
RURAL DEVELOPMENT POLICY ON AREAS WITH NATURAL CONSTRAINTS IN THE REPUBLIC OF SERBIA

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ABSTRACT

The aim of the research is to present the main challenges of Serbian agricultural policy towards areas with natural constraints in terms of delimitation, available measures and budgetary support. The methodological framework includes: descriptive statistics of areas with natural constraints, a qualitative analysis of strategic and programming documents and a quantitative analysis of budgetary transfers to agriculture. The results have revealed that a significant share of agricultural resources are concentrated in the areas with natural constraints, but, despite this fact, there is no specific measure for farms located in these areas. The implemented support measures are more oriented towards economic aspects, while other aspects such as promotion of sustainable farming practices and maintenance of the countryside are neglected. The Serbian policy towards areas with natural constraints needs to be more harmonized with the European policy (in terms of delimitation and support), and tailored to the specific needs of farmers in these areas.

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Introduction

Problems related to the development of agriculture and rural areas in the areas with natural constraints have been in the focus of policy makers, as well as scientists for decades. Poor quality of soil, isolation, difficult market access, are some of unfavourable spatial factors that have negative impact on number, structure and economic performance of family farms in the areas with natural constraints. Areas with natural constraints face depopulation, abandonment of agricultural land with an accompanying risk of biodiversity loss (Giesecke et al., 2010; Keenleyside, Tucker, 2010). Since the mid-1970s, the European Union (EU) has provided special support schemes for farmers in the areas with less favourable conditions for farming (Less Favoured Areas – LFA). The original objectives of the LFA policy were aimed at solving socio-economic problems of rural areas (primarily migration and income disparities). In the early 2000s the focus has shifted to the environmental and sustainable

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development goals (sustainable agricultural practices and preservation of villages with a continued use of agricultural land) (Council Regulation (EC) No 1698/2005; IEEP, 2006). The view that LFA policies should give priority to sustainable agricultural practices rather than socio-economic dimensions has remained relevant in the following programming periods. The reviews of the LFA policy highlight the unequal treatment of beneficiaries arising from diversity of delimitation criteria of LFA across countries (Zawalińska et al., 2013). This criticism influenced the need for uniformity of delimitation criteria in the new programming period of the Common Agricultural policy – CAP (2014-2020). In this context, in 2013 the LFA areas were renamed to areas with natural constraints (Areas Facing Natural or Other Specific Constraints – ANC) and classified into three groups: a) mountain areas; b) areas with biophysical constraints and c) areas with specific constraints (Council Regulation (EC) No. 1305/2013).

In Serbia, the regional characteristics of agriculture, heterogeneity of natural resources and diversity of farm types are inconsistently treated by agricultural policy. The support schemes have not had clear objectives, procedures and mechanisms, so their effects have remained modest (Bogdanov, 2014). In order to prevent the socio-economic marginalization of rural areas, degradation of rural landscape, as well as to harmonize the Serbian agricultural policy with modern EU practices, the strategic and program documents which regulate the current agricultural policy of Serbia provide special solutions for farms in areas with difficult working conditions in agriculture (ADWCA). However, the rural development policy towards ADWCA is not without controversy, both in terms of the chosen support schemes and in terms of the current delimitation of the areas.

The aim of the paper is to overview the key challenges of the agricultural and rural policy in Serbia towards areas with natural constraints, in the following manner:

- a) analysis of the current criteria for delimitation of ADWCA in Serbia;
- b) determining the importance of ADWCA for Serbian agriculture;
- c) analysis of the agricultural policy measures aimed at ADWCA in the 2013-2018 period; and
- d) analysis of budgetary transfers for agriculture by pillars and groups of measures (changes in the amount and structure of the budget) in the 2013-2018 period.

Materials and methods

In order to achieve the set of research goals, the methodological approach included:

- a) Descriptive statistical analysis used for describing the importance of ADWCA for Serbian agriculture. The analysis was based on the available data² of the 2012 Census of Agriculture at the settlement level.

2 Some data of the 2012 Census of Agriculture at the settlement level were not fully available for analysis (number of farms with different types of livestock, data on livestock units – LSU and data on farms with other profitable activities) because the data for settlements with three or fewer than three farms were not published.

- b) Qualitative content analysis of the strategic and program documents regulating the current agricultural policy framework. Attention was primarily focused on the contents of the annual regulations on the allocation of subsidies in agriculture and rural development and rulebooks on conditions and way of exercising the right to support for particular measures for the 2013–2018 period.
- c) Quantitative analysis of budgetary transfers by policy pillars and groups of measures was based on the data on the agricultural policy measures implemented in Serbia (Agricultural Policy Measures Database – APM)³ in the 2013–2018 period.

Results and discussion

Definition and delimitation of ADWCA in Serbia

Serbia has a long tradition of policy towards the areas of natural constraints. In the era of the Socialist Federal Republic of Yugoslavia (SFRY), there were numerous funds, programs and political documents that recognized regional disparities and heterogeneities regarding natural resources, organizational and economic characteristics of agricultural production⁴. However, the effects of these programs were failed to create a significant impact. Namely, the mechanisms for the implementation of policies related to rural and balanced territorial development were not sufficiently coherent, stable and sustained (Bogdanov, 2007).

The ADWCA in Serbia were defined in 2010 Regulation on Areas with difficult working conditions in agriculture (ADWCA) as: “... *areas where due to natural, social or legal constraints there are no conditions for intensive development of agricultural production*” (Official Gazette of RS, No. 3/2010; 6/2010; 13/2010). The criteria used for the ADWCA delimitation included three categories: 1. settlements above 500 ma.m.s.l. according to the data of the Republic Geodetic Authority; 2. settlements within natural parks determined by the Law on National Parks; 3. settlements in the territory of municipalities with fewer than 100 employees/1,000 inhabitants according to the data from the publication Municipalities and Regions of the Republic of Serbia in 2015, published by the Statistical Office of the Republic of Serbia (SORS) (Official Gazette of RS, No. 39/16). Based on these criteria ADWCA covered settlements of 93 municipalities, which are grouped into two groups – mountain and other ADWCA.

The third criterion for the delimitation of ADWCA was changed in 2018 (Official Gazette of RS, No. 102/18), and now covers the territory of devastated municipalities

3 The classification of measures according to the APM system is a combination of the EU program of measure classification and the classification of the Organization for Economic Development and Cooperation (OECD) (Rednak et al., 2013). Data for Serbia were collected by Bogdanov et al. (2017).

4 Fund for the development of undeveloped regions of the SFRY (1965); Green plan (the early 1980s); Programme for Enhancing Agricultural Production and Rural Living Standards (1988) in 1992 renamed to the Programme for the Revitalisation of the Villages.

in accordance with the *Decree on establishing the unique list of development of the region and local self-government units for 2014* (Official Gazette of RS, No. 104/14). ADWCA now cover the territory of 90 municipalities and they are divided into two groups (mountain areas and other areas).

The delimitation of ADWCA in Serbia is not in line with the EU methodology for the demarcation of ANC. Namely, only the criteria related to the delimitation of mountain areas in Serbia is equivalent to the EU criteria. Recent studies have examined the possibility of applying biophysical criteria for the delimitation of ANC in Serbia. Zdruli et al. (2017) argued that before applying the EU methodology in Serbia it was necessary to check the availability and quality of data. On the basis of these analyses, it is possible to require changes in the EU methodology and to take into account the specifics of every country.

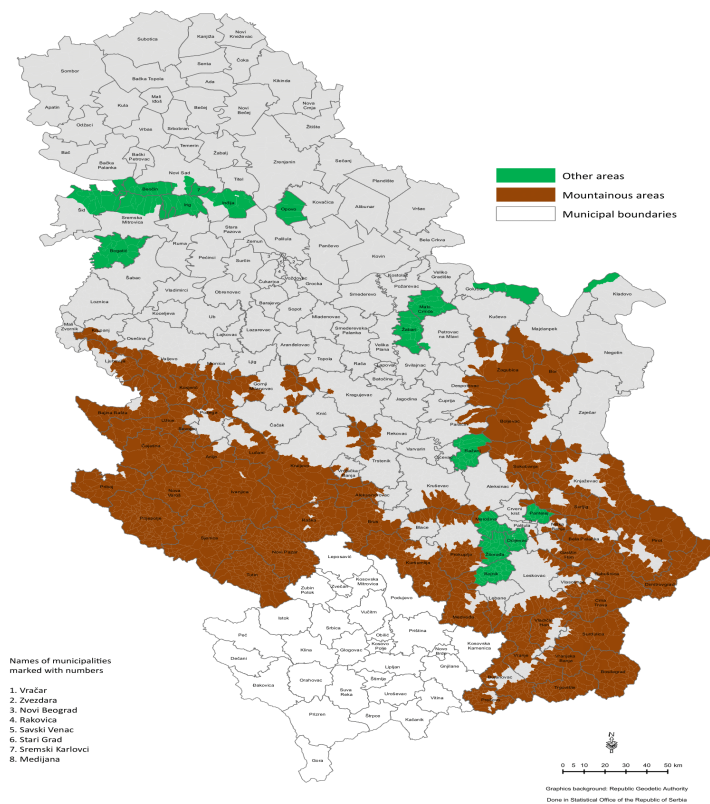
In this paper, the delimitation of ADWCA in Serbia was based on the list of settlements defined by the Regulation from 2016 (Figure 1). The Current Regulation for defining ADWCA came into force in 2019, when the mapping had already been completed. Changes from the new Regulations are mainly related to other settlements⁵ whose delimitation criteria are not equivalent to the European ones. Also, the largest percentage of the ADWCA territory in Serbia belongs to mountain settlements (89%)⁶.

Map 1 show that ADWCA are dominant in the region of Šumadija and Western Serbia and in the region of Southern and Eastern Serbia. In the region of Šumadija and Western Serbia, the total territory of three districts belongs to mountain areas (Zlatiborski, Raški and Moravički), while in the region of Southern and Eastern Serbia, ADWCA have been identified in all districts (Figure 1).

5 Other areas now include the entire territory of the devastated municipalities, and the following municipalities have been removed from the previous list: Bogatić, Doljevac, Žabari, Malo Crniće, Niš - Pantelej, Opovo and Ražanj (Official Gazette of RS, No. 102/18).

6 In the Regulation, some settlements are grouped into mountainous, as well as into other settlements. On the map, these settlements are marked as mountainous, given that mountainous areas are in line with the EU delimitation.

Figure 1. Areas with difficult working conditions in agriculture in Serbia
(Official Gazette of RS, No. 39/16)



Source: Graphics background: Republic Geodetic Authority, done in SORS; Papić (2021)

Significance of ADWCA for Serbian agriculture

In Serbia 28.6% of farms are located in ADWCA and they used 22.8 % of the utilized agricultural area (UAA). More than half of the Serbian UAA under permanent grasslands is concentrated in ADWCA (53.0%), which indicates that these areas are characterized by low-intensity farming systems and the preserved ecosystem (*Table 1*). A significant percentage of the areas under permanent crops (35.2%) is registered in ADWCA (*Table 1*). Around 69.0% of the total area under permanent crops is under raspberries, which gives special importance to ADWCA, considering that raspberry is the most represented fruit species in the structure of Serbian agricultural exports (Census of Agriculture 2012; Božić, Nikolić, 2016). Farms in ADWCA are characterized by a low share of leased land, especially the land that is paid in cash or in kind (*Table 1*). The land in hilly and mountainous areas is not suitable for crop production, therefore it is less attractive for agricultural activities. Also, due to the fragmented area, there is not much interest in leasing land for perennial crops in these areas (Ševarlić, 2012).

In ADWCA is concentrated 37.1% of the total number of sheep⁷ and 30.3% of the total number of goats in Serbia (*Table 1*). These data are expected considering that the traditional centers of sheep and goat production are mountainous areas whose land structure is dominated by meadows and pastures. A cattle breeding is the most important branch of animal husbandry in Serbia, especially for small and medium family farms. Therefore, it is important to note that ADWCA encompass 29.6% of the total cattle number in Serbia (*Table 1*). Also, significant capacities for beekeeping are registered in these areas, while pig and poultry production are less represented in ADWCA (*Table 1*).

In 2012, the total percentage of people employed on farms in ADWCA was 36.7%, i.e. 28.8% annual working units (AWU) (*Table 1*). Also, a quarter of the seasonal labour force (expressed in AWU) was concentrated in ADWCA (Census of Agriculture, 2012).

Table 1. Significance of ADWCA by share in agricultural resources, 2012

Indicators	Serbia	ADWCA	% ADWCA Serbia=100%
<i>Number of farms</i>			
Total number of farms (000)	631.6	180.2	28.6
Farms with livestock (000)	497.8	138.4	27.8
<i>Land resources</i>			
Total available area (000 ha)	5,346.6	1,394.4	26.1
Unutilized agricultural area (000 ha)	424.1	172.2	40.6
Wooded area (000 ha)	1,023.0	386.2	37.8
Utilized agricultural area (000 ha)	3,437.4	784.9	22.8
of which: Arable land and kitchen gardens (000 ha)	2,513.2	335.4	13.4
Permanent crops (000 ha)	187.3	66.0	35.2
Permanent grassland (000 ha)	713.2	377.9	53.0
Leased land (000 ha)	1,019.0	131.1	12.9
Land lease in cash or in kind (000 ha)	875.2	86.1	9.8
Land lease for free and others models of use (000 ha)	143.8	45.0	31.3
<i>Livestock fund</i>			
Cattle (000)	908.1	268.3	29.5
Goat (000)	231.8	70.3	30.3
Sheep (000)	1,736.4	644.3	37.1
Hives (000)	668.1	205.7	30.8
Horses (000)	16.9	5.3	31.2
Pigs (000)	3,407.3	532.7	15.6
Poultry (000)	26,710	2,984	11.2
Indicators	Serbia	ADWCA	% ADWCA Serbia=100%
<i>Agricultural labour</i>			
Number of persons (000)	1,442.6	529.8	36.7
Annual work units - AWU (000)	646.3	186.2	28.8

Source: The author's calculation based on the Census of Agriculture 2012; Papić, 2021

7 The only data at the settlement level that provide insight into the livestock fund in ADWCA are data on the physical number of livestock.

The policy response to challenges in ADWCA

The first attempts to adapt agricultural and rural policy measures to the European practices towards areas with natural constraints started by introducing incentives to “marginal areas” as the equivalent of ANC (Bogdanov, 2014). In the 2006-2013 period farms were supported by a bigger share of grants in the total value of the investment in the modernization of agricultural holdings, restructuring of permanent crop plantations and creation of new businesses, i.e. by 10-20% more than farmers outside ADWCA. In addition, farmers from ADWCA were constantly supported through the dairy premium⁸. Until 2008, they received higher amounts of dairy premiums than farms located in lowland areas. After 2008, a lower threshold for milk delivered to dairies was introduced for farmers in ADWCA. According to Bogdanov (2014), the implemented measures were aimed more at the economic objectives than at social objectives, while environmental objectives were not in focus at all. Also, the measures were not focused on specific regional problems, and the projected amount of own financial contribution was too high for most farms in ADWCA, which resulted in a small number of applications from these areas (Bogdanov, 2014).

In the Strategy of Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024, one of the priority areas of agricultural and rural policy is preservation of agriculture production, natural resources and population in ADWCA. The priorities related to ADWCA are: a) preserving and strengthening the social vital structure in ADWCA; b) achieving equal economic conditions for farmers in ADWCA and farmers outside ADWCA; c) preserving pastures as a critical component of the agricultural landscape (Official Gazette RS, No. 85/2014).

Review of the measures of the agricultural and rural policy in the 2013-2018 period (Table 2) shows that farmers in ADWCA are supported by a lower threshold when they apply for direct payments and by higher returns on investment when they apply for the rural development support. Also, the scoring scale used in evaluation of rural development project predicts special benefits for the applications from ADWCA.

Regarding *direct payments*, farmers in ADWCA were supported by the dairy premium and payments for quality breeding sheep and goats (Table 2). Regarding the *rural development support*, farmers were supported by a bigger share of grants in the total value of the investment (15-20% more than farmers outside ADWCA). This refers to the measures for improving competitiveness of agro-food sector and measures for supporting rural economy and population. Also, farmers from ADWCA had additional points when applying for measures related to rural economy and population (Table 2). By reviewing the rural development support, we can notice that farmers in ADWCA were not supported by the measures aimed at providing environmental and societal benefits. In addition, these groups of measures were not diverse in Serbia. Measures for organic production and measures for the preservation of plant and animal genetic resources were the only measures implemented by the Directorate for Agrarian Payments.

8 This measure was implemented in Serbia in 1970 and was intended for farmers in marginal (hilly and mountainous) areas.

Since 2017 and 2018, special benefits for farmers in ADWCA have been provided by *credit support* and *IPARD* (Instrument for Pre-Accession Assistance for Rural Development). Although the IPARD measures were not implemented in 2018, they provided benefits for farmers in these areas. Farmers could return 70% of the investment costs if the investment place was in the mountainous area (Measure 1) and applications from mountainous areas had additional points (Measure 1 and Measure 3) (Table 2).

Table 2. Agricultural and rural development support targeting ADWCA

Measures	Description	2013	2014	2015	2016	2017	2018
Direct payments							
<i>Dairy premium</i>	Lower threshold of milk delivered to dairies	Min. 1500 l per quarter	Min. 1500 l per quarter	Min. 1500 l per quarter	Min. 1500 l per quarter	Min. 1500 l per quarter	Min. 1500 l per quarter
<i>Incentives on quality breeding sheep</i>	Lower threshold for minimal number of animals on farm	-	-	-	-	-	Min. 10 sheep
<i>Incentives on quality breeding goats</i>	Lower threshold for minimal number of animals on farm	-	-	-	-	-	Min. 5 goats
Rural development support							
Measures for improving competitiveness of agro-food sector							
<i>Investments in physical assets</i>	Grant for raising new perennial plantation	45%	55%	55%; 65%*	55%; 65%*	55%	65%
	Grants for improvement primary agriculture production (new tractor, mechanization, farm buildings, equipment, breeding animals, etc.)	55 %	55 %	55 %; 65%*	55 %; 65%*	65 %	65 %
<i>Investment in processing and marketing of agricultural products</i>	Grants for improving the quality of wine and brandy	45%	45%	55%; 65%*	55%; 65%*	55%	55%
	Grants for control stamps for agro-food products and wine registration stamps	45%	/	55%; 65%*	55%; 65%*	55%	65%
<i>Investment in processing and marketing of agricultural products</i>	Grants for purchase equipment – meat, milk, fruit, vegetables and grapes sector	/	45%	55%; 65%*	55%; 65%*	65%	65%

Measures	Description	2013	2014	2015	2016	2017	2018
<i>Insurance premium subsidy on crops, fruit crops, perennial plantations, nurseries and animals</i>	Reimbursement of insurance premium costs	-	-	-	45%	45%	45%
Measures supporting rural economy and population							
<i>Non-agricultural activities</i>	Grants for facilities and equipment	45%	45%	55%	55%	65%	65%
	Additional points	-	-	-	10	10	10
<i>Young farmers</i>	Additional points	/	/	/	/	20	20
<i>Adding value to agricultural products</i>	Grants for introduction and certification of food safety and food quality systems, organic products and products with geographical indication	-	45%	55%	55%	65%	65%
Credit support	Subsidized interest rate	/	-	-	-	+	+
IPARD							
<i>Measure 1</i>	Reimbursement of investment costs	/	/	/	/	70%	70%
	Additional points	/	/	/	/	25	25
<i>Measure 3</i>	Additional points	/	/	/	/	20	20

Note: (-) No special treatment for farms in ADWCA; (/) Measure did not exist or was abolished; (*) For authorized users of geographical indications or certified organic production.

Source: The author's elaboration based on regulations and rulebooks governing the implementation of agricultural and rural policy measures; Papić (2021)

The analysis of the agricultural and rural development support showed that in the 2013-2018 period a number of measures aimed at ADWCA increased in relation to the period before 2013. This indicates that policy makers were trying to take into account the difficult situation of farmers in these areas. However, a specific measure for farmers in ADWCA does not exist, which is a big failure of the Serbian agricultural policy from the perspective of the balanced territorial development. The introduction of a specific measure for farmers in ADWCA could fulfill not only economic objectives but also other objectives such as environmental protection and maintenance of the population.

In order to achieve such complex goals, it will be necessary to adapt the ADWCA support to the prevailing types of production in these areas, location of the farm, as well as the ability of farmers to create additional activities (Doucha et al, 2012). Zdruli et al. (2017) highlight that decision makers need to set certain priorities when creating and

implementing ANC payment schemes (based on natural and socio-economic conditions) and that it is necessary to pay attention to areas with a high risk of abandonment.

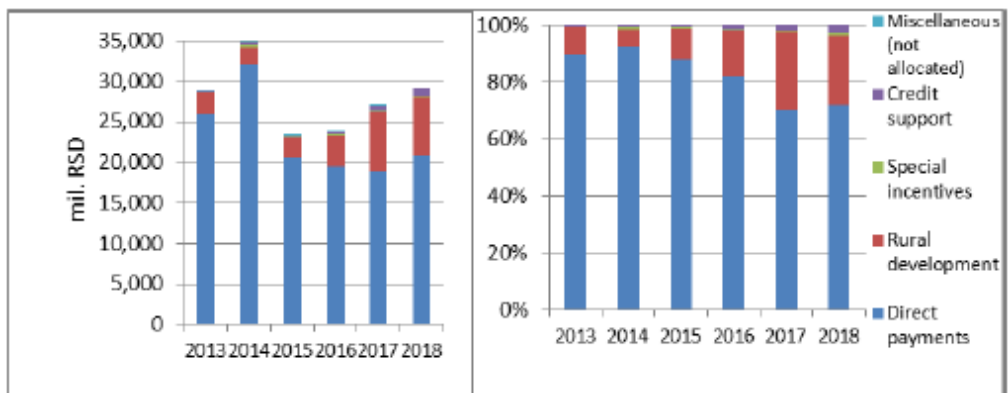
Previous research emphasizes that different forms of payments related to the preservation of the environment (agri-environmental payments, Natura 2000, cross-compliance requirements, etc.) have a positive effect on income, land use and maintenance of population in the ANC (IEEP, 2006; Klepacka-Kołodziejaska, 2010; Štolbová, Molčanová, 2009). Keenelyside et al. (2010) highlight that the support for the renewal of traditional pastoral systems and maintenance of High Nature Value (HNV) farming could improve biodiversity and landscape in mountainous areas and therefore should be introduced in Serbia.

Budgetary support for agricultural and rural development

In Serbia there is no the evidence on amount of agricultural and rural development budgetary funds allocated for the ADWCA farmers. However, trough the analyses of budget allocation by pillars and groups of measures we can indirectly examine use of measures targeting ADWCA farmers.

The structure of the *total budgetary support to agriculture* in Serbia indicates that the approach on which the agricultural policy is based has not been fully implemented (Figure 2). Namely, up to 2016, the largest part of budgetary funds was realized on the basis of the direct payments support (70-90%), while the share of rural development support was extremely modest (it did not exceed 16.0%). The share of rural development measures in the total budget increased in 2017 and 2018 (27.3% in 2017 and 24.2% in 2018). This was caused by the increase in the funding of new measures for improving the competitiveness (purchase of tractors, equipment, machinery and quality breeding heads). The funds implemented for the credit support and special incentives accounted for less than 5.0% of the agricultural budget, but their share was constantly growing during the analyzed period (Figure 2).

Figure 2. Budgetary support for agriculture and rural development in Serbia, 2013-2018



Source: The author's calculation based on the APM database - Serbia

Up to 2016 the structure of *direct payments* most commonly included the incentives for production and input subsidies. In 2018 there were no more realized funds for input subsidies, and the incentives for livestock production (46.0%) had the biggest share in the direct payments support followed by payments for crop production (29.0%) and milk premiums (25.0%). It is obvious that in the analyzed period the share of support for crop production was reduced, while the share of support to livestock producers increased (Figure 3).

Figure 3. Budgetary expenditure for direct payments in Serbia, 2013–2018.



Source: The author's calculation based on the APM database - Serbia

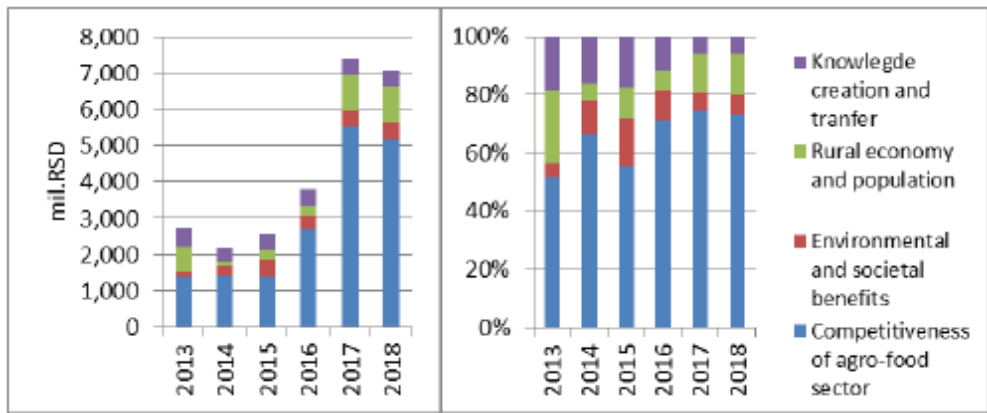
The realized funds for rural development measures increased significantly in the analyzed period, especially in 2017 and 2018 (186.0%; 172.0% in relation to 2013) (Figure 4). This was caused by the increased funding of measures for improving competitiveness. The structure of the realized funds indicates that in the whole period the measures for improving competitiveness were dominant (from 51.5% in 2013 to 73.0% in 2018), especially those related to the investments in physical assets. The composition of funding for the rural development policy in Serbia is incompatible with the composition in the EU, where measures for improving competitiveness represent less than a third of funds for rural development (Volk et al, 2019). The realized funds for providing environmental and societal benefits increased in the analyzed period, and their share in the total funds for rural development varied from 5.0% to 17.0%. Implemented by the Directorate for Agricultural Land and the Forest Directorate, the measures for sustainable land use (mainly land fertility control measures) and measures for sustainable forest use (mainly measures for planting forest trees) had the largest share in the funds for improving the environment and countryside. Regarding the measures implemented by the Directorate for Agrarian Payments, up to 2017 the measures for organic production were more frequently implemented than the measures for the preservation of genetic resources. After 2017, the share of both measures in the structure of the realized funds became equal (around 25%) (APM database – Serbia). The current implementation of rural policy measures shows that the environmental

aspects of rural areas are marginally supported by the Serbian policy, which is a contrast to the EU policy. In the EU, more than half of the total rural development policy funds are devoted to the measures for improving the environment and countryside and about half of these are ANC measures (Volk et al., 2019).

The realized funds for supporting rural economy and population increased in the analyzed period, and their share in the total rural development support varied between 5.0 and 25.0%. Up to 2017 over 65% of the realized funds were aimed at the measures for the improvement of the dual-purpose sewage system and measures for forest roads, which were implemented by the Directorate for Agricultural Land and the Forest Directorate. After 2017 the support for young farmers had the biggest share in the realized funds (46.0% in 2017 and 52.0% in 2018) (APM database – Serbia). Implementation of the budgetary support showed that these measures were not sufficiently represented in the current implementation of policy support. Therefore, in the future more attention should be paid to mechanisms that will improve the implementation of this support.

The share of incentives for improving the system of knowledge creation and transfer in the total funds for rural development decreased from 18.0% to 6.0% (Figure 3). The measure aimed at improving advisory and professional work had the largest share in the realized funds (Figure 4).

Figure 4. Budgetary expenditure for rural development support in Serbia, 2013-2018



Source: The author’s calculation based on the APM database – Serbia

Implementation of the budgetary support for agriculture and rural development showed that rural development measures are not used on a large scale, especially those that aim to address social and environmental problems. The same was shown in the previous research conducted by Bogdanov et al. (2017) and Volk et al. (2019). The low implementation of the mentioned rural development support indicates that the criteria and thresholds for achieving this development support are probably set at a high level and not adapted to the specific needs of farmers (especially those in ADWCA). In ADWCA where infrastructure is not developed and farm holders do not have enough skills and

resources, it is difficult to implement measures for rural economy and population. The support for young farmers is intended for farmers under the age of 40, which makes this support unavailable for farm holders in ADWCA facing rapid population aging. The current measures for providing environmental and societal benefits are not focused on the preservation of pastures, which is inconvenient for farms in ADWCA where half of Serbian permanent grasslands is concentrated. Also, previous research indicates that complicated procedures and lack of funds to co-finance the rural development investment discourage farmers (especially those from ADWCA) from applying for the rural development support (Kotevska et al., 2015; Papić, 2021).

Conclusion

The research results showed that delimitation criteria of ADWCA align with the EU approach in just one criterion – mountain areas. Considering that these areas occupy the biggest parts of ADWCA in Serbia, it is expected that numerous farms would benefit from the ANC support. For the same reason we can conclude that the creation of the ANC policy is one of crucial challenges for the Serbian agriculture.

The analysis of the current strategic and program documents of agricultural and rural policies in Serbia showed that preservation of farming, provision of public goods associated with environment, and retention of population in ADWCA were one of the priority areas, as well as that certain agricultural and rural measures provided special benefits for farms in ADWCA. However, the lack of a specific measure to support farmers in ADWCA is still a big deficiency of the Serbian agricultural policy having in mind the regional diversity in the country, unfavorable production conditions in mountainous areas, depopulation and negative changes to the ecosystems in rural areas.

Implementation of the agricultural and rural budgetary support indicates that environmental and societal concerns are marginally supported by means of the existing measures. This finding is unfavorable for ADWCA where these types of measures are necessary for the promotion of land use, agricultural employment and preservation of rural landscape. In order to create adequate ANC policies, it is necessary to consider the country's specifics and to tailor the policy support to different characteristics of farm types, farming practices and potential for diversification in ADWCA. Also, it is requisite to simplify the application procedures and facilitate the access to finance in order to increase the use of the existing rural development funds.

Conflict of interests

The author declares no conflict of interest.

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