

**Minutes No. 6**  
Minutes of the Sixth session of the IPARD II Monitoring Committee  
28<sup>th</sup> November 2019, Vrdnik

**I List of participants:**

**The session was attended by the voting members of the IPARD II Monitoring Committee (hereinafter: the MC) and the representatives of the following institutions:**

1. Ministry of Agriculture, Forestry and Water Management (hereinafter: MAFWM) - Chairperson;
2. Ministry of Agriculture, Forestry and Water Management - Sector for Agricultural Policy;
3. Ministry of Agriculture, Forestry and Water Management - Agricultural Land Directorate;
4. Ministry of Environmental Protection;
5. Ministry of Economy;
6. Ministry of Construction, Transport and Infrastructure;
7. Ministry of Labour, Employment, Veteran and Social Policy;
8. Ministry of Culture and Information;
9. Statistical Office of the Republic of Serbia;
10. Serbian Chamber of Commerce;
11. Standing Conference of Towns and Municipalities;
12. Provincial Secretariat for Agriculture, Water Management and Forestry;
13. Serbian Cooperative Union;
14. National Association of Fruit and Vegetable Growers "Fruits of Serbia";
15. National Company for Fruit Production "Our Fruits of Serbia";
16. Farmers' Associations;
17. Farmers' Association "Club 100P plus";
18. Association of Agricultural Producers "Vojvodina Agrar";
19. Network of Rural Development of Serbia;
20. Association of Milk Producers of Serbia;
21. National Association of Milk Processors "SEDA";
22. National Association "Rural Tourism in Serbia";
23. National Association for Development of Organic Production "SERBIA ORGANICA";
24. Independent Association of Farmers of Serbia;
25. Association "Natura Balkanika" and
26. Serbian Young Farmers Association.

**Non-voting representatives of the following institutions were present:**

1. IPARD Agency, MAFWM (hereinafter: IA);
2. Ministry of Finance;
3. Governmental Audit Office of EU Funds (Audit Authority) and
4. Ministry of European Integration.

**Representatives of the following institutions were present as observers:**

1. Faculty of Agriculture, University of Belgrade;
2. Faculty of Agriculture, University of Novi Sad;
3. Institute for the Application of Science in Agriculture and

#### 4. Social Inclusion and Poverty Reduction Unit.

The sixth IPARD MC session was attended by the representatives of the Directorate-General for Agriculture and Rural Development (hereinafter: the DG AGRI), the European Commission (hereinafter: the EC), and the Delegation of the European Union to the Republic of Serbia (hereinafter: the DEU). As the representative of the National Authorising Officer (hereinafter: the NAO), Ms Jelena Mitevski, Head of Group for Supervision and monitoring of the System for Management of EU Pre-Accession Assistance for IPARD Programme at the Ministry of Finance, attended the IPARD MC meeting. The representatives of the MAFWM - Sector for Rural Development also attended the meeting.

**The meeting was not attended by the members of the IPARD II Monitoring Committee (with and without the voting right), i.e. the representatives of the following institutions:**

1. Ministry of Trade, Tourism and Telecommunications;
2. Ministry of State Administration and Local Self-Government;
3. Ministry of Education, Science and Technological Development;
4. Ministry of Youth and Sports;
5. Development Agency of Serbia;
6. Citizens' Association "National LEADER Network" and
7. Faculty of Agriculture in Čačak, University of Kragujevac.

**Result:** Out of a total of 32 there were 26 members/deputy members (3 of whom are MAFWM representatives) with the voting rights. The quorum was reached and decisions could be made.

**Annex 1** of the Minutes of the Meeting: List of participants;

**Annex 2** of the Minutes of the Meeting: Agenda.

#### **II Outcome of IPARD MC meeting:**

##### **Item 1 of the Agenda**

The sixth MC meeting began with the addressing of *Ms Jasmina Miljković, Head of the Managing Authority* (hereinafter: the MA), *Sector for Rural Development, MAFWM*, who welcomed the guests and MC members, and expressed satisfaction and gratitude that a large number of the members responded to the invitation. She also announced the arrival of the Minister of Agriculture, Forestry and Water Management in the second part of the MC meeting, who, due to his obligations, could not arrive at the very beginning of the meeting, and then introduced Mr Danilo Golubović, Advisor to the Minister for European Integration.

*Mr Danilo Golubović, Advisor for the Common Agricultural Policy in the Cabinet of the Minister for European Integration and Head of the Negotiating Team in the field of agriculture, Ministry of European Integration*, thanked all the participants and welcomed them. He sent regards of the Minister for European Integration, Ms Jadranka Joksimović. He praised everyone involved in the creation and implementation of the IPARD II Programme and pointed to the significant progress in the implementation of the IPARD II Programme in between two MC meetings, pointing out that the barrier of mistrust had been overcome, which is confirmed with the great interest of beneficiaries in the last Public Call for Measure 1. He also stressed the importance of the introduction of two new sectors (eggs and wine) in terms of the possibility of improving competitiveness, both in the European and third markets.

## **Item 2 of the Agenda**

*Mr Liam Breslin, Head of Unit for Pre-Accession Assistance at the Directorate General for Agriculture and Rural Development, EC,* welcomed all the participants and expressed his satisfaction with being present at the MC meeting together with the colleagues from DG AGRI and the DEU, and then pointed out that there had been some changes in the structure of European Commission staff. Mr Breslin expressed his satisfaction with the progress in the implementation of the IPARD Programme and pointed out that the processing of received applications should be speeded up, as well as the promotion of IPARD II Programme in less developed regions such as the Southern and Eastern Serbia regions, where a smaller number of applications is noticeable, and that he also hoped that by the next MC meeting, Measures 7 and 9 will be accredited, for which an accreditation package was sent in November. *Mr Breslin* also said that the next programming period - IPARD III should be considered and suggested that the MC members should be actively involved in the programming of the next programming period.

## **Item 3 of the Agenda – Adoption of the Draft Agenda and adoption of the Draft Minutes from the previous MC meeting**

*Ms Jasmina Miljković* reminded of the voting rules for MC members/deputy members and determined that the quorum was reached, which was followed by voting.

### **Decision No. 1**

The agenda was adopted unanimously.

### **Decision No. 2**

The Minutes of the Fifth MC meeting was adopted unanimously.

## **Item 4 of the Agenda – Information on the implementation of the decisions adopted at the previous Monitoring Committee Meeting; Information on changes to MC members**

*Ms Jasmina Miljković* informed the participants about all the activities executed between the two MC Meetings: On 27<sup>th</sup> June 2019, the EC adopted the Third Modification to the IPARD II Programme (introduction of two new sectors: the egg sector and the grape sector), whereas modifications to the national legislation were adopted on 1<sup>st</sup> August, announcement of the Sixth and Seventh Public Calls for accredited measures (Fourth and Fifth Public Call for Measure 1), preparation of the accreditation package for Measure 7 and Measure 9, preparation of the final version of the Draft Technical Assistance Action Plan for 2020. The Fourth and Fifth Call for Measure 1 were announced on 24<sup>th</sup> September, with allocated funds in the amount of EUR 10 million and EUR 33 million respectively.

*Ms Biljana Petrović, Acting Director of the IPARD Agency, Directorate for Agrarian Payments, MAFWM,* informed the gathering that the Public Call for the procurement of tractors was closed on 25th November and that 429 applications were submitted under this Public Call, with an estimate that the average value of tractors entered into the system would be about EUR 15 million. She expressed her satisfaction with the response of potential IPARD beneficiaries within this Call, which is a result of the promotional activities carried out in the past period.

*Ms Jasmina Miljković* announced that the Amendments to the Rulebook for Measure 3 were adopted, and that on 26<sup>th</sup> November 2019, the Eighth Public Call was announced, that is, the Third Public Call for Measure 3, which will be open until 24<sup>th</sup> February 2020, with all the investments and all the sectors included. She also informed the participants that the preparation of the accreditation package for Measures 7 and 9 involved a number of activities: preparation of the Draft Rulebook for Measure 7, signing of the Agreement on the implementation of the Technical Assistance measure between the IPARD Agency and the Managing Authority, the Memorandum of Understanding between the IPARD Agency and the Managing Authority, as well as the Agreement between the NAO, IA and MA, External and Internal Audits were conducted (without blocking findings), as well as case simulations for Measure 7 and Measure 9, and based on their recommendations, an accreditation package for these measures was prepared and sent. She also reported on personal changes to the MC members/deputy members during the period between two MC Meetings in the Ministry of Construction, Transport and Infrastructure, and that a new Decision on the appointment of MC members was adopted. Also, due to the introduction of two new sectors in the IPARD II Programme, a need to increase the number of MC members occurred, and, in this regard, the representatives of the Association of Serbian Winemakers and Winegrowers, as well as a representative of the Business Association "Serbian Community of Poultry Breeders" also attended the meeting as future members.

#### **Item 5 of the Agenda – Financial Execution – Risk of De-commitment**

*Ms Anna Nowak Wood*, E.5 Unit for Pre-Accession Assistance, DG AGRI, EC, first expressed her satisfaction for attending the Meeting, and then explained how calculation is conducted in the EC and why the Republic of Serbia is at risk of de-commitment, and presented possibilities for overcoming this risk. She explained that the budget for the entire programming period is divided per years and per measures, and budget allocation is done according to the n+3 rule. Therefore, year 2016 is at risk of de-commitment - a refund of EC funds. *Ms Nowak Wood* further stated that the EC had decided to allocate EUR 22.5 million to the Republic of Serbia for pre-financing of the allocation for 2015 and EUR 6 million for the allocation from 2016 and that Serbia is still at risk of decommitment for EUR 1.5 million. As options for avoiding de-commitment, *Ms Nowak Wood* said the IPARD Agency should strive to pay off as many projects as possible. Another option is to send an official letter signed by the Minister of Agriculture requesting the application of the n+4 rule with a detailed explanation (action plan). At the end of her presentation, she pointed out that the allocation from 2017 should be addressed.

#### **Item 6 of the Agenda – Presentation of the Action Plan for Technical Assistance (2020)**

*Ms Sanja Prodanović*, Head of the Group for Technical Assistance and Promotion in the MA, MAFWM, presented the Action Plan for Measure 9 for 2020, with an emphasis on the specific goals of the implementation of this measure, and stated eligible investments financed by this measure: organisation of at least two MC Meetings in a year, informing and conducting public campaigns for the potential beneficiaries and recipients of IPARD funds, printing materials, organisation of IPARD days, preparation of video spots, MA and IA visits and seminars in the country and abroad, hiring experts to simplify the implementation of IPARD measures, LAG capacity building, evaluation of IPARD II Programme and establishment and capacity building of the Network for Rural Development.

#### **Item 7 of the Agenda - Adoption of the Draft Action Plan for Technical Assistance 2020**

### **Decision No. 3**

The Draft Action Plan for Technical Assistance 2020 was adopted unanimously.

#### **Item 8 of the Agenda – Presentation of realised promotional activities**

Following the unanimous adoption of the Draft Action Plan for Technical Assistance 2020, *Ms Sanja Prodanović* presented the promotional activities implemented from the beginning of 2019 until the day of the Meeting. Promotional activities were carried out with the aim of raising awareness of potential beneficiaries and recipients of IPARD subsidies. A total of 1,000 guides were printed for Measure 1 for promotional purposes, as well as 2,000 leaflets, 1,500 brochures “TO IPARD Support in 10 Steps”, 400 posters and 5 banners. At the end of the presentation, *Ms Prodanović* listed promotional activities planned for 2020 and pointed out that there was an initiative to create an online magazine. At the same time, she pointed to the implemented and planned educational activities, bearing in mind that the submission of quality project proposals and business plans is the ultimate goal of all taken and future activities. The attendees had the opportunity to view promotional video spots for Measure 1 and Measure 3, which are broadcasted on the Radio Television of Serbia, which support announced public calls for these measures. Also, video spot “To IPARD Support in 10 Steps” was presented to the participants. It was made for the website, partners’ websites, as well as for guest appearances in TV shows.

#### **Item 9 of the Agenda – Presentation of the Statistical Office of the Republic of Serbia and results of the “Farm Structure Survey 2018”, MC member**

*Ms Dragana Marković, Head of the Department of Agriculture and Forestry, Statistical Office of the Republic of Serbia*, presented the history of the Statistical Office of the Republic of Serbia, as well as the organisational structure of the SORS. The focus of the presentation were the results of the “Farm Structure Survey” which was conducted in 2018. In her presentation, *Ms Marković* compared the results of the Census of Agriculture 2012 with the results of this Survey, and explained what those results represent. Part of the results were presented at MC Meeting, whereas comprehensive results of the Survey may be found in the dissemination database of the Statistical Office of the Republic of Serbia, as well as in a separate publication based on the results of the Survey.

#### **Item 10 of the Agenda - DEU recommendations from visit of IPARD potential recipients from Eastern, Southern and Western Serbia**

*Ms Laszlo Arendas, Program Manager, Delegation of the European Union*, went on three field visits in different regions of Serbia in April, and presented conclusions and recommendations based on the conducted field visits. He pointed out that the main problems were the wrong basis for the reference price base for tractors in the first call; meeting EU standards with a particular emphasis on the storage of manure and removal of empty pesticide packaging. He believes that one of the problems is that more farmers are registered at the same address. *Mr Arendas* stressed that work should be done on a promotional campaign, as farmers believe that “IPARD is too complicated” or that “IPARD is only for large farmers”. He also pointed to the problem of the abandonment of rural areas by young people, as well as to the problem of the cadastre not being available as a data source, and hoped that this would be overcome in the following period. Finally, he noted that some of the options for overcoming these problems are to speed up the application processing process, which can be achieved by allowing the IA to reject blank applications, as well as by creating a list of minimum required documentation. Another of *Mr Arendas’*

recommendations is to use the Technical Assistance measure to promote the IPARD II Programme in less developed regions, as well as to launch a special call for less developed regions to encourage those regions to submit applications for IPARD.

#### **Item 11 of the Agenda – Discussion**

*Ms Jasmina Miljković* thanked for the previous presentations and invited the participants to join the discussion.

*Mr Žarko Kobilarov, Farmers' Association "Club 100P plus",* pointed to two problems. The first problem concerns the collection of pesticide packaging and storage of waste material, and *Mr Kobilarov* requested the Ministry of Environmental Protection and the Ministry competent for agricultural affairs to propose a solution that would accurately prescribe the manner and place of collection of pesticide packaging. He also stated that there is a similar situation with engine oil packaging. The second problem is land registration in the cadastre. This question was answered by *Ms Biljana Petrović, Acting Director of the Directorate for Agrarian Payments,* pointing out that she was aware of the problem with waste disposal, but that she was not competent to answer the question, and that she would soon be informed about a specific solution to this problem, and further added that she will take over the solving of the problem of leased land registration in the farm in order to ensure the acceptance of land purchase contracts and their registration in the farm. *Mr Slobodan Živanović, Head of the Group for Programming Measures for Competitiveness Improvement of and Local Rural Development, MA, MAFWM,* said that meetings were held with the Ministry of Environmental Protection and the Agricultural advisory services (AAS) in May and that he hoped that solutions to the problems with waste material storage will be presented at the next MC Meeting.

*Mr Jovica Jaksić, Independent Association of Farmers of Serbia,* believes that a budget should be provided for all the beneficiaries who applied for the tractor in the last Public Call for Measure 1, as tractors are the basic means of operation in agriculture. He also believes that tractors marked with IPARD labels are the best advertisement, and that this would increase the number of applications if other potential beneficiaries would see an IPARD tractor in their environment.

*Mr Milan Borić, Serbian Association of Young Farmers,* addressed as an associate member of the European Council of Young Farmers, and pointed out that a Report on the current situation of young farmers in Serbia should be sent by 6 December and asked the EC to assist the Council in selecting the measures that would be well received by young farmers in Serbia, which would also be approved by Brussels. He also asked about the obligation to submit building permits for the construction of a swimming pool under Measure 7, bearing in mind that they are not required under the national legislation for the relevant investment. *Ms Anna Nowak Wood* replied that due to the legal basis in the IPARD II Programme, there is not much that could be done additionally to improve the situation of young people. However, she emphasised that new measures that only apply to young farmers could be included in the IPARD III Programme of the next programming period. Bearing in mind the second question of Mr Milan Borić, as a representative of the IA, *Mr Boško Umetić, Assistant Director in the Payment Approval Sector, IA,* replied that there is a similar measure in the national support system that applies to non-agricultural activities - rural tourism, and stated that the construction of a swimming pool is not an acceptable investment according to the national rulebook. The pools that represent a typical construction facility are subject to the legal obligation of submitting a building permit, unlike pools that can be classified as equipment purchase. *Ms Svetlana Čeperković* joined the discussion in front of the Ministry of Construction, Transport and Infrastructure, saying that each pool represents a construction facility

that requires the issuance of a building permit, including complete technical and planning documentation for the construction of such a facility, and the basis for the issuance of a building permit is any pool construction planning document.

**Mr Božidar Aleksandrović**, as an on-call observer in front of the Association of Serbian Winemakers and Winegrowers, used the opportunity to thank the EC and ministry competent for introducing the viticulture and wine sector in the IPARD II Programme under Measure 1 and Measure 3 and added that during the development of the Strategy for the Development of Viticulture by 2030 at the national level, it was concluded that about 10,000 hectares of vineyards should be raised in the following period. He further stated that only an investment related to the planting of vineyards should be excluded from the IPARD Programme and that it should be supported from the national budget. **Ms Jasmina Miljković** thanked for this initiative and added that this request will be accepted and forwarded to the EC, noting that in the above stated context, preparation of the proposal for amendments to the List of Eligible Expenditures will be initiated.

**Mr Božo Joković**, National Company for Fruit Production "Our Fruits of Serbia", pointed out the problem of export of raw and lower-processed fruit, and suggested that the export should be structured more towards the final product. He also suggested the establishment of so-called fruit markets, such as the Novi Sad Cereal Product Market, where fruit would be traded, and added that, according to forecasts, there will be a deficit of berries on the world market in the coming years.

**Mr Vojislav Malešev**, Farmers Association "Club 100P plus", added to the presentation of *Mr Arendas*, stating that farms are registered with younger members in order to ensure subsidies and thus create an artificial image of the number young farmers. At the same time, he pointed to the existence of two agricultures in Serbia, developmental and so-called social agriculture, and said that this issue should be addressed. He further said that when determining the reference price for tractors, what should be taken into consideration is whether or not the tractor has additional equipment, since the price difference in the two relevant cases could reach up to EUR 30,000.

**Mr Aleksandar Bogičević**, Acting Assistant Minister, Sector for Rural Development, MAFWM, also joined the discussion. He pointed out the differences between the regions in the field of agriculture, and stated that there was awareness of the problem. In this context, he stated that the possibilities of farmers in Vojvodina and Central and Southern Serbia are different, which is a big problem, as well as issues related to cadastre, registration, etc. Pointing out that the biggest problem in Central and South Serbia is securing funds for so-called pre-financing, he proposed the establishment of a Development Bank for the financing of farmers with low creditworthiness as a precondition for overcoming the above problems. At the same time, he stated that there is a small number of submitted project proposals in the field of construction and improvement of processing capacities and added that more attention should be paid to this issue in the coming period, bearing in mind the possibility of procuring machinery through national measures. At the end of the presentation, he also pointed to the continuous implementation of the IPARD II Programme promotion activities.

Adding to her previous presentation, **Ms Jasmina Miljković** pointed to the need for greater and targeted engagement of the AAS through the identification of end recipients, and said that particular attention should be paid to potential beneficiaries.

**Mr Vladislav Krsmanović**, Provincial Secretariat for Agriculture, Water Management and Forestry, praised the work of the line ministry and agreed with *Mr Jovica Jakšić's* previous statement that it would be good to provide a budget for all the beneficiaries who applied for

tractors in the last PublicCall, to exercise the right to subsidies. He further stated that work should be done to simplify application processing procedures in the IA in terms of improving the competencies of agencies and consulting agencies in the preparation of IPARD documentation, in order to reduce the amount of submitted incomplete documentation. *Ms Jasmina Miljković* and *Ms Biljana Petrović* joined the discussion by stating that work was done in speeding up the application processing procedure and that, in this context, the national legislation was being amended, as well as prescribing minimum required or complete documentation.

The discussion in the first part of the Meeting ended by the addressing of *Mr Breslin* in which he emphasised that all constructive proposals of the representatives of various professional associations were welcome. Referring to *Mr Arendas'* presentation on regional disparities regarding the financial opportunities of potential beneficiaries to apply for the IPARD subsidies, he indicated that the necessary attention should be paid to this issue and an enhanced information campaign should be conducted with a focus on the aforementioned areas.

### **Item 12 of the Agenda – Implementation of the IPARD II Programme**

The second part of the IPARD MC Meeting was opened by the *MC Chairman, Mr Branislav Nedimović, Minister of Agriculture, Forestry and Water Management, MAFWM*, who welcomed all the participants and regretted being absent from the first part of the MC Meeting. The Minister pointed out that the Accreditation Package for Measures 7 and 9 had been submitted to the EC, and hoped that they would be accredited. He also addressed the current biggest problem regarding the application processing procedure in terms of the submission of incomplete documentation, and emphasised that he would advocate the amendment of the relevant legislative framework to speed up the procedure, which would ultimately contribute to the faster processing of submitted project proposals by the IA and also to the larger volume of paid projects. In support of the above, he stated that in the next few months, the IA staff capacity is expected to increase by employing 150 people. In his further presentation, he announced amendments to the Law on Agriculture, as well as preparation of proposed measures for the next programming period, which will primarily apply to the improvement of the rural infrastructure and the problem of young farmers through the prism of easier access to funds through the proposed larger budget compared to the IPARD II Programme.

*Ms Jelena Mitevski, Head of Group for Supervision and monitoring of the System for Management of EU Pre-Accession Assistance for IPARD Programme, Ministry of Finance*, commented on the activities carried out in the previous period from the NAO point of view: an expenditure statement for the third quarter was submitted to the EC with a view to prepare the accreditation package for the Measure 7 and Measure 9. She also pointed out the conducted external audit and that one of the findings was to establish an organisational unit within the IPARD Agency, i.e. the PRAG Group, for the implementation of the Technical Assistance measure. The Accreditation Package for Measures 7 and 9 was sent to DG AGRI on 8<sup>th</sup> November 2019. The Accreditation Package for Measure 4 - *Agro-environmental measures and organic production* and Measure 5 - *LEADER* is expected to be sent next year. Several study visits and workshops for strengthening the staff capacity in the IPARD Operational Structure were organised in the previous period: in October in Turkey, for the purpose of exchanging experiences. TAIEX organised a LEADER workshop in Kragujevac to raise awareness of this measure. The financial aspect of the implementation of the IPARD II Programme - amount of declared eligible expenditures for Q3 is EUR 2,325,604, 75% of which refers to EU contribution. A total of 123 recipients of Measure 1 were paid. The total amount of declared eligible expenditures for the whole year is EUR 2,796,831, 75% of which is EU participation. At the beginning of November, the NAO submitted a



pre-financing application, the second tranche, in the amount of EUR 6 million. Estimates are that a total of EUR 21,399,561 will be paid by the end of 2020. In terms of administrative capacities, she said that the total number of employees in IPARD bodies was 148, whereas the largest number was in the IA (116). At the end of the presentation, she pointed out that, based on the conducted workload analysis, there is a need for 6 more jobs in the MA and 53 jobs in the IA. She noted that the training program was being prepared at the end of each year and that the implementation of the 2019 training program was ongoing. Case simulations of the prepared procedures for Measures 7 and 9 were conducted in order to improve them within the IPARD Operating Structure. Planned activities for the following period refer to the further improvement of procedures and elimination of audit findings, increased supervision by the NAO with a focus on the IA request for exemption from standard procedures with a proposal to extend the deadline for processing applications, as well as continuous monitoring and supervision of the implementation of accredited Measures 1 and 3.

*Ms Jasmina Miljković* presented the current situation and activities carried out between the two meetings. She pointed out that so far, 75% of the total programme budget had been covered by public calls and gave an overview of the territorial distribution of submitted applications, and said that the MA was aware that IPARD was not equally represented in all the regions. As a method for solving this problem, *Ms Miljković* said that a survey would be conducted with the help of the AAS to identify problems in the submission of applications in order to overcome these barriers. At the same time, she presented the results of the sectoral analysis from the standpoint of the submitted applications under Measure 1 and 3. She noted that, despite pre-financing of EUR 22.5 million, there is still a risk of recovery of unused funds, i.e. de-committment by the end of 2019 in the amount of EUR 1.5 million. In terms of this, she pointed to the drafted national action plan for overcoming this risk, with envisaged implementation activities in the following period. *Ms Miljković* also informed the participants about the activities that preceded the preparation of the Accreditation Package for Measures 7 and 9, which was submitted to the EC on 8<sup>th</sup> November 2019. In this regard, external and internal audits were conducted, the Draft Rulebook for Measure 7 was prepared, the Agreement on the implementation of the Technical Assistance Measure between the IA and MA was signed, and case simulations were conducted for these measures. She informed the participants about the implementation of IPARD II Programme evaluation during implementation, whose results will be shared with MC members at the next MC Meeting as part of the Annual IPARD II Programme Implementation Report, as well as ongoing sectoral analyses, which will serve as a basis for programming measures within the next programming period. The sectoral analysis also covers the Fisheries Sector, as a potential new sector within the IPARD III Programme.

*Ms Biljana Petrović* briefly presented results of the calls published so far, and pointed out that progress was made compared to the previous period in terms of completeness of submitted documentation and application processing and payment. *Ms Petrović* pointed out that efforts had been made to shorten the application processing procedure, that the amount of EUR 5,044,000 had been paid so far (EU contribution and national contribution) and projections were that by the end of 2019 paid amount of EU contribution would be 5 EUR million. She also pointed to the problem related to the rejection of applications at the payment stage and urged that special attention should be paid to deadlines in order to avoid the situation of projects being rejected after the completion of the investment.

### **Item 13 of the Agenda – Discussion**

After completion of presentations in the second part of the MC meeting, *Ms Jasmina Miljković* opened a discussion.

*Mr Vasa Džigurski, President of the Association of Milk Producers of Serbia*, expressed concern that most farmers are not familiar with the IPARD II Programme, and urged the AAS to make even greater efforts to distribute all relevant information to farmers. In his presentation, he addressed the issue of providing necessary documentation in the case of construction outside the construction zone (cadastre, ecology) and said that a feasibility study should be provided in the case of construction within the construction zone, taking into consideration spatial planning. He raised the question of a reference price for the equipment that could not be procured on national markets or was not adequate according to IPARD conditions. He also pointed to the problem that landowners do not register land for fear of taxation.

*Mr Danilo Golubović* expressed his disagreement with the ban according to which companies from the milk and meat sector that are on the DG SANTE list cannot compete for IPARD subsidies, and pointed out that these companies need further investments in order to be more competitive in the European market. *Ms Anna Nowak Wood* replied that this could not be done at the moment on a legal basis and that this problem could be addressed during the programming of the IPARD III Programme for the upcoming programming period. She also pointed out that this was not a failure under the Sectoral Agreement, but that this was a political decision for all the countries. She also added that IPARD is not for everyone and that it is necessary for the MA to target beneficiaries within the legal basis.

*Mr Zvonimir Dudan*, acting as an on-call observer in front of the Association of Serbian Winemakers and Winegrowers, suggested that the efficiency of the application submission process should be improved by subsidising consultants who prepared good application forms. He also highlighted the need to consider customer support options in securing their own share of investment funds, and gave an example of national support for young farmers to buy land. *Ms Biljana Petrović* believes that a functional system should first be established in the IA, in cooperation with the MA, through adequate training of consultants, AAS, and banks, and then work on the improvement of other segments. Regarding the second issue, she expressed her readiness to consider any new, constructive proposal and hoped that the exchange of information in the following period would continue in order to improve the IPARD system.

*Mr Radivoj Nadlački, MAFWM*, suggested that farmers over 60 years of age be exempted from the tax on land lease to overcome the problem related to the inability to register leased land in the cadastre. He made a proposal to the Ministry of Finance to exempt farmers over 60 years of age from the liability to pay tax on land lease. He also pointed to the problem of land consolidation in certain municipalities, considering the applicable Law on Inheritance.

*Mr Aleksandar Bogunović, Serbian Chamber of Commerce*, referring to the previous presentation, noted that the Land Law is in the process of being amended and at the same time used the opportunity to praise meeting organisation and presentations. Mr Bogunović further discussed about the DG SANTE list and gave an example of the companies seeking to unsubscribe from the list so that they could use IPARD funds to further improve their business and competitiveness. He also referred to the problem relating to the minimum standards when applying for IPARD subsidies, with the requirement to prescribe minimum conditions for meeting standards for IPARD recipients, he says that pre-existing conditions for meeting standards are not minimal and that this restricts companies from further investing in improving competitiveness.

*Ms Olivera Topalov, Ministry of Environmental Protection*, replied that the Rulebook stipulates minimum requirements for meeting the standards, and added that legal entities are obliged to comply with all the requirements, whereas the criteria for natural persons are less strict. She asked IA colleagues to come up with a number of projects rejected for failing to meet standards. On this occasion, *Mr Boško Umetić* joined the discussion and stated that natural persons were not subject to the control of the fulfilment of environmental protection requirements, since they were not covered by the Law on Environmental Protection, and added that efforts were made to make amendments to the Law on Environmental Protection only because of IPARD, and that a checklist was drafted in cooperation with the Ministry of Environmental Protection and the Ministry of Agriculture, Forestry and Water Management. In his explanation, Boško said that one application for Measure 1 - a natural person (farm) was rejected as they failed to comply with environmental standards due to the legal inability as a natural person to obtain an adequate permit for discharging lacto-freeze washing chemicals into a drainage pit. He also added that legal entities, regardless of the IPARD II Programme, meet the standards. A total of 6 applications have been submitted so far, 5 of which are being processed. He reminded that the environment is a standard that is viewed on 100% applications and noted that the technical body relevant for the control of environmental standards cooperates very effectively with the IA (in terms of meeting deadlines - 15 days). *Mr Aleksandar Bogunović* pointed to a small number of legal entities that apply for IPARD subsidies due to the non-application of compliance requirements i.e. minimum national standards. *Mr Boško Umetić* stated that every legal entity within the scope of its activity must meet legal requirements regarding the fulfilment of environmental standards. *Mr Danilo Golubović* pointed out that everyone should be a beneficiary of IPARD funds according to EU rules. He also suggested considering what is missing to increase the number of IPARD support beneficiaries. We are preparing for standards and the improvement of competitiveness on the EU market, and both objectives are very challenging. *Ms Jasmina Miljković* pointed to the necessity to comply with the legal basis - the Sectoral Agreement, as well as to the difficulty of making its amendments at the end of the current programming period, noting that these issues should be considered for the next programming period. *Ms Anna Nowak Wood* said that the new programming period would focus more on meeting environmental standards and on monitoring indicators that refer to investments in renewable energy, manure storage facilities and similar, and that, in that sense, there would be no change in the conditions in the next programming period. The IPARD Programme is always consulted when working on it with the DG Environmental.

*Mr Jovica Jaksić* drew attention to the issue of securing funds from potential IPARD beneficiaries. He also proposed demarcation concerning the agricultural production of potential beneficiaries of subsidies in terms of subsidy payments. Farms need to be strengthened economically.

*Mr Danilo Golubović* emphasised the importance of suppressing the gray area in agriculture by directing it into regular business flows, and that the IPARD Programme can greatly contribute to this.

#### **Item 14 of the Agenda – Draft Agenda and date of the next Monitoring Committee/closing of the Sixth Meeting of the Monitoring Committee**

The Sixth Meeting of the IPARD II Monitoring Committee was closed with *Ms Jasmina Miljković's* speech, who suggested that the next meeting should be held in early June 2020. At the very end, she thanked the attendees for the great response and successful work of the IPARD MC.

### III Summary

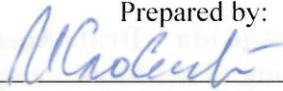
Conclusion	Monitoring Committee	Follow-up activities
Adoption of the Agenda	The Agenda was adopted unanimously	
Adoption of the Record of the Fifth MC Meeting	The Minutes was adopted unanimously	
Information on the implementation of the decisions adopted at the Fifth MC Meeting	Information	
Change of appointed MC members/deputy members	Information	
Adoption of the Action Plan for Technical Assistance 2020	The Action Plan for Technical Assistance 2020 was adopted unanimously	
Implementation of the IPARD II Programme; Current status of implementation: First, Second, Third, Fourth, Fifth, Sixth and Seventh Public Call	Information	
Appointment of new IPARD MC members - representatives of new sectors introduced by the Third Amendment to the IPARD II Programme	Information	Amendments to the Decision on establishing the IPARD MC
Accreditation of Measure 7 and Measure 9	Information	Audit conducted by DG AGRI
Discussion on the results of previous calls	Exchange of information and recommendations for overcoming challenges and limiting factors in the application processing procedure	

**CHAIRPERSON**

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 Branislav Nedimović  
 Minister of Agriculture, Forestry and Water Management

**On behalf of the Secretariat of IPARD II MC**

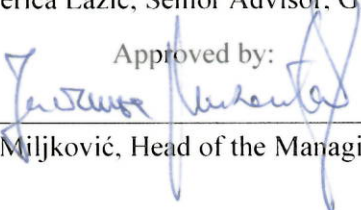
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Approved by:

  
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 Jasmina Miljković, Head of the Managing Authority