development according to cantons in the FB&H



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Cantons	Employ. rate in %	Unemploy. rate in %	Number of students /elem.+H.S./ per 1000 inhabitants	Income per capita	Indeks absent popul.	The Federation B&H = 100					Index of development
						Degree of empl.	Degree of unempl.	Number of students per 1000 inhab.	Income per capita	Absent pop.	
UNSKO-SANSKA	17,4	55,5	116	102	-21,5	57,7	72,0	95,9	62,7	93,3	76
POSAVSKA	19,7	45,1	81	98	-33,2	65,3	95,9	66,9	59,9	35,7	65
TUZLANSKA	27,3	50,4	122	116	-10,8	90,6	83,8	100,9	70,9	146,3	99
ZENIČKO-DOBOJSKA	29,3	46,0	132	147	-24,9	97,0	93,8	109,1	90,0	76,8	93
BOSANSKO-PODRINJSKA	42,5	32,9	122	205	-43,6	140,8	124,0	100,7	126,0	-15,9	95
SREDNJOBOSANSKA	25,2	45,2	124	103	-25,8	83,6	95,8	102,1	63,4	72,2	83
HERCEGOVAČKO-NERETVANSKA	32,2	40,0	116	216	-18,4	106,6	107,8	95,7	132,7	109,1	110
<b>West Herzegovina</b>	<b>28,4</b>	<b>38,2</b>	<b>122</b>	<b>167</b>	<b>5,3</b>	<b>94,0</b>	<b>112,0</b>	<b>101,0</b>	<b>102,5</b>	<b>226,2</b>	<b>127</b>
SARAJEVSKA	45,5	33,9	126	292	-15,2	150,7	121,9	104,4	179,2	124,9	136
HERCEGBOSANSKA	16,6	47,2	81	88	-29,9	55,0	91,0	66,6	53,8	52,2	64
<b>The Federation B&amp;H</b>	<b>30,2</b>	<b>43,3</b>	<b>121</b>	<b>163</b>	<b>-20,2</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100</b>

Source: The Federal Institute for development programing



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

Table 35. The level of development of municipalities in the WHC in relation the the FB&H

Municipality	Employ. rate in %	Unemploy. rate in %	Number of students /elem.+H.S./ per 1000 inhabitants	Income per capita	Indeks absent popul.	The Federation B&H = 100					Index of development	Rank
						Degree of empl.	Degree of unempl.	Number of students per 1000 inhab.	Income per capita	Absent pop.		
Široki Brijeg	35,9	36,8	128	233	6,5	119,1	115,1	105,8	142,7	232,1	143	8
Posušje	25,2	40,3	128	121	18,6	83,5	106,9	106,1	74,4	292,2	133	10
Grude	29,8	35,8	126	176	3,6	98,8	117,4	103,9	108,2	217,8	129	13
Ljubuški	21,9	40,3	109	127	-2,9	72,7	107,1	90,3	77,6	185,4	107	23

Source: The Federal Institute for development programing

Table 36. The level of development according to cantons in the FB&H

CANTONS	Employ. rate in %	Unempl. rate in %	Number of students /elem.+H.S./ per 1000 inhabitants	Income per capita	Indeks absent popul.	The Federation B&H = 100					Index of development	Rank
						Degree of empl.	Degree of unempl.	Number of students per 1000 inhab.	Income per capita	Absent pop.		
<b>SARAJEVO CANTON</b>	45,5	33,9	126	292	-15,2	150,7	121,9	104,4	179,2	124,9	136	1
<b>WEST HERZEGOVINA C.</b>	<b>28,4</b>	<b>38,2</b>	<b>122</b>	<b>167</b>	<b>5,3</b>	<b>94,0</b>	<b>112,0</b>	<b>101,0</b>	<b>102,5</b>	<b>226,2</b>	<b>127</b>	<b>2</b>
<b>HERZEGOVINA-NERETVA</b>	32,2	40,0	116	216	-18,4	106,6	107,8	95,7	132,7	109,1	110	3



THE STRATEGY FOR RURAL DEVELOPMENT OF THE WEST HERZEGOVINA CANTON FOR THE PERIOD 2020. – 2030.

C.												
<b>TUZLA CANTON</b>	27,3	50,4	122	116	-10,8	90,6	83,8	100,9	70,9	146,3	99	4
<b>BOSNIAN-PODRINJE C.</b>	42,5	32,9	122	205	-43,6	140,8	124,0	100,7	126,0	-15,9	95	5
<b>ZENIC-DOBOJ C.</b>	29,3	46,0	132	147	-24,9	97,0	93,8	109,1	90,0	76,8	93	6
<b>CENTRAL BOSNIA C.</b>	25,2	45,2	124	103	-25,8	83,6	95,8	102,1	63,4	72,2	83	7
<b>UNA-SANA C.</b>	17,4	55,5	116	102	-21,5	57,7	72,0	95,9	62,7	93,3	76	8
<b>POSAVINA C.</b>	19,7	45,1	81	98	-33,2	65,3	95,9	66,9	59,9	35,7	65	9
<b>HERZEG-BOSNIA C. (C. 10)</b>	16,6	47,2	81	88	-29,9	55,0	91,0	66,6	53,8	52,2	64	10
<b>Federation B&amp;H</b>	<b>30,2</b>	<b>43,3</b>	<b>121</b>	<b>163</b>	<b>-20,2</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100</b>	

Source: The Federal Institute for development programing

Table 37. Number of clients in RAH/CR

Year	Total number of all clients	Total no. of clients natural persons	Total no. of clients FFS	Total no. of clients bus. ent.	Economic society	Cooperat-ive	Entre-preneur	Scientific research and educat. institutions	Religious organiza-tions	Associations	Other clients bus. ent.
2014.	2647	222	2261	164	74	3	28	0	1	42	4
2015.	2834	222	2437	175	82	3	30	0	1	43	4
2016.	2992	222	2577	193	92	3	38	0	1	43	4
2017.	3137	222	2698	217	101	3	53	0	1	43	4
2018.	3236	222	2777	237	104	3	67	0	2	45	4
<b>Average</b>	<b>2969</b>	<b>222</b>	<b>2550</b>	<b>197</b>	<b>91</b>	<b>3</b>	<b>43</b>	<b>0</b>	<b>1</b>	<b>43</b>	<b>4</b>

Source: The Federal Ministry of Agriculture, Water Management and Forestry



Table 38. Financial support for agriculture WHC

No.	Name of support	Amount in KM			
		2016.	2017.	2018.	Total
1.	Breeding of dairy cows	114.660,00	116.550,00	122.670,00	<b>353.880,00</b>
2.	Keeping bee colonies	107.984,40	106.546,00	98.355,00	<b>312.885,40</b>
3.	Basic flock of sheep and goats	4.836,50	0,00	0,00	<b>4.836,50</b>
4.	Breeding of laying hens	8.478,00	8.928,00	9.000,00	<b>26.406,00</b>
5.	Broiler fattening	16.686,00	26.691,30	26.730,00	<b>70.107,30</b>
6.	Production of on-day-old chicks	25.989,66	27.000,00	25.844,67	<b>78.834,33</b>
7.	Breeding of cows-„Buša“	9.240,00	0,00	0,00	<b>9.240,00</b>
8.	Holding donkeys	13.400,00	0,00	0,00	<b>13.400,00</b>
9.	Production of fresh vegetables	489.097,00	323.689,80	322.508,00	<b>1.135.294,80</b>
10.	Production in greenhouses	15.893,00	22.699,25	21.878,60	<b>60.470,85</b>
<b>11.</b>	<b>Support for investments in agriculture</b>	<b>0,00</b>	<b>100.000,00</b>	<b>100.000,00</b>	<b>200.000,00</b>
12.	Support for organized milk purchase	29.000,00	29.000,00	29.000,00	<b>87.000,00</b>
<b>TOTAL</b>		<b>835.264,56</b>	<b>761.104,35</b>	<b>755.986,27</b>	<b>2.352.355,18</b>

Reminder: The WHC government for 2016., 2017. and 2018. had individually for each year, passed a Spending Program for agriculture and rural development in the amount of 1.000.000,00 KM. Funds not shown in this table are spent (approved) for associations, local communities (for rural infrastructure- asphalt, public lighting, etc.).



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A)	Direct payments	2016.	2017.	2018.
	Animal production	330.274,56	314.715,30	311.599,67
	Plant production	504.990,00	346.389,05	344.386,60
B)	Capital investments	0,00	100.000,00	100.000,00
<b>C)</b>	<b>TOTAL</b>	<b>835.264,56</b>	<b>761.104,35</b>	<b>755.986,27</b>

Source: The Ministry of the Economy WHC

Table 39: Three year financial framework for the action plan 2020.- 2022.

<b>Multi-year financial framework (MFF)</b>			
	<b>Budget WHC</b>		<b>Agricultural transfers (KM)</b>
<b>Year</b>	<b>Planned (KM)</b>	<b>Realized (KM)</b>	<b>Index</b>
<b>2019.</b>	<b>1.200.000,00</b>	<b>1.200.000,00</b>	<b>1,00</b>
<b>2020.</b>	<b>1.400.000,00</b>	<b>1.400.000,00</b>	<b>1,17</b>
<b>2021.</b>	<b>1.600.000,00</b>	<b>1.600.000,00</b>	<b>1,14</b>
<b>2022.</b>	<b>1.800.000,00</b>	<b>1.800.000,00</b>	<b>1,13</b>

Source: The Ministry of the Economy and the Ministry of Finance WHC



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Table 40. Purchasing power indices EU 28 and Western Balkan countries

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EU (28 countries)</b>	26.100	26.100	24.500	25.500	26.200	26.600	26.800	27.700	29.100	29.300	30.000	30.900
<b>EU (27 countries)</b>	26.200	26.200	24.600	25.600	26.300	26.700	26.900	27.800	29.200	29.400	30.100	31.000
<b>Euro area (19 countries)</b>	28.500	28.400	26.600	27.500	28.200	28.600	28.700	29.500	30.900	31.200	31.900	32.800
<b>Euro area (18 countries)</b>	28.600	28.500	26.700	27.600	28.300	28.600	28.700	29.600	31.000	31.200	32.000	32.900
<b>Belgium</b>	30.400	30.100	28.900	30.600	31.300	32.200	32.100	33.000	34.400	34.500	35.000	35.700
<b>Bulgaria</b>	10.400	11.100	10.600	11.200	11.800	12.200	12.200	12.900	13.700	14.200	14.800	15.500
<b>Czechia</b>	21.500	21.900	20.900	21.100	21.700	22.000	22.400	23.800	25.300	25.600	26.900	28.000
<b>Denmark</b>	32.100	32.600	30.700	32.900	33.500	33.900	34.300	35.300	36.900	36.900	38.400	39.000
<b>Germany</b>	30.500	30.600	28.700	30.500	32.200	32.900	33.200	34.800	36.100	36.300	37.100	38.100
<b>Estonia</b>	18.100	17.900	15.600	16.500	18.500	19.600	20.200	21.300	22.000	22.500	23.600	25.100
<b>Ireland</b>	38.500	34.900	31.600	33.100	33.900	35.000	35.300	37.800	51.900	51.700	54.300	57.800
<b>Greece</b>	24.100	24.400	23.100	21.500	19.700	19.100	19.200	19.800	20.200	19.800	20.200	21.000
<b>Spain</b>	26.900	26.400	24.600	24.400	24.200	24.200	24.000	24.900	26.300	26.700	27.600	28.300
<b>France</b>	28.100	27.700	26.400	27.500	28.300	28.500	29.000	29.600	30.700	30.600	31.200	32.100
<b>Croatia</b>	15.900	16.500	15.200	15.100	15.700	16.000	16.000	16.300	17.300	17.900	18.500	19.500
<b>Italy</b>	27.900	27.800	26.000	26.500	27.100	27.000	26.400	26.600	27.700	28.400	28.900	29.500
<b>Cyprus</b>	27.100	27.500	25.800	25.400	25.000	24.100	22.500	22.400	23.700	24.500	25.500	26.800
<b>Latvia</b>	14.900	15.400	12.800	13.400	14.900	16.100	16.700	17.500	18.600	18.800	20.000	21.700
<b>Lithuania</b>	15.700	16.400	13.800	15.400	17.200	18.600	19.600	20.800	21.700	22.000	23.500	24.900
<b>Luxembourg</b>	69.100	68.400	62.500	65.400	69.300	69.200	70.000	74.400	77.300	76.200	75.900	78.500



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<b>Hungary</b>	15.700	16.300	15.700	16.500	17.200	17.500	18.000	18.800	19.800	19.500	20.300	21.700
<b>Malta</b>	20.500	20.700	19.900	21.300	21.600	22.300	22.800	24.600	27.200	27.900	29.300	30.200
<b>Netherlands</b>	36.200	36.700	33.900	34.500	35.200	35.700	36.200	36.300	37.800	37.400	38.400	39.900
<b>Austria</b>	32.500	32.600	31.100	32.200	33.500	35.100	35.200	36.000	37.500	37.600	38.100	39.300
<b>Poland</b>	13.800	14.500	14.500	15.900	17.000	17.800	17.900	18.600	19.900	19.900	20.900	21.900
<b>Portugal</b>	21.200	21.000	20.100	20.900	20.200	20.000	20.500	21.200	22.300	22.600	23.000	23.400
<b>Romania</b>	11.300	13.300	12.700	13.000	13.500	14.300	14.500	15.200	16.300	17.400	18.800	19.900
<b>Slovenia</b>	22.700	23.400	20.900	21.200	21.700	21.800	21.900	22.700	23.800	24.100	25.500	27.000
<b>Slovakia</b>	17.400	18.600	17.400	19.000	19.500	20.100	20.500	21.300	22.300	22.500	22.900	24.000
<b>Finland</b>	31.100	31.600	28.800	29.600	30.700	30.700	30.300	30.600	31.700	31.800	32.700	34.200
<b>Sweden</b>	33.500	33.100	30.200	31.900	33.100	33.800	33.600	34.300	36.400	35.700	36.300	37.400
<b>United Kingdom</b>	29.200	28.800	26.400	27.600	27.800	28.600	29.000	30.100	31.600	31.200	31.700	32.200
<b>Iceland</b>	33.900	34.000	31.800	30.300	30.800	31.700	32.400	33.700	36.700	38.100	39.100	41.200
<b>Norway</b>	46.100	48.800	42.200	44.400	46.900	49.500	49.300	48.700	45.500	42.300	43.900	46.500
<b>Switzerland</b>	40.800	41.400	39.200	40.500	42.400	43.700	44.200	45.600	48.000	46.700	46.800	48.400
<b>Montenegro</b>	10.300	10.900	9.900	10.400	10.900	10.500	10.900	11.300	12.300	13.000	13.700	14.500
<b>North Macedonia</b>	7.700	8.300	8.400	8.700	8.800	9.000	9.300	9.900	10.400	10.800	10.800	11.600
<b>Albania</b>	6.000	6.500	6.700	7.400	7.700	8.000	7.800	8.300	8.800	8.600	9.100	9.400
<b>Serbia</b>	9.300	10.000	9.500	9.800	10.400	10.500	10.700	10.800	11.200	11.400	11.600	12.300
<b>Turkey</b>	12.100	12.600	11.700	13.200	14.700	15.500	16.300	17.700	19.300	19.200	19.900	20.000
<b>Bosnia and Herzegovina</b>	7.200	7.600	7.200	7.500	7.800	7.900	8.100	8.300	8.800	9.000	9.300	9.700
<b>United States</b>	39.500	38.200	35.800	37.000	37.600	38.900	38.900	40.500	42.600	42.000	42.200	43.400



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<b>Japan</b>	28.400	27.500	25.300	26.800	27.000	28.100	28.700	28.900	30.400	30.100	29.700	29.800
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Source: Eurostat: Last update: 19.06.2019: Date of extraction: 19 Jun 2019 11:13:23 CEST; Hyperlink available:

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Short description: Gross domestic product (GDP) is a measure of economic activity. It refers to the value of the total production of goods and services which are produced by the economy, decreased by intermediate consumption, plus net taxes on products and import. GDP per capita is calculated as the relation of GDP and the average population in a certain year. The basic figures are expressed as standards of purchasing power, which represents the common currency which eliminates the differences in the price levels among countries in order to enable meaningful comparisons of GDP. The values are offered and as index is calculated in regards to the average of the European Union (EU 28) set at 100. If the index of a certain country is higher than 100, the GDP level per capita of the country is higher than the EU average. Note that this index is intended for comparisons out of the country and not for time comparisons.