

# Sharing equipment and skills to promote rural business

*Bosnia and Herzegovina takes advantage of its climate, its rich biodiversity, and its uncontaminated countryside to produce a wide range of medicinal and aromatic plants. An EU project has been helping local businesses to access equipment and new technologies and, in doing so, is boosting this traditional and highly promising sector.*

## MODERNISING TRADITION

The medicinal and aromatic plants business has long been an important source of income for the rural population of Bosnia and Herzegovina. Developing the sector and supplying it with more modern tools and organisation means increasing revenues, promoting exports, and opening up additional local job opportunities.

The business depends on the successful processing of the plants that are collected by families in the wild or grown on small plantations. The plants are then processed and sold as oils, soaps, cosmetic creams, or herbal and honey preparations. But shortages of equipment, the lack of knowledge and innovative know-how have meant that less than a quarter of the raw material gathered can be converted within the country.

## SUPPORTING AGRIBUSINESS

This is where the AgroMAP Network has stepped in, mobilising EU aid for support to agribusiness. This project has delivered equipment that makes it possible to expand processing – and at the same time is supporting economic, environmental and social objectives across hundreds of kilometres of central Bosnia and Herzegovina. Productivity has been improved (on lemon balm plantations it was up 40%,

for instance), and in 2013 exports were 25% higher and incomes were 30% higher than in 2012.

A network of some 30 associations and enterprises – representing more than 2,000 growers, collectors, and processors of medicinal and aromatic plants – created a ‘machinery ring’ of collectively-owned equipment that each of them is entitled to use. The project supplied agribusinesses within the network with four distilleries for producing essential oils, and acquired specialised harvesters, separators and shredders, refrigeration facilities, packaging machines, and even protective netting for plantations.

## MANAGEMENT SKILLS

The funding has also made it possible to promote new management skills and the exchange of knowledge. The network now conducts joint procurement, joint brand-building and marketing. Use of the equipment has raised production standards too, allowing certification of the products and facilitating access to booming markets, particularly in Germany and North America. Products with higher added value have increased revenues to the members of the ring.



## Instrument for Pre-accession Assistance (IPA)

## Bosnia and Herzegovina

IPA – AN INVESTMENT IN EUROPE. AN INVESTMENT IN PUBLIC ADMINISTRATION REFORM.

The participants are mainly small operators in Žepče, Zavidovići, Maglaj, Mostar, Gornji Vakuf-Uskoplje, Čapljina, Trebinje, Skelani-Srebrenica, Ljubinje, and Banja Luka. Until now, they had a low degree of mechanisation, which hindered their business activity.

Now they are benefiting from more cost-effective production, greater cooperation and stronger commercial organisation, factors which are making them more competitive on export markets.

### PROJECT DETAILS –

AgroMAP NETWORK – Raising the competitiveness of the subsector MAP

#### Partners:

Žepče Municipality  
University of Džemal Bijedić, Mostar  
Association of entrepreneurs and employers, Žepče  
Association for Entrepreneurship and Business, LINK Mostar

**Total programme cost in €:** 379,538

**EU Contribution in €:** 320,413.79 (84.4%)

**Start date:** September 2010

**End date:** September 2012

#### Results:

More cost-effective and higher-quality processing of raw materials, expanded markets and increased revenues to rural populations, enhanced collaboration within the sector

#### Techniques:

Grant scheme for support to economic and tourism development and other selected economic sectors, joint purchase of agricultural equipment, training in management and marketing

#### Project website:

[www.agromap.net](http://www.agromap.net)

