Interreg - IPA CBC

CCI 2014TC16I5CB006

EUROPEAN UNION

ENHANCING BUSINESS CAPACITY OF THE ORGANIC PRODUCERS IN THE CROSS-BORDER REGION OF BULGARIA AND MACEDONIA

PROJECT: EBC-OP-CBR

STRATEGY

FOR ENHANCING ORGANIC PRODUCTION IN THE CROSS-BORDER REGION OF BULGARIA AND MACEDONIA

Including action plan for strengthening the EOP-CBR network

The Project is co-funded by EU through the Interreg-IPA CBC Bulgaria - the former Yugoslav Republic of Macedonia Programme

CONTENT

1. INTRODUCTION AND BACKGROUND

The necessity for development of a common Strategy for enhancing organic production in the cross-border region of Bulgaria and Macedonia was identified in the process of implementation of the project EOP-CBR in 2014. The envisioned strategy was to serve as a basis for more targeted development of the sector over the next years and to contribute to improving the export opportunities for the organic producers.

As a follow-up, on activities and results of the 2014 implemented EOP-CBR project the project partners MOPF and Savremie submitted a new proposal within the Interreg-IPA CBC Programme Bulgaria – Macedonia CCI Nr.2014TC16I5CB006. The new proposal was envisioning implementation of a set of activities aimed at Enhancing the Business Capacity of the Organic Producers in the Cross-border Region, including the development of a regional strategy for enhancing organic production in the cross-border region of Bulgaria and Macedonia.

In addition, it was agreed between the project partners that the strategy will also incorporate a Plan for further development of the Network EOP-CBR created for enhancing the organic farming in the cross-border region within the project EOP-CBR in 2014.

Coordinators of the Network EOP-CBR are both project partners aiming to attract all the stakeholders to contribute to competitiveness improving of organic production sector in the CB region.

Organic sector SWOT analysis were developed for the cross-border region in Bulgaria and Macedonia. The scope of the SWOT and strategy includes: organic production (crop production, livestock and food processing), know-how and education, organic certification, legislation and policy, market access, organic production inputs and available support.

During the two working meetings of the EOP-CBR network a consolidated draft version of the Strategy and of the Plan for development of the network was presented. Thus, network members and other relevant stakeholders were able to take part in the discussions and to provide recommendations, ideas and expertise for improvements in the final stage of the strategy development. MOPF as a responsible project partner has subcontracted a service provider to develop the strategy. The strategy is available in Macedonian, Bulgarian and English language.

The strategy will be a basis for guiding a more targeted development of the organic sector by defining goals and proposing implementation of well analysed activities, which would contribute to developing an appropriate supportive environment to enhance organic sector.

The strategy also proposes key actions to address sector specific issues and thereby aims to assist the organic sector to realize its potential for growth.

The action plan for development of the network EOP-CBR created for enhancing the organic production in the cross-border region within the project EOP-CBR in 2014, was developed as a part of the Strategy. The Organic Production Action Plan provides a framework of priority goals and actions that will lead the Institutional strengthening of the network and will position the EOP-CBR network as lead cooperation organization for development of the organic production in the region and beyond. This will enable the EOP-CBR network to provide services to the organic movement participants and address issues that have been identified as of vital importance to the development of the entire organic sector.

However, this prospect of development for the organic sector requires targeted policies and incentives for the sector, as well as providing additional support - financial, logistical, information, consulting and organizational support.

In conclusion, this document is only a starting point for further development of the organic sector in the cross-border region. A multi-agency approach with cooperation of all relevant stakeholders is vital to ensure optimum results.

2. METHODOLOGY

The data used in developing the Strategy for enhancing organic production in the cross-border region of Bulgaria and Macedonia were obtained from organic producers and organic production stakeholders in the cross border region. An Analysis of the organic sector potential of growth was developed based on 100 completed questionnaires (50 from Bulgaria and 50 from Macedonia) with a final sum up and analytical summary of the results including relevant conclusions and recommendations. The aim of the analysis was to identify the production capacity and the potential for growth of the organic production sector in the cross-border region. The conditions, difficulties and the prospects of export development were investigated. One of the specific objectives of the study was also to identify producers in the organic sector with the largest capacity and highest export potential, but not the necessary ability for development of a successful export marketing concept. The main target group of the study were certified organic producers and organic producers in process of certification. The inquiry has covered 50 organic producers from the Bulgarian cross-border region and 50 organic producers from the Macedonian cross-border region. The database of organic producers from the cross-border region, which was created within the project EOP-CBR, completed in 2014, was updated and used for selecting the potential participants in the inquiry covering the target cross-border region. The inquiry was done via questionnaires with content specially designed for the analyses.

In addition to the data from the analyses, additional data was collected from secondary data sources. The data was collected via structured interviews with various sector stakeholders. The data sources included: existing exporters and traders, conventional farmers, consumers, local and central government representatives, non-governmental sector representatives and other relevant organizations.

The following steps were taken in the development of the strategy:

- Elaboration of Content of the Strategy;
- Elaboration of SWOT analysis of the current situation in the cross-border region;
- Elaboration of a draft strategy for development of the cross-border region covering Bulgaria and Macedonia;
- Elaboration of a draft Plan for Development of Network EOP-CBR;
- Consolidation and finalization of the draft Strategy and the draft Plan for development of the EOP-CBR Network.

3. SECTOR OVERVIEW

In both Macedonia and Bulgaria agriculture plays an important role. The contribution of the agricultural sector to GDP is significantly higher than the average in EU. Due to its favourable climate and proximity to large EU markets, both countries are hoping to further develop the agricultural sector. Organic production is also seen as a potential which is still not sufficiently used and both countries have high hopes in developing a strong organic sector. In both Macedonia and Bulgaria the organic agriculture was initially introduced trough donor projects by non-governmental organizations. Today, organic agriculture in general, is viewed favourably both by consumers, support organisations and government. But, the development of the sector still remains close to its initial stage.
The cross-border region of Bulgaria and Macedonia is considered as one of the major sources of agricultural products. Many crops can be grown in the region, with vegetables among major agricultural crops. At present, the agricultural products grown in the cross-border region of Bulgaria and Macedonia are aimed for domestic consumption as well as for export.

3.1 ORGANIC PRODUCTION

3.1.1 CROP PRODUCTION

Organic plant production both in Macedonia and Bulgaria in many aspects is in the same stage of development and the same obstacles can be identified in both countries. There is a great variety in agricultural crop production. More than 30 different plant products are produced. Although there is an evident growth in number of crops produced and the land being certified, there isn't any major movement in their market offer. This increase in the number of crops is not due to planned diversification that needs to respond to market demands, but because of producers fear from the lack of possibilities for placing larger quantities of one type of product, fear of a failed season due to adverse climatic conditions or fear from low price for a given type of production. Producer's business logic demands production of a large number of crops so that the successful sales of some of them can cover production costs of all planted crops, and thus reduce the risk of loss in case of adverse climatic or loss of markets at a given moment.
After constant displacement of the population from the rural areas, cheap labour cannot longer be counted as an advantage. Due to the use of outdated production techniques, lack of adequate mechanization, knowledge and lately the impact of climate change, production scores modest yield in contrast to the average yields in the countries of the European Union. The inherited problem with small scattered plots as a result of fragmentation of larger agricultural plots, is a factor that leads to lack of economical justifiability for procurement and use of sophisticated mechanization, which would lead to increased crops yields and production of more competitive products.
So far, the commission and land consolidation is just an idea that is far from being implemented. Large portions of land stand unused for various reasons and the governments do not take any actions. This in turn has a consequence that the rural population who does not own land is forced to search for existence outside the rural areas.
There is insufficient certified production of crops that are most demanded on the market, such as fresh vegetables and fruits, at the expense of crops that are simple to certify as

organic products. There is a lack of efforts and solutions for prolonging the production season and providing product offer continuity.
Development of organic crop production is mainly due to larger and organized companies and producers that have identified export opportunities.

3.1.2 ORGANIC PROCESSING

Both in Macedonia and Bulgaria there is a developed food processing sector. However, only a small number of processors are involved or consider to get involved in organic production. For the most part, processors are not familiar with the requirements for organic certification of food processing. In terms of processors knowledge about aids and methods used in the processing of organic products, there is a general lack of information. This is making even harder for processors to make a decision for undertaking organic certification. Although the lack of information represents an initial barrier, that is not the only reason for the absence of processed organic products. The processing sector does not have any information about quantities or types of organic raw materials available, or about the production potential of organic raw materials, which could be processed. Also, most processors do not have sufficient information to recognize opportunities for both production and the sale of organically processed products. Most of the processors sell their products on foreign markets as low-quality products and at low price. Only a small number of processors actually manufacture products that are of high quality to which value would be added with organic certification.
An additional reason is the fact that when there is interest among processors for certified organic products, agricultural producers have unrealistic expectations about the prices they need to obtain for their products despite the subsidies they receive. It all affects discouraging to processors' initiatives.
The processing sector in theory could absorb the surpluses of organic products in the periods when the supply picks and thereby provide a solution to some of the problems associated with overproduction and seasonal nature of production. However, for this to work, planned production of raw materials that would later be processed is needed. Contract farming is at a low level and the historically practice of failure to meet what was agreed, creates a situation of great distrust about the possibility of long-term cooperation between producers and processors. Unfortunately, contract farming between primary producers and processors is barely practiced. On the contrary, their work is opportunistic, each hoping that the other will be in an unfavourable situation and will be forced to sell their products at a low price or to buy them at a high price.
Considering the size of the domestic market for organic products, it appears to be quite unattractive to processors that are mostly export oriented. However, in recent years there has been evident movement in the supply of domestic processed organic products. To a large extent, these are micro enterprises that see organic production as an opportunity to enter a certain market segment, while avoiding high expectations for quantities and quality of products. With the developing product offer by these companies and their products offer promotion on the export markets, increased mobility in this segment can be expected.

3.1.3 ANIMAL HUSBANDRY

According to the conducted analysis, the strongest side of the organic livestock breeding is the natural conditions and the available ecologically clean regions. A kind of organic farming development advantage is the traditional way of livestock breeding that corresponds with the requirements of organic production. Cheap labour can no longer be considered as an advantage, as there is constant migration of the population in rural areas. Although there is a certain supply of organic dairy products, there is a noticeable absence in the supply of meat and meat products. Despite the interest of retail companies in domestic organic products of animal origin, due to the complexity of the supply process for finalised meat products, the supply is still absent. The supply of eggs and poultry meat is also absent, primarily because of organic requirements allowing only cage fee poultry breeding and restrictions in terms of density of poultry housing, as well as the unwillingness of domestic producers to accept this terms.

On the other hand, insufficient education and awareness of the majority of participants about organic production is a problem that hampers the growth of this production segment.

Most of the livestock producers lack production of their own fodder, so they have difficulty of acquiring it as organic. This is mostly concerning protein crops, because both in Macedonia and Bulgaria there is no tradition of producing protein rich crops. Also, the lack of adequate available facilities for breeding pigs and poultry according to organic principles leads to poorest results precisely in these two segments of livestock breeding. Management of state pastures is also at a very low level, with breeder’s uncertainty in the long-term planning and development of their production setups.

3.2 KNOW-HOW AND EDUCATION

Given that organic production in the region does not have such a long and rich history (last 10 years), we cannot talk about multi-generational transfer of knowledge in the agriculture involved families. On the contrary, it is a fact that in most producers knowledge is transferred from generation to generation, and that the flexibility and willingness to accept new knowledge is extremely low among agricultural producers, having negative consequences for the development of organic farming. Conventional agriculture and the "learned" methods of production in essence create perceptual and later financial and other barriers for producers when meeting and in accepting new trends and production methods such as organic production.

A number of education and training needs were pointed by producers in the regional organic sector. The most commonly requested training was pest protection, followed by fertilization, weed control and marketing. According to survey results, organic producers involved in this sector have been seeking out various training and education opportunities, but had difficulties in obtaining them.

Almost all interviewed pointed to the source where they found information or received training about organic farming, processing, trends, to be primarily the internet, followed by NGO/donor projects, books and other farmers. It is evident that advisory from experts, education institutions and NEA scored low on none at all.

Regardless of the fact that there is a declarative orientation towards the development of organic production, the formal education system in Macedonia and Bulgaria is not sufficiently developed to support this area professionally. Both in Bulgaria and Macedonia there are higher education institutions where students can study organic production. There are also master studies for organic production. In Bulgaria, no education for organic production has been introduced in secondary schools, whereas in Macedonia there is a possibility of choosing an optional subject in agricultural secondary schools.

When discussing about the national extension service it is important to mention that this service employs advisors in the field of agriculture. These institutions are managed by the state, and their tasks are defined by directors who answer to the Ministers of Agriculture in Macedonia and Bulgaria. In addition to the financial, organizational and personnel challenges which the extension services face, there is also the issue of how to determine the necessary degree of qualification that the advisor should possess in order to provide appropriate advisory and educational services in the field of organic farming. Municipalities, however, do not have dedicated personnel involved in the agricultural sector. The only competences are in the Local Economic Development Offices, while municipal agricultural commissions generally have a single coordinative and political role. The state advisory service and municipalities have low competence in terms of providing services in organic production, although organic production is partially included in the scope of services that are provided.

In non-formal education, the non-governmental sector and donor projects have the main role in transferring and disseminating new organic production knowhow for different target groups (producers, consumers, traders). Although this efforts are very small in size, without continuity and unorganized, this way of education significantly contributes to the development of organic production in the region.

However, it should be noted that through this type of education only general and introductory trainings are conducted, thus transfer of essential knowledge is missing. Small number of trainings and transfer of knowledge are actually transferring specialized and expert information, which the producers need in order to make their production more successful.

The exchange of information between producers is not organized. There is a lack of media through which producers can inform each other and share knowledge and experiences. The transfer of new technologies is carried out solely by the companies that sell them, while organized transfer of new knowledge for important issues but on an expert level is nearly not existent.

3.3 ORGANIC CERTIFICATION

In 2017 certification of organic production in Bulgaria is carried out by 15 certification bodies of which majority are not domestic. This bodies are listed on the EU regulation 1235.
Most of the certifications is carried out according to the EU Regulation on organic production. A significantly smaller number of organic operators are certified according to NOP and other standards.
In Macedonia in 2017 there are two certification bodies approved by the Ministry for agriculture. One of the certification bodies is domestic. Most of the certifications in Macedonia are carried out according to the Macedonian low on organic production, which is mostly harmonised with the EU Regulation on organic production. A significantly smaller part of the producers are certified according EU Regulation on organic production, NOP and other standards.
Many producers in Macedonia decide to certify against the national low on organic production while in conversion period and switch to certification according to EU regulation once they develop their production capacity and identify market opportunities. This presents a more cost effective option for producers which are in conversion and have not yet identified export markets.
In terms of accreditation both countries have accreditation organisations at which certifiers can be accredited.
In both countries the general opinion and trust in the certification process and certificates in general is not on a high level. Many consumers have their doubts in this regard.
In both countries state inspectorates are overseeing the work of the certification bodies. However, the state inspectors work on multiple agriculture issues and are not sufficiently acquainted with the detailed rules and good practices for performing organic certification.

3.4 LEGISLATION AND POLICY

Since Bulgaria joined the EU, the EU operative Regulation (EC) No 834/2007 and Regulation (EC) No 889/2008 regarding detailed rules about implementation of Regulation (EC) No 834/2007 are implemented. The Regulation (EC) No 1235/2008 regarding imports of organic products from third countries and setting up rules for implementation of Regulation (EC) No 834/2007 about these imports are also harmonized and applicable.
An Organic production Action Plan for the period 2007-2013 was developed in 2004-2005. However, the plan was apparently too ambitious and set targets were far behind the plans.
Legislation on organic agricultural production of Macedonia came into force and is applicable from 01.01.2010. A large part of the bylaws are taken over from annexes contained in the European Union Regulations. Although in large part the legislation was drafted in accordance to the European Union regulation, certain sections provide an opportunity for different interpretations. Current changes in European legislation are not been updated in the national legislation since 2010, are distancing the national legislation in terms of full compliance. Despite the contribution of European Commission's twinning project and the engagement of experts from Italy in the preparation of a harmonized

version of the law in 2015, the Ministry of Agriculture, Forestry and Water Economy is not interested in officialising the amendment legislation.

Macedonia is still isolated in terms of recognition of the national certificate. Recognition of the national certificate is at a very low level, and by a small number of countries. Also currently there is no interest from the state authorities in putting efforts for harmonization of the national legislation and possibly starting a process of listing Macedonia as a "third country" in line with the European regulations.

Macedonia in 2013adopted a National Plan for Organic Production of for the period 2013-2020.

Development of the organic sector both in Macedonia and Bulgaria so far has been spawn and largely driven by foreign donor organisations and not by state support or initiative. NGOs have been the main actor facilitating organic sector development by advocacy work and implementing education and promotion activities. Additionally, urban and young people are more environmentally and health conscious, thus have welcomed and supported the organic production initiatives.

It is the believe of a number of sector stakeholders that the policy makers in both countries perceive organic agriculture as a sporadic issue. The government started to be involved in organic production development both in Macedonia and Bulgaria under the pressure of accession to the EU, donor projects intervention and lobbying done by the NGOs. Currently there is political consent that organic farming can be a measure to address migration from rural areas, some social issues and to some extent contribute to stimulation of alternative tourism, but it is not yet recognised for its full benefits to society in terms of environment preservation, economic and social benefits. Policies on organic agriculture still mostly depend on the will of the Minister for agriculture and not on conclusions from a strategic and analytical approach for developing support policies.

The Ministry for agriculture in Bulgaria is contributing to organic production development in several ways. Organic production department was established in 2010 within the ministry in order to address legislation issues and coordinate organic production development. The Ministry for agriculture organizes / sponsors several public events to promote organic production. The Ministry of Agriculture is supporting Bulgarian national stands at Green Week and BioFach as relevant international organic production exhibitions. The participants at this events are about 10-15 companies, and the interest is growing.

In Macedonia the situation is similar. Organic production department exists within the Ministry for agriculture, but their contribution and impact to the overall development of the movement is questionable. It is up to the higher officials and usually the Minister to accept any development initiatives provided by the NGOs, donor organisations or the business. The Ministry for agriculture sponsors one annual event, while several mayors in Skopje have done own events with modest results.

The Ministry of Agriculture has supported a national stand on Biofach in 2016 for the first time.

Governments are ready to support the organic sectors due to a number of reasons. This usually includes: reduce rural migration, increase revenue through organic exports, substitute imports and develop a sustainable domestic market niche, protect the environment and encourage rural development through organic production.

No matter what are the reasons and the extent of the provided support to the organic sector, if the policies and actions are not well designed, they can lead to misinterpretation and discontent by policies makers and the sector stakeholders. Therefore, it is useful to clarify openly what the designed policy is expected to achieve for the organic sector and for the Government.

In order to have a clear vision on how to develop its organic sector, governments need to do a detailed assessment of their general agriculture policies and plans, and comprehend how are they going to influence the competitiveness and the conditions of the organic sector. Support policies need to be based on sector analyses and directed not only towards financial support of production efforts, but in the direction of increasing the information levels, enabling transfer of knowledge, stimulating scientific and research actions and implementing innovation.

Therefore, policy makers should be acquainted with newest information on different practices in financing activities that enable organic sector development. In terms of polices the main role of the government needs to be the decrease in administrative burden and creation of favourable business development environment. However, this doesn't seem to be the case in nether country.

3.5 MARKET ACCESS

In general, the public is familiar with the term "organic production", but only small number of consumers (mainly from urban areas) understand this term in an adequate way. There are insufficient information about organic production disseminated through the media, and often they are inadequate and inaccurate. However, nowadays it seems that the media are increasingly interested in organic production, which should be used for provision of better quality information.

Local markets for organic products both in Macedonia and Bulgaria are still in their early stages of development. However, in recent years, the supply of organic products, both from imports and from domestic production, is growing. Organic products can be found in specialized stores, sporadically on green markets, supermarket chains and online shops. Processed organic products are mainly imported, but the number of domestic products is gradually increasing. The lack of organic products of animal origin is evident, of which only dairy products are present.

Small organic producers in the region encounter a significant number of barriers for selling their products. These include: a necessity for personal-direct sales that takes time needed to manage and develop the production process, logistics for selling the products, payment for the sold products, complying with supermarkets requirements and the costs for positioning products on the retail shelf's.

In addition, organic producers often sell their products at the same prices as conventional producers. The main reasons for this is the non-competitive position of individual producer, seasonal character of production, insufficient regulation of domestic market, lack of product storage possibilities and lack of opportunities for product diversification.

According to the data obtained from the survey, a small number of producers in the region sell their products at the large consumer centres. Also, only a small number of producers successfully market products from their farms or by selling products through direct delivery to consumers. It is important to emphasize that producers who cooperate with distributors distribute only one part of their production through them, while the rest is distributed through personal sales or other sales channels.

The surveyed organic producers in the region produce more than 30 different agricultural, vegetable and fruit products. Unfortunately, their thinking stems from the many years of experience and problems they encounter while selling and placing products on the domestic market. The difficulties in selling their complete production as organic, is a consequence of producers weak negotiation position, the unregulated market for organic products, insufficient cooperation between the producers themselves, between processors and producers, and often the incorrect attitudes of distributors and traders. However, it should be noted that recently the demand has grown and a growing number of organic producers manage to sell most of their production as organic.

It is important to emphasize that more or less all producers have no problem in selling their products at conventional prices. However, selling at higher prices, which in principle should justify producer investments in organic materials and extra labour, is missing. The offer is seasonal and limited, both in terms of diversity and in terms of available quantities. Producers generally do not apply methods for extending the production season or diversifying the offer to cover a longer period of sale. They offer a diversified product range, but most of them are present on the market only with limited quantities and in short periods in a year. Although the organic products are finding their ways to the supermarkets, not much is done for their promotion and availability improvement. Alternative and direct channels for sales and promotion, which would allow producers to exclude middleman and increase their incomes, are generally not used. To a large extent, especially when it comes to fresh produce, consumers themselves need to discover sources of organic products and find a way to reach them.

In terms of exports, it is something still reserved for larger and well-organized companies. There is an enormous potential on the European Union market, but it is accompanied by strict requirements for quantities and quality. Given the undeveloped relations between producers and processors/traders, successful examples of contractual production of organic products are rare. Generally, as a way to reduce risk of losing export markets larger companies plan own production, thus, control over production prices and organic quality of products is established. It should also be borne in mind the complexity of organic raw materials supply, from a large number of individual producers. The use of unauthorized protection products from one producer would compromise the organic integrity of the whole supply structure. At the same time, organic status confirmation in principle is done by laboratory testing, which are quite expensive and would significantly affect the price of products, if samples from multiple producers in the supply structure are tested.

3.6 PRODUCTION INPUTS

One of the main reasons that hampers organic production development is the lack of appropriate crop protection products. This also contributes to a trend of certifying production processes and crops that have less requirements for protection inputs (walnuts, hazelnuts, persimmons, pomegranates, sheep breeding, etc.). On the other hand, there is a problem when marketing these products, as consumers are actually most interested in buying fruits and vegetables that are known to be produced with intensive pesticide use. This includes some of the most commonly used fruits and vegetables e.g. carrots, tomatoes, peppers, cucumbers, apples, grapes, pears, etc.

The lack of producers awareness about the existence of protection inputs and fertilizers allowed for use in organic production, as well as the limited availability and lack of knowledge on correct use, are also main factors that slow down the development of organic production.

Many producers are misinformed that in the organic production, no protection inputs are used, and therefore they see it as "impossible" and are not interested. Additionally, it is a fact that the ones who are interested, find it difficult to get the right information about availability and correct usage of protection inputs.

Companies that offer agriculture protection inputs still do not have much interest in selling the protection products allowed for use in organic production. Those same companies have already established sales channels for conventional protection products which provide them with a solid profit. Establishing an offer of protection products allowed for use in organic production requires additional investment in staff education, regional retail network, and promotion, as well as investment in informing producers about products correct use and the benefits of using these products. Given that the number of organic producers is still small, the offer of such products by major protection inputs distributors is simply not seen as a worthwhile investment.

In addition, biological protection products allowed for use in organic production require a higher level of education for agricultural producers. This is because its biological products have own specific requirements for storage and use. This further means that both suppliers and importers of these products should transfer these additional knowledge to agricultural producers and provide support for their use. Naturally, this is an additional investment that in the present situation seems completely unjustified for the importers.

Therefore, at the moment, providing the main offer of protection products are micro-enterprises that have a more developed entrepreneurial spirit. These companies have an offer of a small range of protection products, in an effort to establish their position on the market. Given the very limited opportunities for promotion and sale and the competition by large companies that offer conventional protection products, the success of these companies is generally sporadic and localized.

Given that the regulations of the European Union and the free market principle apply in Bulgaria, registration of protection products is appropriately regulated and does not represent a barrier for the availability of these products. In contrast, in Macedonia registration and import of protection products that are allowed in organic production represent a serious obstacle for the development of the organic movement.

3.7 AVAILABLE SUPPORT

In Bulgaria, after the accession to the EU, Rural Development Program Measure 214 from the structural Agroecology funds are used as main financial incentive for organic production development. In order to be eligible for this subsidies, organic producers must be formally certified. Many of the small-scale producers could not receive subsidies, because of minimum size of farms requirements.

The subsidies include organic crops, animals, and beehives. Amounts distributed through the subsidy system in Bulgaria for crop production range from 30 Euro/HA to 730 Euro/HA. Organic producers can also apply for subsidies under supplementary Rural Development Program measures along with conventional producers. Support is provided to all crops and all producers that certify both in conversion and organic. When starting certification process, organic producers need to stay in certification for at least 5 years in order to use the organic production subsidies.

In Macedonia however, EU funds are not available for subsidizing organic agriculture. Therefore, funds are secured from the national budget for agriculture. In addition, there is little guidance from EU in terms of correct use of state funds to boost development. Usually support measures are created by Ministry staff which has limited knowledge and experience in planning and executing development measures. Results monitoring and analyses of implemented support measures is not performed when designing and adopting yearly support plans. In the last few years there are also a large number of inconsistences and changes in the amounts provided for support of organic production. Currently the subsidies for crop production amount from 30 Euro/HA to 550 Euro/HA. Support is provided for all crops and to all producers that certify both in conversion and organic. Producers have no obligation to stay in certification, so producers may use the opportunity to receive subsidies during the conversion period and give up at any given time. Therefore there is also the questions if the opportunity to receive subsidies during the conversion period with no additional requirements, may have stimulated abuse of domestic support as producers aim to get subsidies but do not make efforts to finalize the conversion to organic status.

In addition, payment of subsidies is frequently late, complex administrative procedures when applying for financial support as well as the large number of mistakes in the payment procedures are a major contributor to producer's disappointment and limits the organic production development.

In both countries there is no obligation for producers receiving subsidies to sell their products as organic. It is often the case that producers cannot find a market for selling their products as organic. Also in many cases, producers are unable to sell their products as organic due to higher prices and must sell them without a price premium. But there are also many cases where producers do not even bother to look for a market for their organic products. So, there is suspicion that some producers certify only because of available financial support. This is usually the case with traditional production systems which mostly comply with organic production requirements. Therefore, with small or no changes to their production systems they can receive increased subsidies.

High dependence on production subsidies with low domestic buying power should raise questions if the organic production motivated by the desire to obtain subsidies rather than by market realisation, will hamper sustainable sector development.

Despite the availability of support in both countries the sector is not growing significantly and the organic movement is still underdeveloped. Thus, the question if the support measures are well structured and implemented in a correct way needs to be answered.

The role of the State is also to perform monitoring and analyse of results of implemented organic production development support measures, polices and financial instruments, in order to design new and more appropriate measures. However, in general there is an opinion that this is not done on a satisfactory level if at all.

4 SWOT ANALYSIS

The SWOT analyses includes:

- strengths that have to be built upon to boost organic sector growth
- weaknesses that need to be addressed to support organic sector growth
- opportunities that might be used to encourage organic sector growth
- threats to organic sector growth that ideally need to be counteracted

It is divided in seven priority areas for action which have been identified, focusing on production, know-how and education, organic certification, legislation and policy, market access, production inputs and available support.

4.1 PRODUCTION

STRENGHTS	WEAKNESSES
Favourable climate and soil conditions	Existing areas in which there is no irrigation with permanent risk of low yields and a small number of crops that can be cultivated.
Producers experience in cultivation of agricultural crops in a traditional - extensive way	Insufficient and inconsistent promotion about the organic production advantages and the involvement opportunities for producers
Existing autochthonous varieties with good genetic potential;	Weak producers motivation for increase of organic production as a consequence of weak demand and inadequate measures for support in organic production
PROCESSING	Inadequate application of modern agro-technical measures due to lack or outdated mechanization and insufficient producers education
Existing support for processing of organic products (MK)	Organic producers do not have the capacity and interest to engage in products value-adding activities (processing at the farm and diversification of production)
Developed and export-oriented processing sector	Lack of infrastructure and techniques to extend growing season
Processors are interested in production of value-added products	Inefficient and costly production due to absence of modern production technologies
ANIMAL HUSBANDRY	Small number of producers involved in organic production
Favourable conditions for the development of organic animal husbandry (unpolluted natural meadows and pastures)	Large fragmentation of agricultural land and small yields
Traditional agricultural production, very close to organic production	Largely inadequate structure of producers involved in organic production (opportunists, retirees, unemployed, weekend farmers)
Breeders with many years of experience and existence of livestock tradition	Insufficient organization of producers in terms of production planning and realization
	Lack of knowledge about organic production techniques
	PROCESSING
	Lack of processing facilities involved in organic production
	Insufficient quantities of certified raw material available to processors
	Lack of knowledge about organic processing techniques
	Lack of coordination between processors and producers and absence of contractual production

	No support for the processing of organic products (BG)
	ANIMAL HUSBANDRY
	Insufficient organic animal husbandry information at all levels
	Lack of concentrated protein fodder from domestic production
	Lack of arable land for production of fodder near farms;
	Weak breeder's education and capacity for fodder production
	Lack of certified processing facilities for fodder production;
OPPORTUNITIES	**THREATS**
Determine the quantity of imported organic products and explore the potential for substitution of imports with local production	Slow domestic market development
Improving organic farming efficiency	Imports of more competitive products
Attracting more producers in organic production	Irrigation water deficiency in certain regions
Establishing regional cooperation programs	World economic recession and negative impact of globalization
Promoting market-oriented rather than organic agriculture motivated by subsidies	Climatic changes and negative consequences by global warming
Revitalization of rural areas with organic production development potential	Organic products are exported as primary agricultural raw materials and not as final products
Introducing guided production based on export markets demand	Rural to urban migration
Increased EU funding use by producers and attracting investments in organic production	Overproduction of subsidized agricultural crops
Facilitating access to agricultural machinery, production equipment and storage technology	Absence of land consolidation policy and retaining small and fragmented land plots
Supporting small farmers growth	Land is not cultivated in high percentage
Support establishment of producer groups and cooperatives, by developing new market opportunities	Large professional producers not interested in organic production
PROCESSING	Low level of rural areas development and migration of rural population
Growing organic products demand on domestic, regional and global market	Reduction of available workforce in rural areas
Coordinating the processing sector and use of organic fresh products surpluses in periods of increased supply	**PROCESSING**
Identification of large producers and their involvement in organic production	Low processors information about access to raw materials and markets for organic products
ANIMAL HUSBANDRY	**ANIMAL HUSBANDRY**

Directing farmers towards protein crops production	Constant livestock reduction
Introduction of equipment and varieties that will contribute to increased fodder production	Week financial power and insufficient capacity of animal breeders
Supporting small and medium enterprises and artisanal producers to develop their full potential in organic production	

4.2 KNOW-HOW AND EDUCATION

STRENGHTS	WEAKNESSES
Organic production is studied in agricultural high schools (MK)	Agriculture high schools and university curricula have insufficient organic production content
Organic production is studied in undergraduate and postgraduate educational institutions	established educational standards are inadequate and inadequate studying programs design
Existing interest of donor organizations for educational activities in organic production	Insufficient exchange of information and cooperation with educational and research institutions from other countries
Existing publications with introductory information on organic production in local languages	Insufficient producers opportunities for access to knowledge and education for organic production;
Existing expert and infrastructural capacities for implementing organic production research activities	Complete absence of advanced, specific, specialized, and applicable knowledge about organic production of different crops
Existing resources in agriculture high schools and universities for conducting demonstrations, trials and applied field research in organic production	Existing expert and infrastructural research capacities do not contribute in the field of organic production
Existing organizations that offer informal education for organic production	Low level of knowledge about requirements and techniques for organic production by state advisory services and inability to transfer knowledge to producers
	Small number of applicative scientific research and research projects on organic production
	Lack of specialized organic production educational materials and lack of information exchange between organic producers
	Incomplete use of research potential
	Most producers have a modest knowledge of modern production techniques
	Unavailability of educated professionals that can offer advisory services

	Complete absence of knowledge transfer and education for marketing and sales of organic products
	Insufficient level of information and knowledge about organic production
	Most trainings and education efforts are sporadically implemented through NGOs projects
	Insufficient and unreliable sources of training, education and research
	Insufficient capacity for advisory services provision in state institutions
OPPORTUNITIES	**THREATS**
Identifying and meeting training needs	Lack of interest in young people in agriculture-related professions
Improving existing advisory services support and developing potential for provision of short-term expert advice to producers	Delays in application of new methods and technologies for organic production
Support NGOs in implementing organic production education, networking and knowledge transfer projects	Migration of young high-quality professional personnel abroad
Inclusion of organic production as educational module in primary and / or high schools	Long-term disconnection of scientific and research organizations
Establishing centres for informal education and research in organic production	Long-term absence of appropriate advisory services
Conducting crops specific trainings, for grown and markets demanded crops	Long-term lack of knowledge and appropriate motivation.
Better use of EU education funds	
Introduction and support of organic production stakeholders discussion groups	
Steering research and applied science towards organic production development	
Research and introduction of varieties that are adoptable in local conditions and existing climatic changes	
Supporting organic producers through volunteers, practitioners and trainees programs	
Establishing regional cooperation programs and exchange of experiences	

4.3 ORGANIC CERTIFICATION

STRENGHTS	WEAKNESSES
Availability of certification services	Absence of support in certification costs (BG)
Developed competition in offering certification services (BG)	Certification according to a national standard which is not recognized in the EU (MK)
Existing financial support for certification cost (MK)	Small number of certification bodies, i.e. weak competition in certification services (MK)
Established control system by state inspectorates	Absence of derailed information for agricultural inputs certification
Availability of informative materials for certification process introduction	Small number of local organic production inspectors in the cross-border region
Availability of group certification (BG)	Limited information and mistrust in the certification process
Producers aware of certification possibilities (EN, BG)	Limited knowledge about certification in state agencies
	Insufficient knowledge of certification requirements by the producers
	High certification costs
	Unavailability of group certification (MK)
	Perceived difficulty with the certification process
OPPORTUNITIES	**THREATS**
Establishment of new certification bodies and increasing competition (MK)	Absence of appropriate and accessible certification services in the region
Conducting control and certification process trainings for administration representatives and new inspectors	Producers demotivation and reduction of organic production growth
Exchange of experience between sector participants in terms of certification	Slow development of organic production
Increasing information transfer to producers about the process for control and certification	Continuing trend of high costs for certification
Enabling certification of inputs for organic production	
Increasing consumers and producers confidence in certification through confidence-building activities	
Increasing availability of regional inspectors and reducing certification costs	
Introducing group certification (MK)	
Introducing support for certification costs (BG)	

4.4 LEGISLATION AND POLICY

STRENGHTS	WEAKNESSES
Legislation is in full compliance with the European organic production legislation (BG)	Parts of the legislation are not harmonized with the EU regulation (MK)
Existing national legislation generally harmonized with European legislation (MK);	Absence of strategy and strategic planning at all levels for organic production development
Existing Organic production Development Action Plan till 2020 (MK)	Absence of important legislation provisions e.g. group certification (MK)
Existing monitoring system for of organic production	Subsidies and support available only on the production side, but not for domestic market development
A national logo for labelling of organic products or products in transition has been introduced (MK).	Absence of interest and activities of local governments for organic production development of
In general, there is a political consensus regarding support to organic production	Organic producers are marginally involved in the development of policies and support measures for organic production
Existing dialogue between government and the organic producers associations	To a large extent, the support of organic production depends on the will of the minister for agriculture
Stable support for organic production with the EU accession (BG)	Complex and unnecessary procedures for the import of organic inputs (MK)
	Absence of will for national legislation harmonization by the Ministry of Agriculture (MK)
OPPORTUNITIES	**THREATS**
Amendment of the organic production legislation (MK)	Slow development of organic production (BG, MK)
Introduction of domestic market development measures in the state support program for organic production	Long-term absence of administrative capacities for organic production development at central and local level
Introducing strategic planning in the development of organic production	Increasing differences between national and European legislation (MK)
Involvement of municipalities and local authorities in the development of organic production	Lack of competent institutions interest for development of organic production
Stabilization of support for organic production with EU approximation (MK)	Unstable organic production support (MK)
Development of an organic production strategy	Long term absence of a strategy or implementation of adopted strategies and action plans
Inclusion of organic products in public procurements of state managed institutions (kindergartens, schools, hospitals)	Discouraging organic producers with inadequate policies and reduction of organic production growth
Improvement of the ambient for organic production by recognizing benefits of organic production by high ranking state officials	Lack of coordination between organic production development policies at central and local level

4.5 MARKET ACCESS

STRENGHTS	WEAKNESSES
General interest of relevant government authorities for organic production promotion	Domestic organic food market is underdeveloped
General consumers awareness of organic production	Low public awareness and low level of information about the meaning of the term "organic" and the benefits of these products
Annual organic promotion events organized	Limited range of fresh products offered to the domestic market
Domestic demand for organic products is not large, but growing	General lack of continuity in fresh organic products supply of due to the highly seasonable production
Organic products have great potential for growing export markets	Lack of infrastructure for directly and indirectly extending selling season and improving supply continuity
	High consumer prices of organic products
	Small volume of domestic market
	Relatively low income of the population
	Lack of sales outlets and market opportunities
	Not well structured and ineffective supply chains and limited high costs distribution of organic products
	Lack of promotional strategy on the domestic market.
	Consumers are not familiar with organic integrity assurance systems and existing lack of consumers' trust
	Substantial portion of organic operators do not seek branding of their production as organic
	The national logo for organic products is marginally in use and is not recognizable
	Organic producers lack capacities and interest in engaging in alternative marketing and sales channels
	Insufficient number of promotional and sales events for organic products
	Difficult access to export markets (MK)
	Insufficient organization of producers in marketing
OPPORTUNITIES	**THREATS**
Identify specific export markets needs and coordinate production to accommodate this needs	Prolonged low involvement of the government in the promotion of organic products
Diversification and expansion of the organic products supply chain to meet domestic demand	Inadequate high pricing policy of producers and organic products distributors

Implementation of promotion and awareness rising campaign highlighting the benefits of organic production	Negative impacts of the financial and economic crisis, political instability and decreased attractiveness for investments
Stimulate demand and attract more consumers via support to establishment of consumer groups and CSOs	Price increase beyond the threshold of market elasticity and decrease of willingness to buy organic products
Development of opportunities for organic producers in public procurements	Long term consumers exposure to high prices and decreasing organic products appeal
Build trust by enabling quality consumer relationships with organic producers (farmers teaching consumers about organic gardening, organization of fairs, discussions and events where consumers and producers can interact.)	Prolonged failure with providing organized logistics, continuity and diversity of organic products and decrease in the willingness to buy organic products
Signing of bilateral agreements for mutual recognition of certificates with countries in the region and beyond (MK)	Improper implementation of strategic and program documents and ineffective use of EU funding
Green and healthy lifestyle and environment, becoming popular topics especially among younger and medium age people	Insufficiently clear government strategy for stimulating organic products consumption
Develop and implement special measures to support product diversification, growing season extension and activities for extending supply continuity.	Slow development of organic production and diminishing possibilities for access to developed markets (BG, MK)
Support creation and implementation of a domestic market development strategy	Lack of connections to processors and traders
Build links between producers and processors / HoReCa industry	

4.6 PRODUCTION INPUTS

STRENGHTS	WEAKNESSES
Free access to EU-registered protection inputs and seeds (MK)	Lack of interest of importers to offer protection inputs
Simplified import procedures (BG)	A small number of available protection inputs and a small number of importers
Simplified registration procedures (BG)	Significant cost for registration of protection inputs (MK)
Available support for use of permitted protection inputs (BG)	High prices of available protection inputs
	Poor availability of allowed protection inputs
	Producers insufficiently informed about existing offer of protection inputs
	Complicated import and registration procedures (MK)
	Producers have difficulties in access to information protection inputs
	Lack of interest by agricultural pharmacies for offering organic protection inputs
	Lack of producers support for use of organic protection inputs (MK)
	Lack of initiatives for producers joint procurement of production inputs
	High costs of registration of protection inputs (MK)
	Lack of producers education about allowed organic inputs availability and way of use
	Insufficient knowledge and competents of experts and advisory service providers about allowed organic inputs availability and way of use
	Existing strong supply of conventional protection inputs
	Insufficient knowledge and lack of producers interest in traditional and alternative protection inputs, which they can produce by themselves
	Confusing information regarding availability and use of certified organic inputs circulate among producers
OPPORTUNITIES	**THREATS**
Establish system for support and promotion of organic inputs	Lack of a clear vision and strategy about needs and about support for increasing availability organic inputs (MK)
Involvement of state advisers, scientific and educational institutions in the promotion of organic inputs	As a small undeveloped market, producers of organic inputs continue to avoid Macedonia as an interesting market for establishing partnerships (MK)

Establishing a system for informing producers about available organic inputs and way of use;	High cost and lack of economic justifiability for use of organic inputs
Introducing specialized sales outlets and information centres for organic inputs	Lack of interest/incentives for traders to offer organic inputs
Stimulating producers joint procurement and costs reduction in obtaining organic inputs	Absence /unavailability of knowledge and expertise about the feasibility and methods of organic inputs use
Simplification of import and registration procedures for organic inputs (MK)	Keeping complicated procedure and high costs for registering organic inputs (MK)
Facilitating the import of organic inputs and achieving more competitive production	Inadequate high pricing policy by organic inputs importers
Education of experts and advisory service providers about allowed organic inputs availability and way of use	Lack of experience and knowledge about new permitted organic inputs in the professional, scientific and educational circles.
Educating producers about the possibilities of using traditional and alternative protection inputs, which they can produce by themselves	Availability of small number of quality organic inputs, and therefore non-competitive production
Reducing the costs for organic inputs registration (MK)	Prolonged lack of availability and selection of seed and propagating material.

4.7 AVAILABLE SUPPORT

STRENGHTS	WEAKNESSES
Existing of support programs for organic production	Complex procedures for receiving support and subsidies
Existing departments focusing on organic production at the Ministries of Agriculture	Inadequate model of allocating subsidies
Appropriate media interest about organic production	Inconsistency in keeping deadlines for subsidies payment
Existing initiatives from commercial banks for approving favourable credit lines intended for organic producers	Insufficient capacity of competent institutions for administering subsidy applications
Available support for the use of organic inputs (BG)	Lack of support for producer association
Sporadic governmental promotion for organic production	Some media publish inaccurate and counter-productive information
Existing free support through state advisory services	Insufficient commitment of staff in competent authorities dedicated organic production units
5 year obligatory certification when using organic production subsidies (BG)	Insufficient utilization of EU funds by organic producers due to large administrative barriers, insufficient information and lack of knowledge for applying for funding

	Producers have no obligation to remain in certification, as a result of which there is a large number of producers certifying for only for one or two years to receive subsidies (MK)
	Insufficient competence of the state advisory service representatives in organic production
	Insufficient financial support to NGO sector as one of the main supporters for organic production development
	Lack of tax incentives and other measures for support of organic producers
	Insufficient support for processing organic products and for market development
OPPORTUNITIES	**THREATS**
Implementation of projects for organic production development	Attractive subsidies without setting conditions for production and market placement can lead to the emergence of producers motivated only by subsidies, which could jeopardize the sustainable development
Increase time commitment that local and central government staff dedicate to organic production development	Insufficiently clear and transparent activities of the payment agency, both in payment and development of rules for using support
Introduction and application of cross-sectorial cooperation for organic production support	Long-term absence of strategic planning of support measures
Introduction of a 5 year contract for using organic production subsidies (MK)	Increased administrative obligations for producers, without adequate advisory support
Attracting investments in organic production	
Restructuring of subsidies for organic production	
Training of advisory services and securing quality information service for organic producers	

5 MEETING THE NEEDS OF THE ORGANIC SECTOR

In some cases push strategies for the development of the organic sector have been applied, while in others a pull strategy. A push strategy focuses on measures to develop the production side while assuming that once organic products are offered to the market it will spark the interest of consumers and market demand will be developed. The pull strategy is focusing on developing market demand as the main driving force. Push strategies are usually based on substantial subsidy payments to organic producers. However, push strategies sometimes bring more bad then good to undeveloped and unstable organic markets. Increased offer of organic products can lead to fierce competition among producers and low prices that can demotivate producers once the subsidies are no longer available. In contrast large investments in developing the organic market and promoting products without the supply side being able to catch up with the demand, can lead to customer frustration and imported organic products dominating the market. A combination of market supply and demand measures is more promising. Therefore an integrated development strategy is created which encourages both the 'push' of relevant Government policy and support measures and the 'pull' of market opportunities created through an appropriate set of measures.

The strategy is setting strategic goals for organic sector development in the CBC region that compliments existing national strategic documents and support schemes. It has a special focus on public goods and policy issues, with recommendations aimed at administrative streamlining and policy development.

For each of the goals, a number of objectives are set and actions identified in order to address specific 'bottlenecks' and capitalize on opportunities and initiatives for the regional organic sector development. The proposed objectives are based on an assessment of the current situation, problems faced by the sector. Specific actions and recommendations were designed with intensive participation from sector stakeholders.

5.1 MISSION VISION FOR THE ORGANICS SECTOR IN THE BG-MK CBC REGION

VISION FOR THE ORGANICS SECTOR IN THE BG-MK CBC REGION

"A developed regional organic sector providing valuable services to the environment and society and providing healthy food to local and international markets."

MISSION

"To establish the CBC Region of Bulgaria and Macedonia as a leading organic production region that can contribute towards:

- maintaining the vitality of the rural economy by providing employment opportunities and securing sustainable incomes for organic sector participants;
- protecting and enhancing the environment and natural resources of the region;
- protecting the CBC region environment friendly image, while improving competitiveness of the agricultural and food sector.

Strategic Goals

1. Develop an appropriate supportive environment to enhance organic sector growth
2. Support the establishment of a Regional Organic Development Lead Group to steer the lead the development of organic sector in the region
3. Increase the competitiveness of certified producers (organic and in-conversion) by increasing their technical and managerial capacity for effective production and marketing
4. Secure diverse market opportunities and effective supply chains for organic products from the Cross-Border region

5.3 SUMMARY OF GOALS AND OBJECTIVES TO DEVELOP THE ORGANIC SECTOR

Strategic Goal 1 Develop an appropriate supportive environment to enhance organic sector growth	**Objective 1.1:** Facilitate sector growth through formal recognition of organic agriculture provided environmental goods and socio-economics benefits by consumers, stakeholders and policy makers
	Objective 1.2: Joined advocacy on legislation, policy and support issues to central government
	Objective 1.3: Secure greater collaboration between organic sector stakeholders in order to enable sector development
	Objective 1.4: Secure greater collaboration between organic sector stakeholders in order to enable sector development
	Objective 1.5: Establish a regional system of incentives that recognises the positive contribution of organic agriculture to the environment and social development and supports its development
Strategic Goal 2 Support the establishment of a Regional Organic Development Lead Group to steer the lead the development of organic sector in the region	**Objective 2.1:** Establish a regional organic development lead group, which is inclusive of all organic stakeholders and representatives of all relevant local government agencies
	Objective 2.2: Organic development lead group is recognised by government and supported by the majority of its constituency
Strategic Goal 3 Increase the competitiveness of certified producers (organic and in-conversion) by increasing their technical and managerial capacity for effective production and marketing	**Objective 3.1**: Brand and promote regional Organic Produce
	Objective 3.2: Secure long term transfer of relevant organic production know-how and information to organic producers
	Objective 3.3. Contribute to cost reduction and increase of production efficiency in regional organic production undertakings
Strategic Goal 4 Secure diverse market opportunities and effective supply chains for organic products from the Cross-Border region	**Objective 4.1:** Stimulate domestic demand of local in season grown organic products
	Objective 4.2: Develop domestic market opportunities for regional organic products
	Objective 4.3: Develop export market opportunities for regional organic products

5.4 DISCUSSION OF THE STRATEGIC GOALS AND RECOMMENDATIONS

5.4.1 STRATEGIC GOAL 1

Develop an appropriate supportive environment to enhance organic sector growth

The development of a supportive environment for the organic sector includes both legislative and policy mechanisms. The legislative aspects provides a framework in which the organic sector is regulated while polices have a direct task of enabling an environment that supports growth and development. At National level in Macedonia there is an action plan for the period 2013 - 2020 and in Bulgaria currently there is no strategy or action plan dedicated to organic sector development. Based on the implemented research, none of the local authorities in the CBC region in both countries has drafted a strategic or policy document that is specifically aimed at development of organic agriculture. Thus, initiating discussions about the implementation of this strategy and a meaningful consultation about development of local policy and support measures can also contribute to raising the profile of organic agriculture and stimulate public involvement. The commitment of local government to support organic sector development, will assist in achieving additional broader objectives of encouraging organic sector stakeholders, consumers and conventional farmers to be more actively engaged around organic agricultural issues and will initiate more opportunities for newcomers to the organic movement.
By creating a platform to initiate discussions around the implementation of this strategy and support polices on local level will also provide the opportunity to address legislation and national support issues and ensure proper consultation. Based on the conclusions from this consultations the central government policy makers can be approached with proposals for legislative and policy modifications needs in order to further develop the organic sector.

The institutional development in the cross-border region in the field of organic production implies strengthening the capacities of local institutions in order to adapt and expand the activities of these institutions in accordance with the planned development of organic production.
Municipal councils for agriculture and staff in the local economic development offices must be familiarized with existing organic production issues. Then their staff needs to receive general training on organic production. This training can be provided both for them and for other representatives of local and central government, in order to improve their knowledge and understanding of the organic sector, as well as to realise necessity for supporting organic production development measures. Once this is achieved, competence and capacity enhanced, this knowledge can be transferred to the remaining staff and used for securing development funds (local and regional projects).
In many developing countries, including Bulgaria and Macedonia, foreign aid plays a major role in the organic sector development, either through financing or through implementation of special development programs. With the support of other municipalities that would clearly designate organic production as their priority, any local government in cooperation with the non-governmental and business sector would be an interesting partner for attracting these development funds.
Additionally, through coordination of trained staff, an opportunity would be created for initiating cooperation between municipalities in the region for implementing joint organic

production development projects, whether financed independently or in cooperation with other donors.

The development of capacities of government agencies at regional level can also include capacitating extension services to support organic production. Having in mind the situation in the region, it makes sense that in organic agriculture, extension should be focused on provision of specialised technical services. It is suggested that dedicated organic production support staff from the local ministry departments of agriculture and national extension agency are identified and trained, rather than having diluted generalist knowledge in all extension staff. Thus, providing extensive training, mentorship, capacity building and support to an “elite” core of local support staff to support organic producers will boost the organic sector development. This staff will be working closely with development centres, veteran organic producers and research institutions to assist producers in achieving and maintaining organic certification.

Identified objectives and measures under this goal are also directed towards: assisting the decrease of distrust in the organic sector, contributing to better sector policing, enhancing the profile of organic products locally and maximising organic production benefits to the environment and community. Acknowledgement of environment benefits of organic agriculture with its contributions to biodiversity, pollution control, and soil and water preservation is one of the main objectives set under this goal. Beside economic contributions, organic production also offers a range of social benefits which can also be obtained. Organic production methods can also assist in poverty reduction and enhance productivity of farms, providing that necessary support from extension services and stakeholders is available. This should be ideally recognised and communicated to the public and supported at a policy level by local and national government and support implemented by relevant agencies and departments.

This process can start with a study to investigate and quantify the significance of environmental and social benefits that organic production can provide to communities. The findings of the study can be accepted by policy makers and publicly disseminated. This information can be underlined in all organic production promotion and consumer awareness rising campaigns. Then a system of financial and non-financial incentives can be established to support and further recognise the benefits of organic production.

The system also needs to include a framework and criteria for providing incentives to producers and stakeholders. In frame of the municipality budgets it is possible to reserve special budget lines for organic production support and promotion.

In order to fulfil this goal a stable institutional framework needs to be established. Cooperation and coordination between different sectors of the local government and organic sector stakeholders is needed. Cooperation between local government and central government institutions also must exist.

5.4.2 STRATEGIC GOAL 2

Support the establishment of a Regional Organic Development Lead Group to steer and lead the development of organic sector in the region

The Regional Organic Development Lead Group (RODLG) has been identified by many stakeholders as key to the coordinated and sustainable growth for the organic sector in the region. The RODLG must be fully inclusive and represent all organic sector stakeholders. This is perhaps not possible in the short term, having in mind the early stages of the sector development. It is also unlikely, in the short term, that funding will be secured for RODLG to operate at full capacity. At this stage it is also not likely to define the exact structure for the RODLG. A process of discussion with the sector stakeholders must be initiated to determine the exact structure. The discussion process should not target only to outline the functions of the RODLG, but also to provoke involvement and support from stakeholders.

It is recommended that the established RODLG includes representatives of government departments, agencies and related institutions that will assist in addressing policy and legislative issues and will secure coordination between local and central government departments. The RODLG will be also responsible for monitoring levels of implementation of strategies and associated policies. It will also assist in raising public awareness and catalysing stakeholders support to the organic agriculture. RODLG can represent the regional organic movement and articulate development needs. Finally, it is imperative that the national and provincial government agencies are made aware of organic production and its potential to enhance local economic development and environment. Capacity need be built with the relevant government officials and stakeholders at different levels, to create enabling environment in which organic production development can take place.

Once defined, it is vital that the RODLG is acknowledged at a regional and national level. The local government needs have to play an essential part in the formative period. It is also imperative that sectors stakeholders are represented in the RODLG activities. Next a purpose of the RODGL and a mandate need to be established.

Supporters of organic production development in the local and central government that will be involved in the RODLG work must be identified and motivated to contribute. In order to bring fresh perspectives on how the government can support organic production, visits and study tours to other countries can be organised and best practices for polices aimed at supporting organic development can be explored. Permanently engaged group coordinator may work on establishing cooperation with educational institutions, extension offices and develop project proposals aimed at development of the organic sector. This projects may include multiple stakeholders from the region as well as foreign municipalities, research and scientific organisations, producer organisations, organic networks in order to enable exchange of experiences and transfer of knowledge and technology through the projects implementation.

Government and sector stakeholders will need work on developing innovative ways of obtaining financing for the work and activities of the regional organic development lead group. It is possible that funding will come from the local government for some period or that the regional organic development lead group will initially be grant dependent, but on a long term functionality solution will need to be identified. Therefore, one of the options is that the organic development lead group is institutionalised in the EOP-CBR network. Beside organic producers and traders, the network in its structures can include and be representative of all organic sector stakeholders. It is anticipated that the EOP-CBR network will fund itself from membership based funding, grant funding for some of its initiatives, such as research, education and training and payments for the provision of services, such as sector information.

5.4.3 STRATEGIC GOAL 3

Increase the competitiveness of certified producers (organic and in-conversion) by increasing their technical and managerial capacity for effective production and marketing

It should be recognized that currently the organic production sector is receiving almost no support from research institutions and government extension agencies. Having in mind that organic production is much more knowledge intensive than conventional agriculture, it is understandable that without investments in research and education little can be expected for its development. In addition there are sufficient evidence to support the claim, that if more resources were allocated to research and education rather in direct payments to producers, a leap in efficiency and productivity in organic production would have been witnessed. There are different ways of approaching and addressing the lack of research and education in organic production. For instance there are plenty examples where research and education have been decentralized into regional agricultural research institutes and are coordinated by independent organisations.

Research priorities should be developed in close cooperation with sector stakeholders and in participatory collaboration with producers. Needless to say that research must be oriented based to producer's needs. Research and education projects can include the model of private-public partnerships in order to stimulate development of ideas and initiatives.

Research institutions such as the agricultural, economics and engineering institutes and universities can engage in research that could support organic production. Collaboration and research partnerships may be established with other countries that have well developed organic programmes. Countries in EU have well developed systems for supporting organic production and well advanced privatised supply chains which secure market for organic products from smallholders. Much can be learned from these countries and applied in own organic production sectors. Hence, producers, students, education, research and extension people can work together to analyse this systems and propose changes in domestic support actions, polices and even legislation.

Key research areas should include consumer trends, market development, export promotion, polices for sector growth and development, best production practices, identification and testing of new and applicable technologies and their dissemination to enhance producers competitiveness.

Special attention in research and education can be put on the potential of integration of traditional production knowledge in organic production methods. Traditional knowledge and practices can be used to enhance local agricultural productivity and can facilitate implementation of organic production practices. Modern production techniques on the other hand can complement traditional production systems increasing their efficiency and productivity. Traditional knowledge about pest control treatments should be assessed, utilised, possibly upgraded and disseminated among producers.

In addition, transition to organic is simple for many crops. Basically it is about replacement the use of agro-chemicals for natural plant protection products such as plant extracts or manures and compost for fertilization. With that in perspective, ensuring that organic producers have knowhow to produce this production inputs by themselves or providing that they can tap in to a source of this inputs, seem like good ways to support organic production.

Tertiary education organisations e.g. agricultural and other universities may develop research and training programmes on organic agriculture that will not be aimed only at students, but to producers as well. These institutions can also act as forums in which meaningful discussions can take place regarding different aspects of organic production. Also, demonstration and research farms can be set up in high schools, universities or with producers in their vicinity and can be used for trials, research, training and education.

Education at all levels can have a significant role in modelling the future. The need of competent people is evident in the organic sector and education activities should start as early as kindergartens trough elementary and high schools and continue at university.

Primary education institutions have an important role as they influence thinking and reasoning during the formative years. However, given the current state of education, it will take time for the development of an educational program aimed at pre-school and school age. As an alternative solution successfully implemented in many developed countries is strengthening the cooperation with the non-governmental and business sectors. One of the examples of educational measures is, the establishment of an organic gardens and the introduction of an organic meal in kindergartens or organic snacks in school facilities. Organizing visits of children to organic farms and observing production practices, as well as visits of producers and professionals at schools and kindergartens is a good practice for educating the youngest. All these activities can be initiated and supported by local governments.

Education and knowledge transfer in organic production is also largely lacking in adults. Training programmes for government employees and other relevant staff also need to be developed and implemented. However it is the producers that have the biggest need for education and know-how transfer. Mostly this need can be addressed by organising trainings and extension to producers in variety of different combinations and models. NGOs often have experience in providing extension in organic production and local governments could consider supporting organic extension by integrated private-public partnerships with NGOs or producer organizations.

Local governments can support the provision of technical courses and skills development trainings to producers in their regions, in cooperation with extension services, experienced producers, NGOs and tertiary education institutions. Thus, providing training and support to existing and potential organic producers, on a variety of organic production management aspects.

Training efforts need to focus on practice and trainees needs. In this regard, enabling access to specialized literature and information is greatly important. Use of modern information and communication technology must be stimulated in order to facilitate access to new technologies, practical innovations, exchange of good practices, networking possibilities etc.

Training and extension programmes are also necessary to build land management skills. There is a fairly big number of people that own land, infrastructure and even inputs, but have no ideas what to do with it. In addition there are producers which are not adequately capacitated and therefore are not successful in their present undertakings. Therefore providing business ideas, training and extension to this people may influence their decision and join the organic movement.

Farmers as trainers and mentors: most organic producers are keen to share own experience and knowledge. Actually, this is how many organic producers have refined their skills and knowledge. This body of knowledge and experience must not be ignored. The envisioned consultation centres can accumulate and distribute knowledge shared via different means e.g. workshops, webinars and online informational resources and platforms.

Internships: The role and importance of internships should not be understated. While the practise of internships has declined in the last decade, a program to put young capable agronomists and organic producers though internships will increase their capacity and will contribute to the growth of the sector.

The establishment of permanent consultation centres can institutionalise applicable knowledge and experience. Graduate and postgraduate students work and research on organic production issues can be agreed and coordinated with universities in order to secure fresh ideas and analyse trends. Promoting cooperation between the consulting centre, the research sector and the institutions that conduct formal education would be of great importance in order to establish a practical system for the application of knowledge. Available and market-oriented, the consulting centre of producers that would provide expert and up-to-date support in the field of organic farming is necessary in the region for further development of organic production.

Promotion of cooperation between the advisory, research and non-formal education institutions is of great importance in order to establish a practical system for the application of knowledge.

When planning, organizing and conducting the advisory services, a modern approach is necessary. The development of the advisory sector at the local level should ensure that every organic producer in the region has an opportunity to obtain services of organic advisers. Thus, in the advisory service, a new practice of developing collaborative solutions will be introduced together with the users/producers, through participatory technological development and dialogue.

The consultation centres could be coordinating bodies for consultancy needs and centres for advisory development. Funds may be provided for establishing a system with an advisory voucher. Value vouchers for consulting services can be allocated to local organic producers in support of further development. In addition, the consulting centre and registered consultants in the consulting centre could apply different educational models for the producers for which value vouchers are provided.

By establishing several local demo farms, producers and other interested persons education would be enabled, by introducing methods of organic production in order to popularize and promote organic production. Applied research and education of producers can be carried out on the local demo farms in a practical way. Regional organizations can also be an effective way for developing and multiplying knowledge, while sharing costs between countries that have similar climatic conditions.

Beside know-how transfer newcomers to the organic sector need more targeted assistance. This is needed so they can successfully endure the conversion period and not fail and give up before they reach organic status. This assistance can be delivered via mentorship of experienced producers or guidance provision in the consultation centres and financed by the local authorities. A newcomer’s consultation package can include assistance for access to inputs, training and extension, access to finance, infrastructure and equipment, access to markets.

The RODLG should take a leading role in identifying key issues of relevance in research and development for organic production.

5.4.4 STRATEGIC GOAL 4

Secure diverse market opportunities and effective supply chains for organic products from the Cross-Border region

Past experiences show that in all countries where organic production is established, domestic organic markets are developing in a similar way as in conventional production, e.g. bigger producers have specialized production and aim for export markets and smaller producers aim at the local markets with a diverse product offer.

Recent research in the EU has recognized six crucial factors for development of local organic markets (Hamm and Michelsen 2000):

- Strong consumer demand;
- High degree of involvement by food companies;
- Sales through conventional supermarkets;
- Moderate (less than 50 per cent) organic price premiums;
- One dominating label
- Nationwide professional promotion

Having this in mind, the identified support actions for securing a diverse market opportunities and effective supply chains should focus both on the supply and demand side, including the role of exports.

The overall visibility of the organic sector should be improved and the profile of organic producers enhanced in order to facilitate local market opportunities. This is also necessary in order to facilitate increased access to export markets. To successfully approach local markets, a minimal quantity and variety of organic products, needs to be established. Tools for stimulating the production and consumption of organic products need to be developed. Such tools include: effective policy, promotion, education and consumers awareness rising. Developing quality consumer relationships is very important for the successful development of local organic markets. In essence organic producers have close relations to their consumers. Direct sales, make up the most important method of organic producers marketing in developed markets. Building on the consumer interest and trust in organic production also involves enhancing knowledge of the term “organic” and highlighting the value of the organic sector. For this reason public awareness rising campaigns with clear communication strategy to defined consumer groups needs to be developed and implemented. Consumers are not acquainted with the certification systems and there is a need to enhance consumer trust in organic products and create a platform for consumer education. Therefore promoting actions that enable consumers to participate in certification of local producers will have a positive influence.

A new trend of volunteer assistance provided by consumers interested in learning about organic gardening has been observed. Organic product consumers see this as physical exercise and an opportunity to learn about where their food comes from. Further development of internet and especially social media promotional activities such as producer profiles, could be an easy method of providing further recognition to local organic producers. Supporting the creation of appropriate market information systems such as regional and national organic production web platforms can be useful for all parties. Such platforms can include a directory of producers and possibly buyers seeking products, price and quantity reporting, and can also include prognosis for future production. Organic produce information can be made available online and improved web presence achieved.

Both in Macedonia and Bulgaria there is a national organic logo. Both of them are only marginally used if at all. Branding initiatives for local products have not been successfully developed and used. Producers usually use the EU organic logo.

However, the establishment of a regional organic mark placing an accent both on the region and organic status of the products may contribute to enhancing the profile of organic products on local markets. Additional criteria may be also connected to the organic mark in order to provide additional values. This concept is also important as it may contribute to increased national and international recognition and provides a mark which demonstrates unity around which the regional organic sector can rally. This is also important for the efforts of strengthening of the EOP-CBR network. A research for branding regional organics products should be undertaken with key stakeholders and the public. By public ownership or collective ownership (e.g. by a regional organic sector network or organization), the future policies for its use can be adapted to the various stages of development.

Experience show that one of the main reasons for slow domestic organic market development is the high price of organic products. In developing organic markets in countries such as Macedonia and Bulgaria it is not feasible that organic products can sell at very high premium prices compared to conventional products.

However, organic production is not necessarily more expensive than conventional production. When analysing the organic products price structure, it is obvious that the price of organic products is high mostly as a result of very limited supply, inefficient and expensive distribution and high retailer's margins, rather than high costs of production and high farm-gate prices. With growing volumes, and organised offer, the distribution can be more efficient and retail prices are likely to decrease. Most important for a providing acceptable pricing levels and thus moving the organic consumer segment from upper end of the market to most of the middle class consumers is probably to support suitable structuring of the supply and distribution. Direct local government support can be secured for developing common supply of organic products, recognisable packaging and an efficient distribution solutions. Government can also take the initiative to bring together the parties of the supply chains. By supporting joint producers efforts, such as joint shipments to large markets, using or establishing joint proper packing and storage facilities, joint labelling and joint distribution solutions the local government can enable producers to fulfil strict demands by supermarkets quality and just-in-time delivery and secure market options for local producers.

Local Governments can also promote organic foods by allocating space in open markets and in trade fairs. The concept of "Organic Food Market" may be established in the larger consumer centres in the region. In order to improve marketing opportunities, the opening of additional outlets for organic producers in cooperation with the local governments can be supported. The same should be followed by continuous affirmation of this form of production and education of consumers. Moreover, subsidies should also be provided for those who effectively sell their products from the farm itself. In addition to the general advantages (lower transport costs), the support of this method of sale also contributes to the diversification of farm activities and their integration into the development of eco-tourism.

The inclusion of organic products as a compulsory part in public procurement of food can act as a stimulus for the development of the domestic market and it also raises public awareness in organic production.

According to the successful examples from many European countries, the local government in the region could create an opportunity for compulsory introduction of organic products in pre-school and school facilities. This measure would send a strong signal about development of local market opportunities. It would also significantly contribute to the acceptance of organic production by consumers in the region, improve the health of the young, create future consumers for these products, and facilitate market placement of local organic products.

In addition to this measure, local authorities could include the use of organic products in all significant public events and as an obligatory part of the festivities they organize.

Export markets have played a dominating role in the development of organic production in many developing countries. Most exports initiatives were developed by the business sector without substantial support or involvement of governments. However, government's involvement can additionally contribute to development export possibilities. One way of governments contributing to export efforts is supporting export promotion activities. By implementing joint promotion of organic exporters, supported by the government, a country can gain a good image as a quality supplier of organic products.

However, when designing export promotion programmes, the special nature of the organic markets need to be understood. Tactics and support measures designed for conventional products may not be the right ones for organic products.

It is often that lack of technical solutions, logistics or lack of coordination and organisation of producers that hinder the export possibilities.

Governments can also initiate, stimulate and support organic exporters to cooperate in their export marketing activities. Export promotion activities should be supported, recognizing the special nature of organic markets. Organic exporters should be encouraged to join forces to promote and market their products. Thus, market development can be also encouraged by stimulating producers to join forces in securing sufficient export quantities, aimed at specific markets. Joint Organic Action Groups generally consisting of a small number of producers who wish to jointly access specific foreign markets can be initiated and supported.

Group certification can be introduced to lower certification costs. There are many successful examples where similar activities are organised by exporter companies. But, having in mind the situation in the region and general lack of trust between producers and traders / processors it is not likely that this will be happen without government facilitation and support. The government can introduce incentives both for producers and exporters if successful realisation of organic products exports are accomplished and provide technical and expert support in developing different export initiatives.

Additionally, it is necessary to work on educating and informing existing processors and agricultural companies with a higher level of organization and production and export capacities in order to get involved in organic production. Their inclusion can significantly increase the export potential in the region. In terms of export promotion national pavilions on large trade exhibitions and individual exhibition programmes for export promotion have been identified as an opportunity to be investigated for enhancing export market access.

The RODLG along with stakeholders can work together to develop both local in international markets. The RODLG can establish partnerships and promote and market the organic sector through educating various public and private organic production stakeholders, which include: producers, consumers, educators and researcher institutions, retailers, media, NGOs, government agencies, businesses, input suppliers.

5.5 OVERVIEW OF STRATEGIC GOALS AND ACTIONS FOR DEVELOPING THE REGIONAL ORGANIC SECTOR

The framework presented below sets out the objectives and actions in frame of this strategy for the growth and development of the regional organic sector. The strategy is drafted in a sequential and logical format as a recommended process to follow. It is unlikely that resources or capacity exist to implement all the actions proposed thus consequently, prioritisation is required. The sequential nature of some of the activities also requires enabling conditions to be in place in order for the next step to be able to take place.

Strategic Goal 1 **Develop an appropriate supportive environment to enhance organic sector growth**
Objective 1.1: Facilitate sector growth through formal recognition of organic agriculture provided environmental goods and socio-economics benefits by consumers, stakeholders and policy makers
Action 1.1.1 Develop a study to determine goods and services provided from organic agriculture and disseminate findings
Action 1.1.2 Raise the profile of organic agriculture among consumers, conventional producers, stakeholders and policy makers by presenting environmental goods and socio-economics benefits delivered by the organic sector
Action 1.1.3 Assist enhancement of consumer confidence in organic products and reduce distrust in the sector by explaining the inspection procedures, ensuring transparency, enabling quality consumer relationships where consumers and producers can interact with organic producers (farmers teaching consumers about organic gardening, organization events and development of a program of organic inspection visits from consumers and stakeholders)
Action 1.1.4 Stimulate participation of organic producers on local organic production and promotion events and invite media and central and local government representatives to participate
Action 1.1.5 Increase accessibility to information on organic production in the region.
Action 1.1.6 Promote the integration of local organic food production and consumption into other policy areas, such as local/regional economic development, local authority planning policy and health promotion.
Action 1.1.7 Implement promotion and awareness rising campaign and highlight the values of the organic sector benefit by introducing recognition awards to organic sector development contributors
Objective 1.2: Joined advocacy on legislation, policy and support issues to central government
Action 1.2.1 Advocate for restructuring of organic farming support and the development of an appropriate organic production stewardship scheme
Action 1.2.2 Advocate to the Macedonian Agriculture ministry for the finalisation of the harmonised organic law in Macedonia, decreasing costs and simplification of registration procedures for organic production inputs
Action 1.2.3 Advocate to central and local government on introducing more policies that promote organic production development
Objective 1.3: Secure support and build the capacity of government agencies at regional levels to support the organic sector
Action 1.3.1 Identify officials in government agencies who can actively support the organic sector and engage at different levels

Action 1.3.2 Provide training, and capacity building to identified officials at all levels to understand all the benefits of, and support organic agriculture
Action 1.3.3 Provide extensive training, mentorship, capacity building to selected core of extension (NEA) officers to support organic producers
Objective 1.4: Secure greater collaboration between organic sector stakeholders in order to enable sector development
Action 1.4.1 Introduction and implementation of a cross-departmental cooperation for support of organic production
Action 1.4.2 Survey to identify obstacles/reasons for non-entry of conventional producers, processors, HoReCa into the organic sector
Action 1.4.3 Establish regional organic production collaboration programs
Action 1.4.4 Increase local and central government staff and time committed to organic production development
Action 1.4.5 Facilitate cooperation between research and development institutions, businesses, stakeholders and organic sector
Action 1.4.6 Create a platform to initiate discussions on organic production issues by promoting the work of regional organic production discussion groups
Action 1.4.7 establish partnerships to promote the organic sector through educating various public and private sectors
Action 1.4.8 Develop and maintain an updated register of organic production inputs and service providers available for organic producers
Action 1.4.9 Improve coordination and cooperation between government, NGOs, consumers and producers to address specific problems and bottlenecks in organic production and facilitate organic production development
Action 1.4.10 Stimulate coordination of NGO sector working on education, networking and transfer of knowledge by communicating organic sector needs and promoting cooperation possibilities
Action 1.4.11 Invite and support SME's or artisan producers to develop to their full potential in organic production
Objective 1.5: Establish a regional system of incentives that recognises the positive contribution of organic agriculture to environment and social development and supports its development
Action 1.5.1 Develop a regional system of incentives and secure local government support for organic farming, local food sector and locally-produced organic food marketing
Action 1.5.2 Develop a framework and criteria for providing incentives to producers as well as grant funding mechanisms for small farmers
Action 1.5.3 Develop and submit proposals for restructuring of organic production support on central level
Strategic Goal 2 **Support the establishment of an organic development lead group to steer and lead the development of organic sector in the region**
Objective 2.1: Establish a regional organic development lead group, which is inclusive of all organic stakeholders and representatives of all relevant local government agencies.
Action 2.1.1 Identification of representatives of national and **local government** departments to participate in the regional organic development lead group
Action 2.1.2 Identification of stakeholders to participate at the organic development lead group and implement different actions identified by the strategy to support organic sector growth

Action 2.1.3 Implement consultations with stakeholders and government to establish regional organic development lead group
Action 2.1.4 Define the structure and purpose of the regional organic development lead group through a series of workshops
Action 2.1.5 Develop a strategy and plan for financial sustainability of the regional organic development lead group through a series of workshops
Action 2.1.6 Define roles and tasks and delegate responsibilities among members participating at the regional organic development lead group through a series of workshops.
Action 2.1.7 Equip the regional organic development lead group with the necessary offices and supporting human resources
Objective 2.2: Organic development lead group is recognised by governments and supported by the majority of its constituency
Action 2.2.1 Organic development lead group working on development of a new supporting structure for the organic sector, including institutional relationships with the state, research institutions, organic development supporters, etc.
Strategic Goal 3 **Increase the competitiveness of certified producers (organic and in-conversion) by increasing their technical and managerial capacity for effective production and marketing**
Objective 3.1: Brand and promote regional Organic Produce
Action 3.1.1 Identify the core values of the brand and its associated regional organic produce mark through a series of workshops.
Action 3.1.2 Undertake activities for establishment of regional organic produce mark
Objective 3.2: Secure long term transfer of relevant organic production know-how and information to organic producers
Action 3.2.1 Introduction of organic mentoring scheme which will include advisers providing conversion technical assistance, specialist training courses, technical seminars and computer-aided learning packages
Action 3.2.2 Secure long term transfer of knowledge and support to certified and aspirant producers by service provision in the established organic production consultation centres
Action 3.2.3 Explore EU funding opportunities and map potential partners for cooperation in different areas (policies, R&D, know-how transfer, training, etc.)
Action 3.2.4 Identify and address crop specific or problem specific training needs in the sector
Action 3.2.5 Stimulate development of a demonstration farm network
Action 3.2.6 Develop an information and promotion system for organic production plant protection products, by providing information both to organic and conventional producers
Action 3.2.7 Make all growers aware of organic technologies available, programmes and research in organic agriculture, advice on best organic practices and success stories through development of an agricultural media, such as publishing fact sheets, newsletter or similar
Objective 3.3. Contribute to cost reduction and increase of production efficiency in regional organic production undertakings
Action 3.3.1 Stimulate group acquisition of organic production inputs in order to reduce costs and exchange experiences
Action 3.3.2 Identify group acquisition participants, explore organic inputs needs and develop a system for joined acquisition
Action 3.3.3 Investigate varieties that adapt well under local organic growing systems and conditions and disseminate knowledge

Action 3.3.4 Examine the potential to support organic farmers through Back to Work Scheme, Internships Scheme and explore potential for Farm Apprenticeship Scheme
Action 3.3.5 Promote market-oriented not subsidy driven organic production to agricultural producers
Action 3.3.6 Establish regional collaboration programs and know-how exchange between organic producers
Action 3.3.6 Facilitate access to organic inputs, specialised machinery, processing, handling and storage technology for organic producers
Action 3.3.7 Device and implement special support measures for product diversification, growing season extension and activities for extending organic products supply continuity
Action 3.3.8 Support formation of producer groups and cooperatives to facilitate growth in the sector
Action 3.3.9 Facilitate use of traditional and alternative plant protection products and techniques which can be produced by organic and conventional growers to substitute purchasing of expensive inputs
Action 3.3.10 Establish and undertake a targeted R&D and practical science programme to provide sound technical and economic information on operation and management of organic systems in the specific conditions in the region
Strategic Goal 4 **Secure a diverse market opportunities and effective supply chains for organic food produced in the Cross-Border region**
Objective 4.1: Stimulate domestic demand of local in season grown organic products
Action 4.1.1 Implement research on consumer perceptions of organic food and farming in the region
Action 4.1.2 Identify key priority areas for creating awareness and consumer education
Action 4.1.3 Implement education and awareness programmes, targeting priority areas
Action 4.1.4 Stimulate information transfer and discussions on organic production for consumer education
Action 4.1.5 Develop and maintain a regional database of organic producers and their seasonable offer available to consumers and enable consumer access to updated information via a web platform
Action 4.1.6 Stimulate demand and attract more consumers via support for creation of consumer groups and CSOs
Action 4.1.7 Build trust by enabling quality consumer relationships with organic producers (farmers teaching consumers about organic gardening, organization of fairs and events for organic products where consumers and producers can interact.)
Action 4.1.8 Make calendars of regional food events, farmers markets, make the list available to organic producers and stimulate their participation
Action 4.1.9 Stimulate demand for local in season organic grown products via rising awareness of consumers on benefits
Objective 4.2: Develop domestic market opportunities for regional organic products
Action 4.2.1 Support creation and implementation of a domestic market development strategy
Action 4.2.2 Support diversification and expansion of organic products supply chain to meet domestic demand
Action 4.2.3 Identify large processors and implement a survey to establish what would attract them into the sector and identify barriers to their involvement

Action 4.2.4 Examine potential and build linkages with organic producers to supply organic ingredients to domestic processing and HoErCa industry
Action 4.2.5 Identify potential for import substitution and quantify level of organic imports which could be locally grown
Action 4.2.6 Identify potential for development of Organic Public Procurement opportunities for organic products to kindergartens, schools, hospitals etc.
Action 4.2.7 Creating links between organic producers and consumers introducing and supporting various models (eco boxes, solidarity groups, volunteer assistance in Municipalities for direct sales of organic products etc.)
Objective 4.3: Develop export market opportunities for regional organic products
Action 4.3.1 Asses current production volumes of existing commercial organic growers in the region and evaluate their capacity for increase in the future.
Action 4.3.2 Develop a strategy to promote international sales through a range of export support measures in order to develop new markets or expand existing markets (e.g. through representation Natural and Organic Products Exhibition, B2B meetings, sales missions etc.)
Action 4.3.3 Identify crop specific export markets based on regional production potential
Action 4.3.4 Introduce the concept of targeted production of crops in high demand on export markets
Action 4.3.5 Promote organic products from the region on Organic Products Exhibition in export destinations
Action 4.3.6 Develop lists of organic products importers and key stakeholders in targeted export markets

6 ACTIVITY PLAN FOR THE EOP-CBR NETWORK

PRIORITY GOAL 1 **Institutional strengthening of the network and its member organizations**
Action 1.1 Establish an operational head office in MK and BG and secure means for strengthening the organizational and administrative capacities of the network
Action 1.2 Expand membership base beyond the CBC region
Action 1.3 Build project management capacities of member organizations (national coordinators and project managers) making them more sustainable and able to contribute to reaching the goals of the network
Action 1.4 Create a Communication plan improving network visibility and also enhancing communication among network members
Action 1.5 Contribute to the creation of organic achievement awards, which will be used for promoting the values of sustainable development and eco-social economy
Action 1.6 Develop a range of additional services that will be provided to members based on services needs assessment
PRIORITY GOAL 2 **Position the EOP-CBR network as lead cooperation organization for development of the organic production in the region and beyond**
Action 2.1 Initiate and get actively involved in advocacy actions, influencing various policies and regulations related to organic production development
Action 2.2 Take an active role in establishing and championing a regional organic development lead group which includes all stakeholders
Action 2.3 Create and maintain a platform for exchange of information on organic production and development of the regional organic movement
Action 2.4 Involve the network in joint planning and execution of regional projects and activities that will contribute to organic production development and address sector bottlenecks
Action 2.5 Enhance sector networking and enable exchange of know-how, information and business cooperation (facilitating international meetings, especially during international and regional events)
Action 2.6 Further develop and enhance the web portal bywww.organic-trade.eu creating an online support platform for organic producers (exchange of information, covering relevant national and EU policies, partner search, publications, webinars and other educational programs, promotion of best practices, visibility of members and organic producers)
Action 2.7 Make synergies with similar web portals in exchange of experiences, web tools, materials and content
Action 2.8 Maintain a regularly updated database of organic producers in the region and make it available to all members and interested parties
Action 2.9 Map potential strategic partners (relevant institutions and key organic movement stakeholders in the region and beyond) establish partnerships and cooperation, develop joined projects and apply for funding in order to enable exchange of information and solutions to common problems or issues
PRIORITY GOAL 3 **Establishment of an internet based Regional Institute for Organic Production (RIOP)**
Action 3.1 Develop a business plan for establishment of the Regional Institute for Organic Production (RIOP)

Action 3.2 Develop cooperation between RIOP, educational and research institutions, businesses and other stakeholders to stimulate implementation of joined research and development programmes, practical science trials and technologies transfer in organic agriculture
Action 3.3 Develop an analysis for education and know-how transfer needs in the region
Action 3.4 Create regional educational programs for organic producers and make them available and feasible to organic producers (sponsored and co-funded programs)
Action 3.5 To secure funding and all prerequisites (legal, organizational) for establishing the Regional Institute for Organic Production
Action 3.6 Networking with relevant stakeholders (especially similar EU based institutes) and positioning of RIOP within the sector

7 CONCLUSION

Currently there are many barriers limiting the adoption of organic practices by agricultural producers. The pressure from conventional production, undeveloped infrastructure, and insufficient market possibilities, improper polices and government support, lack of technical knowledge and equipment and absence of financial security are only some of the reasons. Therefore, organic sector growth depends on further policy intervention and support to overcome this barriers. Excellent results in developing a supportive environment to enhance organic sector growth are achieved only if organic production benefits are recognized and integrated in some of the main national policies, such as: the national agriculture policies, environmental policies, health policies, economy policies etc. Moreover, different government departments or agencies need to be involved in designing the policies. Thus, organic production can be mainstreamed and can be taken in consideration for allocation in different budgetary programs. Local and central governments, have an important role in organic production development through the delivery of legislation, domestic and export market development, facilitating research, supporting education, and extension and training activities.

Currently in Macedonia and Bulgaria there appears to be an insufficient recognition of the environmental and socio-economics potential and numerous benefits delivered by the organic sector to society by local and central governments. In order to further develop the organic sector government representatives and policy makers need to recognise the long-term benefits of organic production. In addition they need to understand that it is cheaper to support organic production than to fix damages from unsustainable agricultural practices in conventional production. Many governments especially in the developed countries have recognised this and are implementing comprehensive support measures for organic production. An important contributor to this is public pressure spawned by environmental and health concerns. Experience shows that sustainable agriculture provides major development options for rural regions as the public pressure will continue to grow. From this perspective it is safe to assume that establishing a progressive organic production sector within the CBC region is a development opportunity that must not be neglected. Therefore, it is very important that local governments in the region get on board in terms of coordination and support to organic production and provide moral, technical and financial incentives for organic sector development.

Having in mind the limited resources at disposal, local governments and the organic sector stakeholders should carefully assess the situation in a participatory approach and analyse benefits that different support actions will bring. It is important that that stakeholders agree on common objectives, main problems to be addressed and to what extent these problems can be solved. By networking and coordination of joined activities with other sector stakeholders, local governments can share responsibilities, costs and resources with other parties interested in the sector development. Therefore, attention could be also given to implementing EU funded projects and accessing EU development funds. Thus, extensive communication with those who have expertise in the area of organic agriculture is recommended. There are also positive experiences where tasks for identification and implementation of support programs is delegated to different sector stakeholders, and the local government has a coordinative role. A valid option for securing a dedicated organic production stakeholder that will enable networking and participation of all stakeholders and can coordinate the RODLG is to support the EOP-CBR network as a legacy institution created by organic sector stakeholders to develop the regional organic movement.

Interreg - IPA CBC
CCI 2014TC16I5CB006

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Оваа публикација е овозможена со поддршка од Европската Унија преку Interreg-IPA програмата за прекугранична соработка Бугарија - Македонија CCI No 2014TC16I5CB006.
Содржината на оваа публикација е одговорност на здружението САВРЕМИЕ и Федерација на производители на органски производи на Македонија и наниеден начин не ги отсликува ставовите на Европската Унија и раководниот орган на програмата.

This publication has been produced with the assistance of the European Union through the Interreg-IPA CBC Bulgaria-the former Yugoslav Republic of Macedonia Programme, CCI No 2014TC16I5CB006.

The content of this publication is the sole responsibility of Association SAVREMIE and Macedonian Organic Producers Federation and can in no way be taked to reflect the views of the European Union or the Managing Authority of the Programme.

Проектот е кофинансиран од ЕУ преку ИНТЕРРЕГ-ИПП програмата за прекугранична соработка Бугарија - Македонија
The Project is co-funded by EU through the Interreg-IPA CBC Bulgaria - the former Yugoslav Republic of Macedonia Programme