

Jovanovic, Igor
Rural Clustering and Transformation Project, Montenegro
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Developing sustainable value chains in favor of poorer smallholders: experience and successes of the Rural Clustering and Transformation Project in mountainous areas of Northern Montenegro

The Rural Clustering and Transformation Project (RCTP) (2017-2023) is the first IFAD financed project in Montenegro. The project's overall goal is to contribute to the transformation of smallholders' livelihoods in Northern Montenegro, enabling them to become more competitive and resilient to climate change. The RCTP specific cluster approach focused on economic diversification, with a territorial continuity, thus guaranteeing a strong cohesion between all local stakeholders, and increasing their social capital, and their resilience to shocks.

The rural clustering approach through the support to Multi-Stakeholders Platforms and associated social engineering are key to enhancing the social capital in these mountainous areas, and enhanced social capital is in turn a pre-requisite to collective actions needed to address climate resilience at the landscape level. Rural clusters identified sectors of investment with the private sector that could rapidly benefit most producers providing them with a secured outlet: milk-collecting centres, meat processing plant, cold storage facilities. Experience shows that most opportunities for smallholders lie in developing linkages with existing off-takers present in the municipalities through commonly identified and focused investments, both in terms of economic infrastructure – to aggregate the agricultural production and socio-economic skills facilitation to ensure the economic sustainability and its social acceptance. The RCTP implementation has also illustrated the strong potential of this approach in increasing the resilience of local stakeholders and their willingness to become involved in their local development processes beyond these first concrete activities.

RCTP, notably through its Adaptation for Smallholder Agriculture Programme (ASAP) grant, responded to climate threats by working on land and water management in mountainous areas of seven Northern municipalities of Montenegro: the project enhanced water storage and soil health with the promotion of climate resilient practices through matching grants, resulting in a reduced vulnerability of communities to climate change, especially during recurring periods of drought, but also (since 2021) to fight forest fires, an increasing climate change related hazard. RCTP also helped local communities protect natural habitats and productive lands. Finally, the rural roads rehabilitation in remote areas co-financed by Municipalities was a key activity to enhance access to land more adapted to fragile productions (e.g. raspberries, which are quite sensitive to transportation), to improve access to markets and to reduce vulnerability to climate shocks.

Bibliographic references