

FOREWORD

The 1995 Dayton Peace Accord, following three and a half years of war, laid the foundation for peace in Bosnia and Herzegovina. The international community supported a reconstruction programme, which initially addressed emergency needs across all sectors. The return of economic and political stability in the subsequent years provided the basis for a recovery phase to be initiated. In this context, the Ministry of Agriculture, Water Management and Forestry of the Federation of Bosnia and Herzegovina requested technical assistance from FAO in the formulation of a medium-term agriculture sector strategy. FAO, while evaluating the request positively, recognized the need for participation of the Republika Srpska, the second entity of Bosnia and Herzegovina, in the exercise. By end 1997, the Republika Srpska indicated that it was agreeing to participate in any technical projects implemented by FAO. A general change in the political climate in Bosnia and Herzegovina entailing a considerable degree of political and economic stability and cooperation between the two entities indicated that the time had come to undertake measures to enhance sector productivity and efficiency as a means to support overall recovery of the country.

FAO fielded a mission in early 1998 to formulate a technical assistance project for the elaboration of a medium-term development strategy for the agriculture sector in Bosnia and Herzegovina. In the formulation of the project, particular emphasis was given to the active involvement of national expertise. The objectives of the project were:

- to identify measures for the medium term which would help overcome structural problems in the agricultural and rural sectors of the Federation of Bosnia and Herzegovina and Republika Srpska, making them more competitive and market oriented in the European context; and
- to promote economic integration of the two entities by enhancing the complementarity of their strategies.

The project was approved in early May 1998 and by the middle of the same month a team of specialists consisting of international consultants and FAO staff visited Sarajevo and Bijeljina to participate in two project inception workshops during which national working groups were established, Terms of Reference discussed and agreed upon and working methodologies elaborated. Six groups in both the Federation of Bosnia and Herzegovina and the Republika Srpska were entrusted with the preparation of technical papers providing background material in their respective fields, identifying issues and constraints impeding development and proposing measures for their resolution or removal within current budgetary limitations. The six working groups covered the following areas:

- Macroeconomic framework for agriculture policy;
- Land use and natural resource management;
- Crop production (including fruit and vegetables);
- Livestock production;
- Agricultural marketing and agro-processing;
- Agricultural institutions (research, extension, education and farmer/producer associations and cooperatives).

The national working groups completed the papers by mid-July 1998. These papers were discussed in two workshops with broad based participation of stakeholders from government and the private sector and with the participation of the FAO team. The purpose of these discussions was to agree on appropriate policy response to issues identified and formulate recommendations for

inclusion in the strategy to be proposed. On the basis of these discussions and analyses two strategy documents were formulated by mid-March 1999 and were circulated to the group coordinators of the national working groups, to policy makers in the Ministries of Agriculture and representatives of other ministries for comments in preparation for a concluding workshop. During the latter, the recommendations contained in the draft documents were discussed and consensus on strategic elements reached. Subsequently the strategy documents were presented to a larger audience comprising representatives of concerned ministries, academia, interest groups and the donor community.

While agriculture sector strategies were developed for each entity the entire work, was carried out in clear recognition that these strategies were established for one state and complementarities were stressed. In order to formalize this understanding and define areas of cooperation between the two entities a meeting was held on 11 August 1999 in Banja Luka chaired by the Minister of Foreign Trade and Economic Relations and with participation of representatives of the respective entity Ministries of Agriculture, representatives of the Ministry of Foreign Trade and Economic Relations and representatives of the donor community. Mr M. Arias, the representative in Banja Luka of the Office of the High Representative, acted as moderator. The meeting was concluded with the signing of a declaration of intent outlining those areas of collaboration for which a consensus was reached during the inter-entity consultation. The full text of this declaration is attached to this foreword.

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