

Minutes No. 7

Minutes of the Seventh session of the IPARD II Monitoring Committee

30th October 2020, Belgrade

I List of participants

The session was attended by the following voting members of the IPARD II Monitoring Committee (hereinafter: "MC"):

1. Ministry of Agriculture, Forestry and Water Management (hereinafter: MAFWM) – the 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 Trade, Tourism and Telecommunications;
8. Ministry of State Administration and Local Self-Government;
9. Ministry of Education, Science and Technological Development;
10. Ministry of Labour, Employment, Veteran and Social Policy;
11. Ministry of Youth and Sports;
12. Ministry of Culture and Information;
13. Statistical Office of the Republic of Serbia;
14. Development Agency of Serbia;
15. Serbian Chamber of Commerce;
16. Standing Conference of Towns and Municipalities;
17. Serbian Cooperative Union;
18. National Company for Fruit Production "Our Fruits of Serbia";
19. Association of Agricultural Producers "Vojvodina agrar";
20. Network of Rural Development of Serbia;
21. Association of Milk Producers of Serbia;
22. National Association of Milk Processors "SEDA";
23. National Association "Rural Tourism in Serbia";
24. National Association for Development of Organic Production "SERBIA ORGANICA";
25. Independent Association of Farmers of Serbia;
26. Association "Natura Balkanika";
27. BA "Community of poulterers" and
28. Association of Serbian Winemakers and Winegrowers.

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);
4. Ministry of European Integration.

Representatives of the following institutions were present as observers:

1. Faculty of Agriculture in Čačak, University of Kragujevac, and

2. Social Inclusion and Poverty Reduction Unit.

Due to the epidemiological situation caused by the corona virus, the Seventh session was held through online conference call and physical presence of the maximum permitted number of IPARD II Monitoring Committee members in the room. The Seventh session of the IPARD II MC was attended by representatives of the Directorate General for Agriculture and Rural Development (hereinafter: "DG AGRI"), the European Commission (hereinafter: "EC"), the Delegation of the European Union to the Republic of Serbia (hereinafter: "DEU"), representatives of the National Fund and the NAO Support Office and the Sector for International Cooperation of the MAFWM. The session was also attended by representatives of the Department for Rural Development of the MAFWM.

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

1. Provincial Secretariat for Agriculture, Water Management and Forestry;
2. National Association of Fruit and Vegetable Growers "Fruits of Serbia";
3. Farmers' Associations;
4. Farmers' Association "Club 100P plus";
5. Citizens' Association "National LEADER Network"
6. Serbian Young Farmers Association;
7. Faculty of Agriculture, University of Belgrade;
8. Faculty of Agriculture, University of Novi Sad, and
9. Institute for the Application of Science in Agriculture.

Result:

There were 28 members/deputy members (3 of the members representing the MAFWM) with the voting right out of total 34. The quorum was reached and decisions could be made.

Annex 1 of the Minutes of the session: List of participants;

Annex 2 of the Minutes of the session: Agenda.

II Outcome of the IPARD II MC session:

Item 1 of the Agenda – Introduction speech

The Seventh MC session began with an address by *Ms Jasmina Miljković, Head of the of the Managing Authority (hereinafter: "MA"), Department for Rural Development, MAFWM*, who welcomed the attending guests and MC members and said she was pleased and grateful that many members accepted the invitation to attend. She thanked to the IPA 2015 project "Capacity building for the alignment with the acquis in the area of agriculture, rural development, food safety, veterinary and phytosanitary policy", which provided logistics support for the organisation of the session. She also announced the address by the Minister of Agriculture, Forestry and Water Management, giving him the floor.

Item 1.1 of the Agenda

Mr Branislav Nedimović, Minister of Agriculture, Forestry and Water Management, began his address by greeting and welcoming the participants. He thanked the Committee members for the assistance they had provided in the previous period. He announced legislative amendments in the coming period regarding subsidies in agriculture taking into consideration good practice from the region, as well as a public call for permanent appointment for managerial posts within the DAP. Furthermore, he also announced the establishment of the

Paying Agency in the first half of next year, in order to facilitate the functioning of the operating team and to simplify the procedures. The Minister, also, spoke about IPARD funds absorption, noting that EUR 39 million had been approved to date and added that a higher execution rate of IPARD funds is expected in the coming period. Activities regarding preparation of the IPARD III Programme have been initiated, which will contribute to the expansion of types of investment. He closed his address by welcoming the participants and saying he hoped the next session would be held in the spring of 2021 for a new exchange of information.

Item 1.2 of the Agenda

Ms Jadranka Joksimović, National IPA Coordinator, Minister of European Integration, did not attend the session due to prior engagements.

Item 1.3 of the Agenda

Mr Gojko Stanivuković, National Authorising Officer, State Secretary at the Ministry of Finance, was unable to attend the session. Instead of him, the participants were addressed by *Mr Stojan Janković*, who greeted all participants and wished them a pleasant session.

Item 1.4 of the Agenda

Mr Liam Breslin, Head of Pre-Accession Assistance Unit E.5, DG AGRI, EC, began by greeting the participants and praising the organisation of the Seventh IPARD II Monitoring Committee session. *Mr Liam Breslin* said he was pleased with the progress in IPARD II Programme implementation, noting that farmers had responded well to it, having submitted approx. 1,500 applications. Due to technical difficulties, *Ms Anna Novak-Wood, Pre-accession assistance Unit E.5, DG AGRI*, continued the presentation. *Ms Novak-Wood* said that there is a possibility of improving the quality of work by meeting certain conditions regarding the retention policy of existing and employment of new competent staff. She highlighted the need for political support to ensure quality implementation of the IPARD II Programme, in order to increase the absorption of funds, as application processing is a slow process (out of the total EU contribution, only 17% had been approved and 5% had been paid) and EUR 16 million is at risk of de-commitment by the end of 2020. To prevent de-commitment, Serbia enclosed a letter with the Action Plan. In order to improve funds absorption, the Commission gave an opportunity to farmers and small and medium-sized enterprises to receive up to 50% advance payments for IPARD projects. She talked about the *n+3* rule, noting that three more years remained to implement the IPARD II Programme. In the coming period, the IPARD III Programme preparation is forthcoming, with an aim of adoption by the end of 2021.

Mr Nedimović said he would continue fully supporting IPARD II Programme implementation in the coming period.

Item 2 of the Agenda – Adoption of the draft Agenda

Ms Jasmina Miljković, Head of the Managing Authority, Head of the Department for Rural Development, reminded of the voting rules for MC members/deputy members and determined that the quorum was reached, after which the participants proceeded to vote.

<u>Decision No. 1</u>	The Agenda was adopted unanimously.
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Item 3 of the Agenda – Adoption of the Draft Minutes of the previous IPARD II Monitoring Committee session

Ms Miljković noted that the Minutes of the Sixth session of the IPARD II Monitoring Committee were adopted unanimously.

Decision No. 2:	The Minutes of the Sixth session of the IPARD II Monitoring Committee are adopted unanimously.
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Item 4 of the Agenda – Information on Implementation of Decisions adopted at the previous IPARD II Monitoring Committee session and changes of members

Ms Miljković reminded that the Action Plan for Technical Assistance for 2020 had been adopted at the previous MC session and informed the participants on the activities implemented between the two sessions.

After receiving the Letter of closure with condition and recommendations for Measure 7 – Farm Diversification and business development, the Rulebook was published on 21st May 2020, while the First Public Call for this Measure was announced on 8th June. The budget allocated to this Public Call is approx. EUR 20 million.

Furthermore, after receiving the Letter of closure with condition and recommendations for Measure 9 – Technical Assistance, the next step was drafting of the first terms of reference for public procurement to be implemented under this Measure in compliance with PRAG rules. The Institute for Agricultural Economics carried out the ongoing evaluation of the IPARD II Programme. The first Annual Implementation Report on IPARD II Programme in the Republic of Serbia was prepared and adopted by the MC members in written procedure on 16th June 2020. She also announced amendments to the IPARD II Programme, the Sectoral Agreement, the Action Plan for Measure 9 for 2020 and the Draft Action Plan for 2021. *Ms Miljković* presented the changes of IPARD MC members and deputy members.

As regards changes of the IPARD II Monitoring Committee members, *Ms Miljković* said that the Amendments on the Decision on the appointment of MC members was adopted in the previous period, under which representatives of the poultry and winemaking sectors had been included in the IPARD II Monitoring Committee, while other changes were due to personal changes at the Ministry of Finance, the Governmental Audit Office of EU Funds and the Citizens' Association "National LEADER Network". Furthermore, the Directorate for Agrarian Payments announced the change of deputy member without voting right.

Item 5 of the Agenda – Presentation of the Proposal of Fourth Modification of the IPARD II Programme

Mr Slobodan Živanović, Head of the Group for Programming Measures to Improve Competitiveness and Local Rural Development, presented the Fourth Modification of the IPARD II Programme. Namely, a financial modification was made to improve funds absorption, since certain IPARD II measures were not entrusted, as well as that for certain Public Calls there were no high interest by agricultural producers/processors. The next change concerns the demarcation of IPARD Measure 7 and the National Rural Development Programme. Furthermore, in line with the amendments of the Sectoral Agreement, a new definition of the term "young farmer" was included in the IPARD II Programme, according to which a young farmer is a person who is under 40 years of age at the time of submission of application for project approval, rather than at the time of adoption of a Decision on project approval.

Item 5.1 of the Agenda – Voting Procedure on Proposal of IPARD II Programme Modifications

After the voting procedure, the Proposal of Fourth Modification of the IPARD II Programme was adopted unanimously.

<u>Decision No. 3</u>	The Proposal of Fourth Modification of the IPARD II Programme is adopted unanimously.
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Item 6 of the Agenda – Findings and Recommendations of IPARD System Audit

Mr Saša Čelić, Governmental Audit Office of EU Funds, presented the Office's management system and the results of the audits carried out between 1st January 2019 and 31st March 2020 at the IPARD Agency, the Managing Authority and the NAO SO and National Fund.

The audit covered the functioning of management and control systems in all IPARD system institutions, as well as the control of recipients' applications for Measure 1 – Investments in physical assets of agricultural holdings and Measure 3 – Investments of physical assets concerning processing and marketing of agricultural and fishery products, from the phase of submission to the phase of payment, i.e. phase of application rejection. There were 35 audit findings (five major findings, 22 intermediate findings and eight minor findings). The most significant findings concerned the List of Eligible Expenditures, eligible expenditures calculation, untimely submission of data for preparation of key reports on the implementation of the IPARD II Programme, process of receiving and processing of applications, insufficient number of employees in IPARD system institutions, as well as deficiencies in IT sector of the IPARD Agency. He also underscored that IPARD bodies had undertaken steps to address the recommendations made by the Governmental Audit Office of EU Funds. Based on the conducted audit of the system, the overall rating of system functioning on a scale of 1 to 4 is 3, which indicates that the system is functional, with certain deficiencies.

Item 7 of the Agenda - IPARD II Programme Implementation

Item 7.1 of the Agenda – Management Structure

Mr Stojan Janković, acting Assistant Minister, Management Structure, NAO SO and NF, Department for Management of EU Funds, Ministry of Finance, presented the main activities undertaken in the previous period, including amendments to the Financial Agreement, the start of implementation of Measure 7 and Measure 9, the Declaration of Expenditures and Revenue (D1) for Q3 2020 and payment overview (49 applications were paid with the amount of approx. EUR 11 million). He also referred to the administrative capacities of the IPARD bodies, i.e. filling the vacant work posts and quarterly forecasts for the period 2020–2021. The NAO submitted to the EC the request for pre-financing payment (third instalment) on 14th September 2020 for an amount of EUR 6 million. Activities planned for the coming period include follow-up on the findings and reporting to DG AGRI (the first report was submitted on 1st October 2020), as well as preparing amendments to the legal framework and procedures in order to simplify working processes and increase the absorption of available funds. He also announced increased National Authorising Officer supervision regarding implementation of planned activities and cooperation between bodies in IPARD system and ensuring staff capacities in all IPARD bodies.

Item 7.2 of the Agenda – Managing Authority

Ms Miljković informed the participants on the current situation and the activities implemented since the Sixth MC session. She pointed out that the First Annual

Implementation Report on IPARD II Programme for Serbia has been prepared, as well as that the evaluation of IPARD II Programme was conducted, focusing on two activities: assessment of Common Context Indicators and Administrative Simplification of Procedures. After conducted evaluation, an Action Plan for implementation of recommendations has been prepared. She stressed out that challenges in the coming period are related to finding a solution to improve absorption of IPARD funds, in particular by applying the n+5 rule for funds allocated for 2017, as well as ensuring pre-finance for IPARD projects. She highlighted the importance of introducing advance payments to recipients, as well as simplifying administrative procedures to ensure faster application processing. In terms of visibility increasing, she presented the promotional activities and publications prepared and implemented by the Managing Authority in the previous period. The focus of *Ms Miljković's* presentation was on the timeline for preparation of the IPARD III Programme. She said sectoral analyses are the basis for programming in the next programming period and briefly presented the results of sectoral analyses and the proposals for specific criteria for each measure. It is expected that the Managing Authority would prepare a final version of the IPARD III Programme in September 2021, so it could be adopted by the EC in November 2021. She also pointed out that a novel feature of the IPARD III Programme is introduction of measure related to rural infrastructure.

Item 7.3 of the Agenda – IPARD Agency

Ms Biljana Petrović, acting Director of the Directorate for Agrarian Payments, presented the progress achieved in the processing of IPARD applications, a report on approved and rejected applications, reasons for rejection, as well as the IPARD Agency's capacities. The total number of submitted applications until 30th October 2020, was 1,437, with the requested support of EUR 170.62 million. Out of that number, 486 applications were approved, with the requested support amounting to EUR 39.59 million, while 192 recipients were paid, in the total amount of EUR 10.70 million. Compared with the previous year, progress was achieved across all aspects. She pointed out the problem of incomplete applications, whose complementation and further control significantly slow down the work of the IPARD Agency. She also noted the process was further slowed down by the *COVID-19* pandemic, because of which on-the-spot controls prior approval had been suspended/terminated. To ensure better absorption of IPARD funds, the IPARD Agency engaged additional staff and access to finance with bank support was facilitated. In addition, an advance payment system was agreed. An ongoing activity concerns software development to speed up application processing. She praised the activities undertaken in the previous period and announced procedural improvements, business plan simplification and amendments to the Sectoral Agreement, as well as legal framework. Furthermore, to better inform potential recipients and recipients of IPARD subsidies regarding their work, *Ms Petrović* announced that the plan is to make 12 episodes about work of IA, which will be broadcast on Agro TV.

Item 8 of the Agenda – IPARD III vs. IPARD II

Ms Anna Nowak-Wood, Pre-Accession Assistance Unit E.5, DG AGRI, addressed the proposed changes aimed at improving the IPARD II Programme and preparation of the IPARD III Programme. She presented amendments to the Sectoral Agreement, based on which the Fourth Modification of the IPARD II Programme was prepared. According to the amendments to the Sectoral Agreement, operating costs, maintenance, depreciation and rental costs are not eligible under the IPARD II Programme, in the event of force majeure or exceptional circumstances, shall be treated as eligible expenditures. She added that the *COVID* pandemic was an exceptional circumstance. In the continuation of the presentation, she added that the amendments to the Sectoral Agreement introduced "collective

investments” under Measure 1, Measure 3 and Measure 7, for which an additional 10% of support can be given. Eligible recipients for this type of investment are producer organisations which could invest in facilities, machines, equipment and other agricultural production and processing facilities in accordance with the EU standards or for quality products, or in establishing short supply chains and local markets. She said guidelines for the establishment of producers organisations are expected in the coming period. Also, within Measure 9, amendments had been proposed concerning the provision of support through pilot projects, with the aim of establishing short value chains and value chains for quality products. Amendments to the Sectoral Agreement include a changed definition of the term “young farmer” and a possibility of advance payment of up to 50%.

The second part of *Ms Nowak-Wood*’s presentation related to the timeline for preparation of the IPARD III Programme and an overview of already implemented activities in that regard. She added that a set of measures for the IPARD III Programme included two new measures: Measure 12 - Financial Instruments and Measure 13 - Innovation. Talking about new elements in the preparation of the IPARD III Programme, she focused on a sustainable food system in accordance with the objectives defined in the document titled *European Green Deal*, both at the EU level and separately for the Western Balkans, support to short supply chains, collective investments and ecological aspects.

Item 9 of the Agenda – Discussion

Ms Miljković thanked the participants for their presentations and invited them to start a discussion.

Mr Božo Joković, *National Company for Fruit Production “Our Fruits of Serbia”*, pointed out the issue of difficult access of IPARD recipients to funding and asked *Ms Nowak-Wood* whether support would also be available for the additional 50% financing in terms of obtaining bank guarantees.

Referring to what had already been said, *Ms Nowak-Wood*, replied that, as far as the EC was concerned, the Sectoral Agreement as a legal document had been amended, allowing Serbia the possibility up to 50% advance payment, but that would depend primarily on a change in the procedures applied by the IA. She said the technical implementation of this would depend on the national bank guarantee system, which should be adapted to facilitate access to finance for IPARD recipients, noting that the Minister’s support would be crucial in this context.

Mr Danilo Golubović, *Minister’s Advisor for European Integration*, commended the activities of the entire team of the IPARD system and preparation of the newsletter “IPARD in focus”. He highlighted the issue of time-consuming cadastre procedures in Serbia, which significantly slow down the submission of application, as well as completion of applications by IPARD recipients. As a solution for this issue, he proposed a meeting with colleagues from the Republic Geodetic Authority.

Ms Miljković said that the evaluator had proposed the same solution, having observed that certain procedures at the national level were very time-consuming, not only those carried out by the Republic Geodetic Authority, but also those of local self-government units. She said this issue should be addressed at the highest level, in order to speeding up the procedure of processing of IPARD applications.

Mr Vlado Kovačević, *Institute for Agricultural Economics*, welcomed the EC’s proposal for additional support to interest grouping of small farms. He noted that results of analyses performed by the Institute showed that the small farms in Serbia are fragmented and economically weak, which requires the need for associating, primarily for joint purchasing of

inputs, processing and marketing of products. He added that analyses had also showed that associating efforts in Serbia lagged behind those of the EU, both in terms of total capital and in terms of the relative number of interest groups compared with the total number of farms. Taking into account the importance of interest groups, he also said that one of the recommendations resulting from the evaluation was to find a way to support interest groups.

Mr Rade Škorić, BA "Community of poulterers", pointed out on the possibility of using IPARD funds by the producers of table egg in order to replace cages, which was defined by the relevant national legislative framework. In his presentation, he highlighted the issue of slow processing of applications from potential recipients in the poultry sector (11 months after applying, they received no call/information as to how far the application processing had progressed), having in mind the legal deadline for the replacement of cages (1st January 2021).

Ms Miljković said she expected the deadline would be extended because of the overall situation with *COVID 19*. **Ms Petrović** joined the discussion and said she would provide information on the status of applications of table egg producers within the Fifth Public Call for Measure 1 next week. She added that processing of applications under this Call is ongoing, as ranking of the applications had been completed. She also said she would check whether there would be any changes regarding the deadlines for replacement and labelling for this year.

Ms Nowak-Wood gave a brief overview of previous presentations and began by commending the presentation and work of the Governmental Audit Office of EU Funds, indicating the importance of the audit findings. As regards presentation by the IA, she said the efforts that had been made throughout the year were duly noted and that the number of approved applications had doubled, despite the situation caused by the *COVID 19* pandemic. However, she repeated that, while 17% of applications had been approved, only 4.5% of the total EU contribution had been paid. She pointed out need of a major improvement of the system, which would be achieved with the support from the Minister. Finally, she asked **Ms Petrović** whether the advance payment which has been planned for the next programme period would also apply under the IPARD II Programme.

Ms Petrović said that advance payment of 50% would also apply under the IPARD II Programme, noting that an advance payment model had been identified and that it is necessary to define some technical details. She said she expects that the advance payment model would be applied within future Public Calls in 2021, other than the first following Public Call.

In her comment, **Ms Nowak-Wood** also talked about the MA's presentation concerning the Action Plan for ongoing evaluation, noting that the report contained many good recommendations, and said she hoped they would be applied soon.

Mr Jovica Jakšić, Independent Association of Farmers of Serbia, greeted all participants and congratulated the Minister on his reappointment. He proposed an increase in the budget within the Fourth Public Call for Measure 1, to ensure that all applicants can be eligible to IPARD subsidies for purchase of new tractors. He also drew attention to the issue concerning the lack of harmonisation between the codebooks of the IA and the Serbian Government, which led to rejection of applications by the IA. He praised the proposal for advance payment arrangement, which will have significant assistance to farmers who had difficulties in obtaining bank loans due to high interest rates.

Ms Miljković replied that the rejected case was being in the second-instance appeal procedure and a Complaints Committee was expected to meet.

Mr Nenad Budimović, Serbian Chamber of Commerce, greeted all participants, praised the overall organisation and took the opportunity to congratulate the Minister on his reappointment. Then, he referred to the issue concerning table egg producers and said that the Serbian Chamber of Commerce, in cooperation with the Association for Animal Husbandry, had submitted an application for a postponement of the legal deadline for the replacement of cages, adding he hoped that the deadline would be postponed and table egg producers would be able to receive support through the IPARD fund.

Ms Miljković closed the first part of discussion and called a break.

Item 10 of the Agenda – Presentation of the Draft Amendment to the Action Plan for Technical Assistance for 2020 and the Draft Action Plan for Technical Assistance for 2021

The second part of the IPARD II Monitoring Committee session was opened with presentation by *Ms Sanja Prodanović, Head of the Group for Technical Assistance and Promotion, Managing Authority, MAFWM*. In her address, she greeted all participants and reminded them of the objective of the Technical Assistance measure. She underscored this measure was necessary and needed because it supported IPARD II Programme implementation, monitoring and evaluation, organisation of promotional events and preparation of the IPARD III Programme. She said the budget planned under the Action Plan for Technical Assistance for 2020 has been reduced due to the revision of the 2020 budget. The Action Plan for 2021 set the total budget to approx. EUR 1.26 million, and the majority of funds were allocated for promotional activities (approx. 60%), approx. 20% of the budget was allocated to preparation for the IPARD III Programme, while the approx. 7% of budget was allocated for capacity building under the LEADER measure.

Ms Miljković referred to what had been said and explained the overlapping of activities in the Action Plans for 2020 and 2021, noting that, if an activity had been launched in 2020, and payment was expected in 2021, then the funds must be allocated for that activity in the 2021 budget.

Item 10.1 of the Agenda – Voting procedure on Proposal of Amendment on Action Plan for Technical Assistance for 2020

<u>Decision No. 4</u>	The Proposal of Amendment on Action Plan for Technical Assistance for 2020 is adopted unanimously.
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Item 10.2 of the Agenda – Voting procedure on Proposal of Action Plan for Technical Assistance for 2021

<u>Decision No. 5</u>	The Proposal of Action Plan for Technical Assistance for 2021 is adopted unanimously.
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Item 11 of the Agenda - Presentation of the results from conducted ongoing evaluation of the IPARD II Programme in the Republic of Serbia for the period 2017-2019

Mr Vlado Kovačević, Institute for Agricultural Economics, greeted all participants and presented the results of the evaluation, which was conducted through two activities: assessment of availability of Common Context Indicators and administrative simplification of procedures. He noted that the evaluation results differed from planned regarding funds

absorption, the number of applications, the application processing period is on average longer than planned (applies to all phases of application processing), although progress was noticeable. Also, the analysis showed that it is necessary to improve the quality of submitted applications, as well as that in the field of livestock production there is a small number of applications within Measure 1 and Measure 3, primarily because recipients do not know the standards, i.e. they are not sufficiently educated, and they fulfil conditions for submission of application. He said that improvement of the IT system and linking with other external databases could significantly reduce data processing errors, as well as significantly shortening the period for application processing. The evaluation also included an analysis of procedures carried out by other authorities, such as the Republic Geodetic Authority (RGA), local self-governments etc. The conclusion was that the procedures varied considerably. The first analysis included an evaluation of common context indicators, comprising socio-economic indicators, sectoral indicators and environmental indicators. Regarding context indicators, 18 findings and recommendations were made, while 45 recommendations were made for procedural improvements (most of the recommendations were adopted).

Some of the most significant recommendations relating to the Managing Authority are that in case of changes of the procedures it is necessary to leave a longer period of time to IA for launching the Public Call. A main recommendation concerning Measure 3 is to set specific criteria for each milk category in the milk processing sector. He also suggested that, as part of this measure, large legal entities should be allowed to apply for environmental and renewable energy projects, to improve the absorption of funds in the coming period.

Significant recommendations concerning the IPARD Agency include separation of the IPARD Agency from the MAFWM and establishment of an independent institution, as well as regional IPARD Agency offices (it is recommended that offices should be subordinated to the Treasury Administration), introduction of LPIS and IACS systems and formation of a final list of recipients to whom realization of IPARD projects was approved. He highlighted that introduction of central records of appeals received by the IPARD Agency is essential.

As the work of Agricultural Advisory Services is important for providing information to farmers, recommendations were made for further improvements. General recommendations for the MAFWM concern formalised cooperation, improved working conditions and adding more members to the Complaints Committee in the redress procedure for IPARD subsidies. As regards general recommendations, it is necessary to improve working conditions in the IPARD structure through award system, in order to reduce the fluctuation of competent staff.

Item 12 of the Agenda – Discussion

Ms Nowak-Wood praised the evaluators' findings, noting they were similar to those made by the EC. She then asked whether it was possible for the Statistical Office of the Republic of Serbia to establish and monitor indicators relating to the classification of rural areas according to the DEGURBA methodology. She also asked whether it would be possible for the IPARD Agency to access electronic databases of other relevant institutions. Finally, she emphasised that small number of applications has been submitted for investment in manure management due to obligation to meet environmental protection standards. In this context, she underscored the MA had to focus more on projects in the field of livestock production through strengthening promotional activities.

Mr Kovačević referred to what she had said and replied that the Statistical Office of the Republic of Serbia had demonstrated willingness to implement the classification of rural areas through a methodology in line with the EU. As regards access of the IA to electronic databases of relevant institutions, he said the IA had already established cooperation with the

Republic Geodetic Authority, as well as that the IA has the possibility of accessing the centralised e-database. He added it was necessary to implement automated processing of such applications. He noted legislative provisions that would enable such arrangements were already in place.

In reply to *Ms Nowak-Wood's* question relating to recommendations for manure management, *Ms Miljković* said that awareness rising in the field of environmental protection for potential recipients in the livestock production would be intensified in the coming period. Referring to *Ms Miljković's* reply, *Mr Kovačević* explained that analyses that had been conducted showed that recipients were able to meet the technical standards, but were not sufficiently informed, which meant that continual education and promotion was necessary. Finally, he added that the analysis had showed that absorption of IPARD funds would significantly increase if large legal entities were allowed to invest in the field of environment protection.

Ms Ivana Zlatanović, acting Assistant Director of the Directorate for Agrarian Payments, referring to what had already been said in the discussion, said that, from the aspect of the IA, separation of the IPARD Agency from the MAFWM and establishment of the Paying Agency was in accordance with the commitments assumed under Chapter 11 as part of Serbia's EU accession process. She also said that tasks delegated to the Treasury Administration at the regional level should be regulated differently. As regards software implementation at the IA, she said this process was almost completed and the software would soon be commissioned and tested. She also said that the IA had already connected to the centralised e-database and added that linking to other public administration bodies would be possible as soon as the platform became functional.

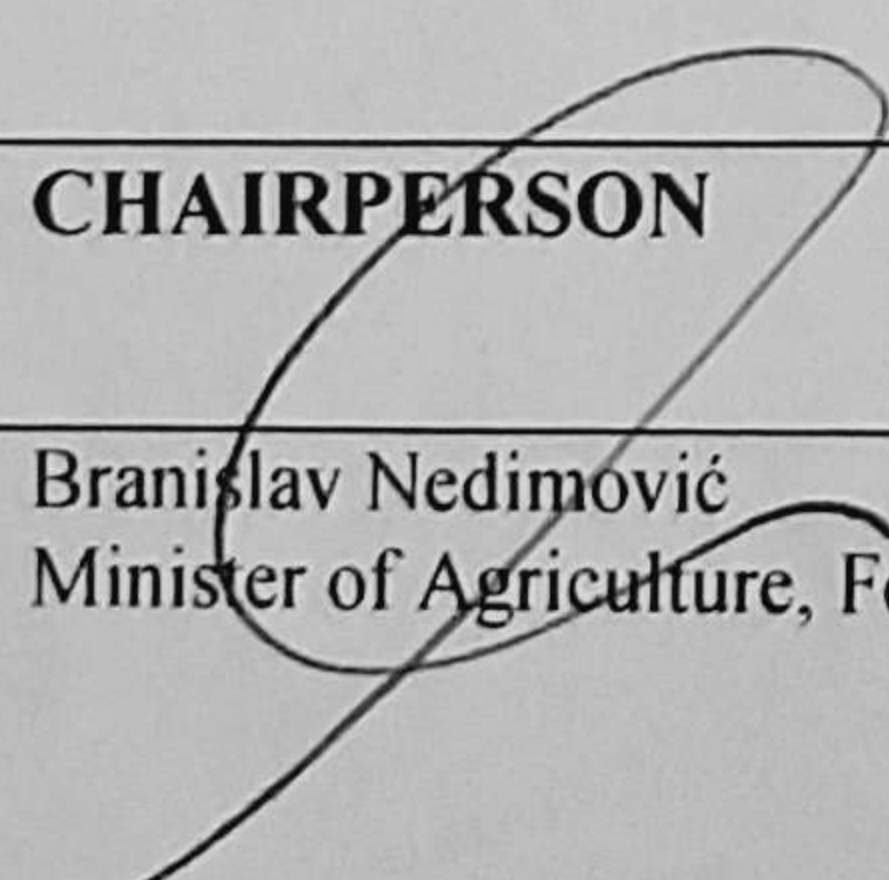
Item 13 of the Agenda – Draft Agenda and Date for the Next IPARD II Monitoring Committee session/Closing of the Seventh IPARD II Monitoring Committee session

The Seventh IPARD II Monitoring Committee session was closed with an address by *Ms Miljković*, who proposed that the Eight IPARD II Monitoring Committee session be held in early June 2021. She thanked the participants for their attendance and contribution.

III Summary

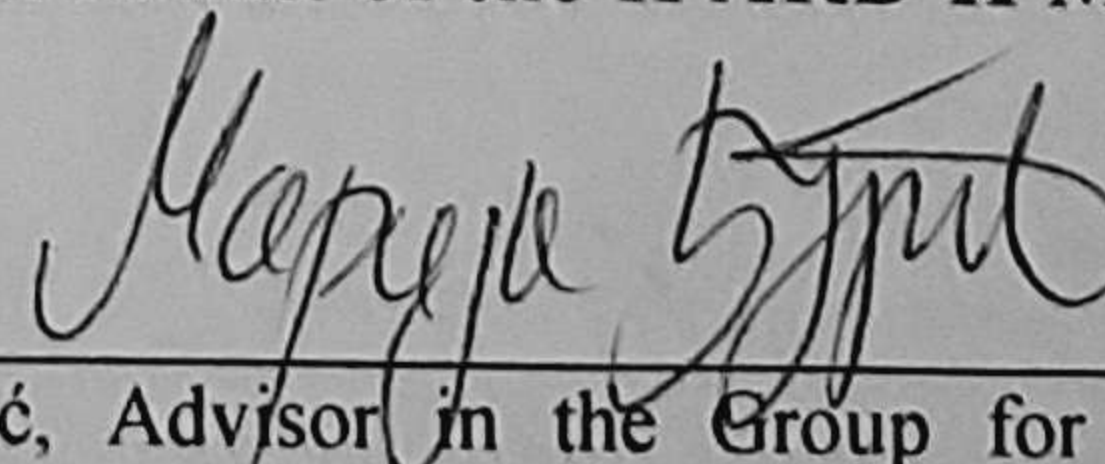
Conclusion	Monitoring Committee	Follow-up activities
Adoption of the Agenda	The Agenda adopted unanimously	
Adoption of the Minutes from the Sixth IPARD II MC session	The Minutes adopted unanimously	
Information on implementation of decisions adopted on the Sixth IPARD II MC session	Information	
Change of appointed IPARD II MC members/deputy members	Information	
Adoption of the Proposal of Fourth Modification of the IPARD II Programme	The proposal of Fourth Modification of the IPARD II Programme adopted unanimously	
Adoption of the amendments to the Action Plan for Technical Assistance for 2020 and Action Plan for Technical Assistance for 2021	The Amendments to the Action Plan for Technical Assistance for 2020 and Action Plan for Technical Assistance for 2021 adopted unanimously	
Implementation of the IPARD II Programme; current situation regarding the implementation of the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Public Calls	Information	
Appointment of new members of the IPARD II MC	Information	Amendments to the Decision on the Formation of the IPARD II MC
Preparation of the IPARD III Programme	Information	
Discussion on results of previous calls	Exchange of information and recommendations to overcome challenges and limiting factors in application processing	

CHAIRPERSON


 Branišlav Nedimović
 Minister of Agriculture, Forestry and Water Management

For the Secretariat of the IPARD II Monitoring Committee

Prepared by:



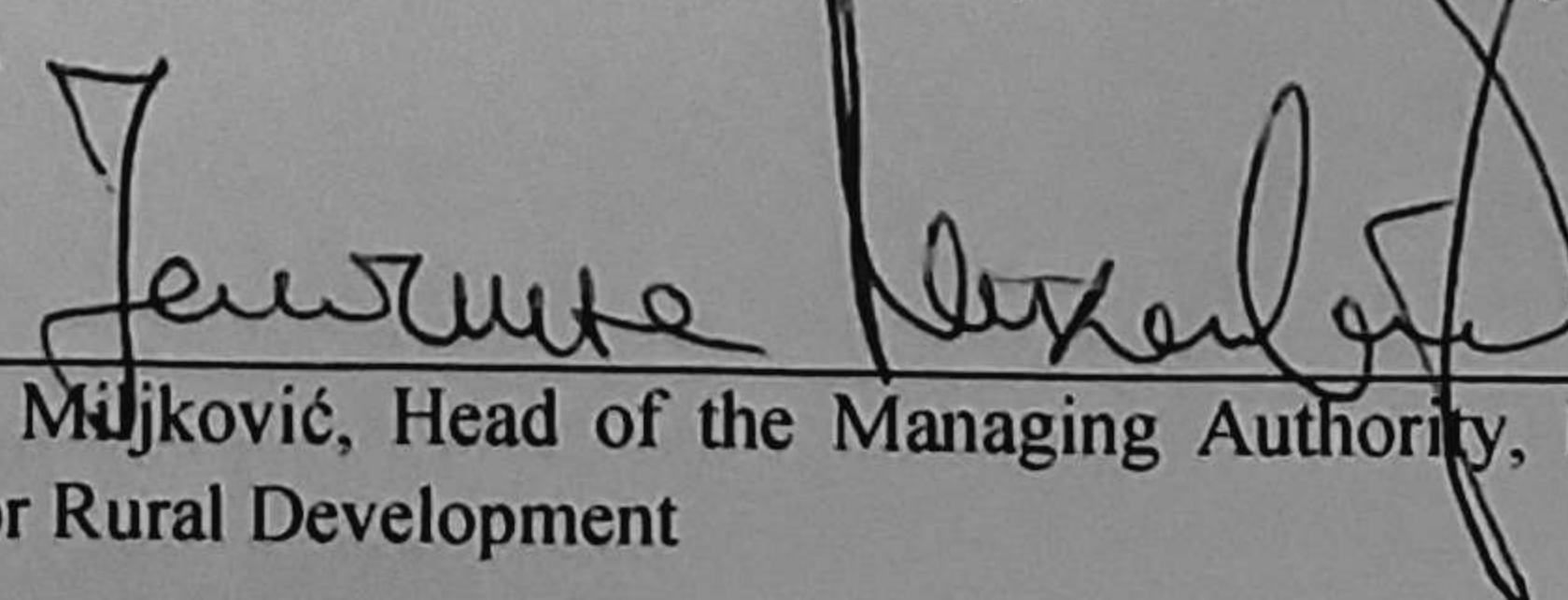
Marija Đurić, Advisor in the Group for Monitoring, Evaluation and Reporting

Controlled by:



Tijana Marinković Denda, Head of the Group for Monitoring, Evaluation and Reporting

Approved by:



MSc Jasmina Mujković, Head of the Managing Authority, Head of the Department for Rural Development