

**Minutes of the Meeting No. 5**  
Minutes of the 5<sup>th</sup> Meeting of the IPARD II Monitoring Committee  
14 May 2019, Novi Sad

**I List of participants:**

**The meeting was attended by the members of IPARD II Monitoring Committee (hereinafter: the MC) with voting right, i.e. the representatives of:**

1. Ministry of Agriculture, Forestry and Water Management (hereinafter: the 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 Trade, Tourism and Telecommunications;
7. Ministry of Labour, Employment, Veteran and Social Affairs;
8. Ministry of Youth and Sports;
9. Serbian Chamber of Commerce;
10. Standing Conference of Towns and Municipalities;
11. Provincial Secretariat for Agriculture, Water Management and Forestry;
12. Serbian Cooperative Union;
13. National Company for Fruit Production “Our Fruits of Serbia”;
14. Association of Agricultural Producers “Vojvodina Agrar”;
15. Network for Rural Development of Serbia;
16. National Association of Milk Processors “SEDA”;
17. Farmers’ Association “Club 100P +”;
18. Association of Milk Producers of Serbia;
19. National Association “Rural Tourism in Serbia”;
20. National Association for Development of Organic Production “*SERBIA ORGANICA*”;
21. Independent Association of Farmers of Serbia; and
22. Serbian Young Farmers Association.

**Present members without voting right:**

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.

**Present representatives as observers:**

1. Faculty of Agriculture, University of Novi Sad;
3. Institute for the Application of Science in Agriculture; and
4. Social Inclusion and Poverty Reduction Unit.

At the same time, the 5<sup>th</sup> meeting of the IPARD MC was attended by: the representatives of the European Commission (EC), DG AGRI and the Delegation of the European Union to the Republic of Serbia (EUD). The IPARD MC meeting was attended by Mr. Gojko Stanivuković, State Secretary in the Ministry of Finance, in the capacity of the representative of the National Authorising Officer (NAO). The meeting was attended by the representatives of the MAFWM – Sector for Rural Development and Sector for International Cooperation.

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

1. Ministry of Construction, Transport and Infrastructure;
2. Ministry of Public Administration and Local Self-Government;
3. Ministry of Education, Science and Technological Development;
4. Ministry of Culture and Information;
5. Statistical Office of the Republic of Serbia;
6. Development Agency of Serbia;
7. National Association of Fruit and Vegetable Growers “Fruits of Serbia”;
8. Farmer’s Association;
9. Citizens' Association “National LEADER Network”;
10. Association “Natura Balkanika”;
11. Faculty of Agriculture, University of Belgrade; and
12. Faculty of Agronomy in Čačak, University of Kragujevac.

**Result:** Out of a total of 32 there were 22 members/deputy members (3 of them were MAFWM representatives) with 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:**

1. The 5<sup>th</sup> MC meeting began with an address by *Ms. Jasmina Miljković, Head of the Managing Authority* (hereinafter: MA) who welcomed the guests and MC members and expressed satisfaction that the meeting was held as part of the 86<sup>th</sup> Agricultural Fair in Novi Sad. She took the opportunity to invite the participants to visit this important international agricultural event after the meeting and gave the floor to MC Chairperson, Mr. Branislav Nedimović, Minister of Agriculture, Forestry and Water Management.

*Mr. Branislav Nedimović, Chairperson and Minister, MAFWM*, in his addressing, thanked all the participants and welcomed them. He reflected on the large number of applications received in the previous period and expressed his satisfaction, as well as the hope that, by the end of the current year, funds available to farmers will be utilised. Furthermore, he mentioned the problem of reference prices and suggested that this should be solved by creating the reference price database. He announced two new calls, as well as two new measures - Measure 7 and Measure 9. He presented and sent DG AGRI a proposal for the compensation of the missing funds from the national budget to avoid ranking, in case the interest in purchasing tractors is greater than available funds. The minister presented a proposal by the association of fruit growers to change the lower limit for fruit processors due to the existence of a large number of farms with a lower

economic status and noted that this would be supported by sectoral analysis data. Also, a proposal was received from the dairy sector for increasing the number of animals from 20 to 50 in IPARD and Ministry will find a way to respond to this request which will not change the rules in the IPARD Programme or disrupt its implementation. He assessed the introduction of two new sectors into the IPARD Programme (the egg sector and the wine sector) as significant. He emphasised the faster work of the Directorate for Agrarian Payments since January and announced its transformation into the Payment Agency, which would solve some of the existing problems.

2. **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*, conveyed greetings of the Minister for European Integration, Ms. Jadranka Joksimović, and expressed her regret over the inability to attend the meeting due to already scheduled meetings. He expressed great satisfaction regarding the fact that the meeting was held in Novi Sad, just at the time of the Agricultural Fair. He had a positive reaction to the proposal to make changes to the IPARD Programme by introducing two new sectors. He commended all those involved in the creation and implementation of the IPARD, the Government of Serbia, the Prime Minister and the relevant Ministries.

3. **Mr. Gojko Stanivuković**, *NAO, State Secretary, Ministry of Finance*, emphasised that agriculture contributes significantly to the growth of our GDP and that further and more efficient implementation of the IPARD II Programme will improve competitiveness in that sector, affect its development and significantly support agricultural producers. Mr. Stanivuković reminded that the EC assigned part of its competencies to the Republic of Serbia through indirect management. He further stated that activities in the implementation of the IPA and IPARD II Programme were very intensive and that smooth and successful operation of the IPARD system would be ensured with increased supervision by the NAO. He also reflected on the five public calls published so far, as well as on the fact that the process of approving requirements for Measures 1 and 3 will intensify by the end of the year in order to absorb as much funds as possible. He noted that preparations for the accreditation of the new measures under the IPARD II Programme, Measure 7 and Measure 9, are under way. He pointed to the fact that special attention is paid to resolving possible irregularities in implementation and improperly spent funds through communication with the EC and the European Anti-Fraud Office (OLAF). He announced that, in accordance with the Action Plan for September this year adopted by the IPARD Working Group, the plan is to submit a package of documents necessary for entrustment of budget implementation tasks for Measure 7 and 9, which will be preceded by an external audit scheduled for July 2019.

4. **Mr. Liam Breslin**, *Head of Unit for Pre-Accession Assistance at the Directorate General for Agriculture and Rural Development (hereinafter: DG AGRI), EC*, expressed his positive impressions about the Agriculture Fair which he visited in the company of the Minister of Agriculture, Mr. Branislav Nedimović, especially in terms of an extremely large number of agricultural machinery exhibitors and high quality organic agricultural products. In terms of the implementation of the IPARD II Programme in Serbia, Mr. Breslin said that the situation is similar to that in the countries in the region and that he understands the problems we face considering that this is only the beginning. He believes that identified problems in the implementation of the IPARD II Programme in Serbia can be solved by learning from the experience of other countries. Mr. Breslin estimated that EUR 175 million of pre-accession

assistance from the IPARD II Programme can change many things in agriculture and significantly transform the economy of the country. In this regard, the announced measure which refers to rural tourism should play an important role.

**5. Adoption of the Agenda proposal and adoption of the Minutes from the previous MC meeting**

*Ms. Jasmina Miljković* reminded of the voting rules of MC members/deputy members and determined that the quorum was made, after which voting took place.

**Decision No. 1**

The Agenda was adopted unanimously.

**Decision No. 2**

The Minutes of the Meeting of the 4th MC meeting were adopted unanimously.

**6. Information on the implementation of the decisions adopted at the previous meeting of the Committee; Information about changing members**

*Ms. Jasmina Miljković* introduced the meeting participants with all the activities that were conducted between the two MC meetings: amendments to the IPARD II Programme were adopted, the fifth public call was announced, the Plan of Public Calls for 2019 was published, a package of measures for the accreditation of Measure 7 and Measure 9 was prepared, the Working Group for Measure 9 was established and activities from the Visibility and Communication Plan were conducted. She also said that a meeting was held on staff changes in the IPARD structure which took place in the period between the two MC meetings (appointment of Ms. Biljana Petrović as Acting Director of the Directorate for Agrarian Payments, appointment of Mr. Gojko Stanivuković, State Secretary in the Ministry of Finance as the National Authorising Officer), as well as staff changes in terms of MC members/deputy members in the following institutions/organisations: Directorate for Agrarian Payments (IA), MAFWM; Governmental Audit Office of EU Funds; Social Inclusion and Poverty Reduction Unit and Association of Milk Producers of Serbia.

**7. Findings and recommendations of the audit mission**

*Ms. Danica Popadić, Head of the Audit Group within the Agriculture and Rural Development Programme - IPARD Programme, Governmental Audit Office of EU Funds*, on behalf of announced Office Director, Mr. Ljubinko Stanojević, presented findings and recommendations of the audit mission. She introduced the participants with the IPARD II Programme Audit Group (a team of auditors was set up which envisaged five employees, but currently only one is working, so new employment is foreseen), conducted previous activities, audit findings and recommendations. At the same time, she announced activities planned for the following period specially referring to the future challenges of the Office such as retention policy and adoption of a new Rulebook on job classification.

## 8. Implementation of the IPARD II Programme

*Ms. Jovana Zdravković, EU Funds Management Department, Ministry of Finance*, introduced the participants to the changes of responsible persons in the IPARD structure. She also reported on conducted activities (Management Statement and Financial Statements for the IPARD II Programme for 2018 submitted by the EC NAO on 14 February 2019; Statement of Expenditures for the IPARD II Programme for Q1 2019 submitted by the EC NAO on 18 April 2019, regular meetings of the IPARD Working Group), as well as on planned activities (the commencement of external audit is planned for July 2019, whereas submission of a package for the accreditation of Measures 7 and 9 is envisaged to take place in September 2019, provision of human resources in all IPARD bodies, monitoring and supervision of key processes in the context of implementation of Measures 1 and 3); administrative capacities in IPARD bodies and planned trainings (training program for 2019 was prepared and adopted).

*Ms. Jasmina Miljković* talked on behalf of the Managing Authority about the implementation of public calls, proposals for amendments to the IPARD II Programme, accreditation of new measures, the Plan of Calls for 2019, the Promotion and Education Plan, as well as about responses to challenges and lessons learned. In terms of the Plan of Calls for 2019, Ms. Miljković said that for accredited measure was planned one call for each, with a larger amount of funds. As part of announced calls for Measure 1 and Measure 3, as well as for new Measures 7 and 9, she listed involved sectors, potential beneficiaries, eligible costs, as well as minimum and maximum amounts of support. She presented the participants with the activities that preceded preparation of the Third Draft Amendments to the IPARD II Programme, conducted sectoral analyses, meetings held with potential beneficiaries and relevant institutions and announced activities that will follow after the adoption of proposed amendments. At the same time, she pointed out activities conducted during the preparation of a package for the accreditation of Measures 7 and 9. Concerning the part referring to the monitoring and supervision of the implementation of the IPARD II Programme, the participants were informed about the initiated procedure for the implementation of the ongoing evaluation of the programme and that a procedure was initiated for the execution of sectoral analyses by the end of 2019 as part of preparation for the next programme period. With regards to the above mentioned, she pointed out the significance of the conducted Survey on the structure of agricultural holdings by the Statistical Office of the Republic of Serbia at the end of 2018, as well as planned promotion-related activities (via electronic and printed media) and education (training: 50 IPARD hours through the Agricultural Advisory Services (AAS) and the Institute for the Application of Science in Agriculture (IASA)). A smaller number of calls, continuous training (of consultants, consulting agencies, employees in the Managing Authority and the IPARD Agency) and additional training of farmers are some of the lessons learned in the previous period, Ms. Miljković said at the end of her presentation.

*Ms. Biljana Petrović, Acting Director of the Directorate for Agrarian Payments* (hereinafter: the DAP), *MAFWM*, briefly presented results of the five public calls published so far and announced calls in 2019 and specifically reflected on two new measures that are in the process of accreditation. She also pointed out the progress in the period between the two meetings of the IPARD Committee in terms of the number of processed and approved applications and requests submitted for payment, as well as in terms of required funds and the approved amount of support. At the same time, she presented the structure of submitted applications regarding sectors and type of investments. Ms. Petrović spoke about the challenges that the Directorate for Agrarian Payments have faced so far in processing applications for both measures within all the

calls published so far. A significant challenge, according to Ms. Petrović, in terms of Measure 1, are incomplete applications (additional documentation that mostly refers to business plans and offers) and withdrawal of beneficiaries (the main reasons for withdrawal are non-fulfilment of national and EU standards, as well as dissatisfaction with the amount of incentives determined by the Project Approval Decision). She stated similar challenges in case of Measure 3 - a significant number of unfilled applications (33% - Second Call), business plan updates and the problem of reference prices for process equipment. Ms. Petrović sees that challenges faced by the Directorate for Agrarian Payments may be overcome with additional trainings of employees in the DAP, MA and technical bodies, as well as with simplified procedures.

#### **9. Discussion on results of the previous five calls. Processing of applications - challenges and limiting factors. How to overcome them?**

*Ms. Jasmina Miljković* thanked to previous presenters and invited the meeting participants to get involved in the discussion.

*Mr. Vojislav Malešev, President of Farmers' Association "Club 100P +"*, referring to the large number of received incomplete applications (33%), proposed resolving the situation with a rulebook, meaning that the so-called empty documentation in terms of basic parameters (business plan, etc.) should be automatically rejected. He pointed out the need for the Registry of Agricultural Holdings to be better organised and referred to the situation in which some farms receive subsidies for max. 20 ha and many of them lease agricultural land. At the same time, he pointed to the need to assist older agrarian holdings by involving the Ministry of Labour, Employment, Veteran and Social Affairs. He also proposed the abolition of tax on the lease of agricultural land which would allow farmers who use leased land and who are in the VAT system to realistically present all the cultivated land, which would enable the fulfilment of IPARD application requirements. He also proposed the abolition of tax on the transfer of absolute rights in the amount of 2.5% when replacing plots for the purpose of land consolidation, since the tax is paid by both contracting parties and this does not concern regular purchase but rather the replacement of plots for the purpose of property consolidation.

*Ms. Jasmina Miljković* noted that answers to the questions concerning taxes will be subsequently provided, bearing in mind that the representatives of the Tax Administration of the Ministry of Finance are not present at the meeting. She invited the representative of the DAP Legal Division to answer the question concerning the Registry of Agricultural Holdings.

*Mr. Lazar Popović, Assistant Director, Sector for Legal and General Affairs, DAP*, noted that the Registry of Agricultural Holdings contains data concerning dominant or supplementary agricultural activity conducted in the holding, but that it may not be utilised in the best way. Concerning this issue, he noted that the new Registry of Agricultural Households is being prepared, which will contain data in accordance with EU requirements.

*Ms. Jasmina Miljković* referred to the problem of a large number of so-called empty applications that are submitted. She urged consulting agencies to refrain from the practice of "reserving a spot" and asked legal professionals to propose a solution to this situation.

Having in mind the problem of submitting a large number of incomplete documentation (not a single application was in order for Measure 1 in the First Call), *Mr. Lazar Popović* suggested to set a requirement in the Law on Agriculture and Rural Development on mandatory

documentation for which a submitted application is rejected, if it does not contain the documentation. Based on the previously discussed question, **Mr. Danilo Golubović** asked if there was a possibility to create the so-called black list of the consulting agencies that do this kind of work. **Mr. Lazar Popović** responded that there is no such a possibility or a legal basis for the time being because this concerns a contractual relation between two parties where each beneficiary, when submitting an application, also specifies the name of the consulting firm or agency which prepared the application in the part referring to general expenses. **Ms. Jasmina Miljković** joined the conversation and pointed to the experience of Macedonia where there is no longer so-called minimum mandatory documentation, but rather in order for an application to be considered, all documentation is mandatory and, in our case, it may be necessary to find the middle ground. **Mr. Danilo Golubović** noted that such practice affects the creation of mistrust in the IPARD system which Serbia wants to implement. He agreed with a proposal to introduce minimum mandatory documentation. **Ms. Jasmina Miljković** announced implementation of educational trainings of agricultural producers and consulting agencies in the forthcoming period and called for cooperation in the preparation of the best model for overcoming this situation. **Mr. Liam Breslin** took part in the discussion and asked whether the training of AAS staff is being conducted. **Ms. Jasmina Miljković** replied that AAS advisers are educated through mandatory modules about how to advise potential IPARD beneficiaries concerning accredited measures, but also concerning Measure 7, which is in the process of accreditation.

**Mr. Aleksandar Bogičević**, Acting Assistant Minister of Agriculture, said that the biggest problem for agricultural producers is the amount of funds that should be invested before return, as well as the achievement of standards (national and EU standards) in agricultural holdings at the end of the investment period. He proposed the establishment of a development bank as a solution to the first question. He also stated that one of the main objections of agricultural producers and entrepreneurs is duration of application processing, considering the pace of change of the situation on the market.

**Ms. Biljana Petrović** said that banks are certainly interested in financing this type of beneficiaries. At the same time, she added that the amount of collateral is lower for this type of a loan and that additional information should be provided to banks, especially regarding the time required for application processing for purpose of approving IPARD funds. In terms of the above stated, she said that the bank could pay a client the money immediately after the decision has been approved and the bank has no risk in that regard.

Concerning the problem of meeting national and EU standards in agricultural holdings, **Ms. Jasmina Miljković** pointed out the need to find a compromise and allow some deviations for small agricultural producers. She announced a meeting with technical bodies and the IA to find a solution to this issue. In terms of the above stated, the plan is to consult EU representatives about the direction of future amendments to the IPARD II Programme.

**Mr. Kosta Rajević**, "Poljoprivrednik", took part in the discussion with a question whether there is an interest of agricultural cooperatives in the use of IPARD funds and **Ms. Nataša Pantić**, Sector for Project Approval, DAP, MAFWM, said that there is a great interest of agricultural cooperatives in the use of IPARD funds. With the ranking and scoring system cooperatives are encouraged to participate in public calls for the allocation of IPARD incentives.

Representative of the Serbian Chamber of Commerce, **Mr. Aleksandar Bogunović**, pointed out the progress in the implementation of the IPARD II Programme in comparison to the previous MC meeting. In his presentation he raised the question of affiliates and how they will be

controlled, since this is not sufficiently visible in the Business Registers Agency (hereinafter: the BRA). He asked whether a specific portal could be provided for monitoring whether companies are linked with some other companies, which also applies to suppliers, so that each company-potential beneficiary of IPARD funds could obtain information about this. He also believes that it is necessary to define which documentation should be submitted when proving the fulfilment of minimum national standards and, in this regard, suggested creating a checklist which would specify necessary documentation for each category of standards.

*Mr. Žarko Kobilarov, Farmers' Association "Club 100P +",* expressed dissatisfaction with the work of the AAS, emphasising a small number of educational trainings they conducted. *Mr. Aleksandar Bogičević* agreed with this observation and stated that the AAS in Central Serbia are more focused on advisory services, whereas the AAS on the territory of Vojvodina are more oriented towards expert work, bearing in mind that this is an important source of funding for them. He expressed hope that the situation concerning this issue would improve in the forthcoming period.

*Mrs. Anna Nowak-Wood, DG AGRI, EC,* proposed better motivation of the AAS for a well-done job in preparing business plans and the grant of bonuses when an application is approved. She also presented a proposal referring to the visibility of consultants or consulting agencies, with well-developed business plans (visible information with the name of consulting agencies which prepared business plans within the published list of approved projects), within the responsibility of the IA to publish a list of beneficiaries that received funds from IPARD incentives.

*Mr. Jovica Jaksić, Independent Association of Farmers of Serbia,* joined the discussion and said that the general interest of farmers is to implement requirements as soon as possible. In view of the above stated, he also made a proposal to put submitted incomplete application to the last place on the ranking list. He said that reference prices should be set on the basis of EUR3 and EUR4 standards for tractors, particularly for both standards, because there is a big difference in price between them. He also said that there is no visible solution for attached machinery in terms of setting the referent price as there are no set standards.

At the beginning of the second part of the meeting, *Mr. Dušan Purtić, Acting Assistant Director, DAP, MAFWM,* said, referring to the story about affiliates and how to monitor them, that a series of meetings with the BRA are planned to take place in order to better define connection with affiliates. He also noted that the data prepared by the BRA for the needs of other ministries will be used.

*Mr. Zoran Vasić, Head of the Reference Prices Division, DAP, MAFWM,* said that the reference price database is a system accredited by the EC and that, as such, it represents a set of prices for a certain group of investments of the same characteristics according to certain parameters. The reference price database is filled and updated on the basis of market research and IPARD offers within submitted applications for IPARD incentives. Reference prices are not determined for producers, rather they are determined on the basis of the characteristics of a particular investment. The difference between the bid price and the reference price is due to the fact that different models and different producers enter different machinery groups and categories. The reference price database is updated on the basis of correct offers from applications to overcome the current situation. Reference prices for facilities will be determined by an institution called to do so and which has the required capacity. He pointed out to the currently valid following standards for tractors: 3A (up to 36 KW), 3B (37-55 KW) and 4 (over 56 KW) and he pointed out that the next calls will contain a table of standards for exhaust gases. He also noted that the



reference price database is not public and that the provision of the reference price database to the public would require drastic changes in procedures.

In addition to the previous presentation, *Ms. Anna Nowak-Wood, DG AGRI, EC*, suggested publication of the indicative price for tractors, that is, the maximum value, in order to overcome the problem of non-compliance in determining reference prices.

#### **10. Proposal for the modification of IPARD II Programme: introduction of the wine sector and egg sector in IPARD II Programme (in accordance with the findings of sectoral analyses). Proposal of a list of eligible costs**

*Mr. Slobodan Živanović, Head of the Group for Programming, MA, MAFWM*, addressed the participants with the Proposal for the third amendment to the IPARD II Programme, which implies the introduction of two new sectors (the egg sector and the wine sector) at the initiative of producers, which is supported by the Serbian Chamber of Commerce. The Proposal for the amendment to the IPARD II Programme was prepared on the basis of sectoral analyses whose results were presented at public gatherings and discussed with stakeholders. Prof. Dejan Krnjaić, Ph.D., conducted a sectoral analysis for eggs, whereas a sector analysis for wine and grape production was conducted by Mr. Darko Jakšić. The sectoral analysis for wine also included producers of planting material, whereas there is a possibility to purchase all seedlings and necessary equipment in the sector, as well as to receive support for the construction and reconstruction of storage capacities and parts of the administrative building with accompanying facilities. In addition to amendments to the introductory part of the IPARD II Programme, which contains results of sectoral analyses and SWOT analyses for the two new sectors, the draft amendment contains specific objectives for the two new sectors, specific criteria, as well as the maximum and minimum amounts of support for the egg and wine sectors within the framework Measure 1 and Measure 3.

Based on conducted consultations, comments of DG AGRI and DG SANTE, as well as of other relevant EC directorates will be included in the final version of the IPARD II Programme. The next steps involve amendment to the List of eligible costs, where proposals of representative associations for both sectors will play an important part. Adoption of amendments to the IPARD II Programme as well as of by-laws (rulebook) is expected to take place at the Government meeting. The Plan of Calls for the current year will include these sectors considering the time required for processing applications, which will allow beneficiaries in the egg sector to replace old cages with the new ones by the end of the set deadline. The MA, IA and EC agreed at the kick-off meeting that the specific eligibility criterion refers to the end of the investment and it was pointed out that the stated requirement should be included in the Proposal when voting and noted that higher values (200,000 hens in exploitation) have been accepted so far and that this criterion will be reconsidered in the implementation of the IPARD II Programme in the forthcoming period.

The detailed Proposal for the third amendment to the IPARD II Programme was submitted to the MC members/deputies as part of the meeting material.

#### **11. Discussion and voting on the Proposal for amendments to the IPARD II Programme**

*Mr. Liam Breslin, DG AGRI, EC*, asked whether the wine sector really needs IPARD support.

*Mr. Slobodan Živanović* explained that the wine sector really needs IPARD support in order to improve its competitiveness, as well as other sectors and noted that the Sector for Rural Development is of an opinion that support is more needed in the milk and meat sectors.

Concerning the stated question, *Ms. Anna Nowak-Wood* announced EC comments. She also noted that only after the official adoption of amendments to the IPARD II Programme it will be possible to make changes to the List of eligible costs. She also pointed out that such high limits in the new sectors were accepted to avoid the de-commitment risk.

*Mr. Aleksandar Bogunović, Serbian Chamber of Commerce*, thanked the Ministry for its prompt response to their demands regarding the introduction of new sectors, which certainly deserve support. Having in mind the recent entry into force of the Law on Integrated Environmental Pollution Prevention and Control, he proposed that large companies and legal entities which can not use IPARD funds due to their size, be allowed to apply for environmental protection projects.

After discussion, *Ms. Jasmina Miljković* put the proposal concerning this agenda item to the vote. After voting, she noted that the Proposal for the third amendment to the IPARD II Programme, with the changed criterion for the egg sector, which should be applied at the end and not at the beginning of the investment, was adopted unanimously.

### **Decision No. 3**

The Proposal for the third amendment to the IPARD II Programme was adopted unanimously.

## **12. Progress made in the process of accreditation of new measures: Measure 7 and Measure 9**

*Ms. Lidija Aćimović, Head of the Group for Agro-Ecological Measures and Local Initiatives, MA, MAFWM*, by presenting Measure 7 - Diversification of agricultural holdings and business development, spoke about general and specific goals, eligibility criteria, as well as about eligible activities under this Measure, which is in the process of preparation for accreditation. She also stated that Measure 7 will be applied in rural areas in accordance with the definition of rural areas. She listed natural persons and micro and small business entities as eligible beneficiaries. She presented to the participants maximum and minimum support amounts, as well as the intensity of support for this measure (65%). She also presented the basic activities from the Action Plan for Measure 7 stating that the Draft Rulebook was prepared and that consultative processes with DG AGRI are underway. She also informed the participants about the trainings that have already been conducted and that plan to be conducted.

*Ms. Sanja Prodanović, Head of the Promotion and Technical Support Group, MA, MAFWM*, spoke, related to Measure 9 - Technical Assistance, about the legal basis for the measure, objectives of the measure and beneficiaries, indicating that the MA is a direct beneficiary of this measure and that the indirect benefit is gained by the IA, potential IPARD beneficiaries, potential Local Action Groups and others. The aid intensity for this measure is 100%, a total of 85% of which is EU share. It is necessary to envisage funds in the RS budget for this. In terms of the preparation for accreditation, an agreement on the implementation of this measure was prepared between the IA and MA. She also talked about the cooperation between the MA, IA, NAO SO and NF through the activities of the Working Group on the preparation of amendments

to the Law on Agriculture and Rural Development and reported to the participants about the termination of the training of MA and IA employees in PRAG public procurement procedures. She informed the participants of the conducted audit of MA procedures in accordance with the audit recommendations for Measure 9, as well as of the prepared Proposal for the Action Plan for Measure 9 for 2020.

*Ms. Jasmina Miljković* announced that the Proposal for the Action Plan for Measure 9 will be decided upon in a written procedure in September with a view to timely prepare the national budget for the implementation of this Measure.

### **13. Presentation of the Draft Action Plan for Technical Assistance (2020)**

*Ms. Sanja Prodanović* presented the Proposal for the Action Plan for Measure 9 for 2020 and emphasised specific objectives of the implementation of this Measure and listed eligible investments financed by this Measure: organisation of at least two MS meetings per year, providing information and running public campaigns for potential beneficiaries and beneficiaries of IPARD funds, printing of materials, organisation of IPARD days, preparation of video spots, visits and seminars for the MA and IA in the country and abroad, engagement of experts to simplify measures and improve effectiveness of the IPARD II Programme, acquiring skills for the preparation of potential LAGs, the ongoing evaluation of the IPARD II Programme, providing support the wages level, etc.

### **14. Presentation of the association of primary agricultural producers “Vojvodina Agrar”, MC member**

*Ms. Radmila Vučinić* introduced the participants to the basic information about Association of Agricultural Producers “Vojvodina Agrar”, which she represents. She said that it was founded in 2005 and counts 23 members (agricultural cooperatives and companies). Through its members, the Association indirectly cooperates with more than 26,000 primary agricultural producers who cultivate 150,000 ha of land and own 160,000 tons of storage capacities. Furthermore, Ms. Vučinić emphasised that the focus of the Association is on vegetable and vegetable production, as well as that the basic activities of the Association are: integrated procurement of inputs for agricultural producers, education of agricultural producers, purchase support (collection, storage and logistics support) and providing a better position with a joint appearance on the market of agricultural products.

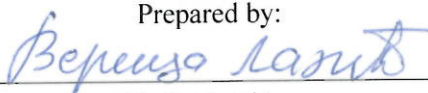
*Ms. Jasmina Miljković* thanked Ms. Radmila Vučinić for the presentation of the association. She also thanked to all the participants, the Chamber of Commerce of Vojvodina, the IPA Project 2013, and announced a lecture of Mr. *Liam Breslin* as part of the seminar on topic: *EU Common Agricultural Policy 2021-2027*. The 5<sup>th</sup> MC meeting completed with this and the 6<sup>th</sup> meeting was announced for November 2019.

### III Summary

<b>Conclusion</b>	<b>Monitoring Committee</b>	<b>Follow-up</b>
Adoption of the agenda	The agenda was adopted unanimously	
Adoption of the Minutes of the Meeting from the 4 <sup>th</sup> MC meeting	The Minutes of the Meeting were adopted unanimously	
Information on the implementation of decisions adopted on the 4 <sup>th</sup> MC meeting	Information	
Changes of appointed MC members/ deputy members	Information	Amendment to the Decision
Implementation of the IPARD II Programme Current implementation status: first, second, third, fourth and fifth public call	Information	
Discussion on the results of previous calls	Exchange of information and recommendations regarding the overcoming of challenges and limiting factors in the processing of the request	
Proposal for third amendment to the IPARD II Programme	Information and approval of IPARD II Programme amendment proposal	Adoption of amendments in the DG AGRI
Preparation of IPARD measures for the next accreditation cycle: M7 and M9	Information	Preparation of the package for Q3 2019
Sixth and seventh public call for IPARD II measures	Information	Announcement of the sixth and seventh public call for IPARD II measures
Draft Action Plan for Technical Assistance (2020)	Information	Preparation of the final version of the Draft Action Plan for Technical Assistance (2020) for adoption by the MC

**On behalf of the Secretariat of the IPARD Monitoring Committee**

Prepared by:

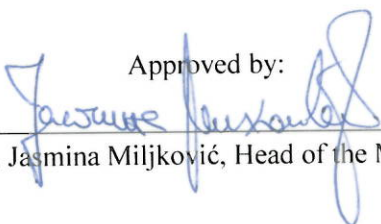
  
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Verica Lazić

  
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Ana Žugić

Approved by:

  
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Ms. Jasmina Miljković, Head of the MA

  
**CHAIRPERSON**

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Mr. Branislav Nedimović,  
Minister of Agriculture, Forestry and Water Management

