

Minutes No. 2

Minutes from the Second session of the IPARD III Monitoring Committee
13th December 2023, Belgrade

I List of participants

The session was attended by the following voting members of the IPARD III Monitoring Committee:

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: Sector for Rural Development;
4. Ministry of Agriculture, Forestry and Water Management: Directorate for Agricultural Land;
5. Ministry of Environmental Protection;
6. Ministry of Construction, Transport and Infrastructure;
7. Ministry of Tourism and Youth;
8. Ministry of Science, Technological Development and Innovation;
9. Ministry of Mining and Energy;
10. Ministry of Rural Welfare;
11. Statistical Office of the Republic of Serbia;
12. Institute for the Protection of Nature;
13. Republic Geodetic Authority;
14. Chamber of Commerce and Industry of Serbia;
15. Standing Conference of Towns and Municipalities;
16. Provincial Secretariat for Agriculture, Water Management and Forestry;
17. Provincial Secretariat for Regional Development, Interregional Cooperation and Local Self-Government;
18. Serbian Cooperative Union;
19. National Society for Fruit Production “Our Fruit Serbia”;
20. Farmers Association;
21. Association of Agricultural Producers “Club 100P plus”;
22. “Vojvodina Agrar” Association of Primary Agricultural Producers LLC Bečej;
23. Network for Rural Development of Serbia;
24. Serbian Milk Producers Association;
25. Serbian Dairies’ Association “SEDA”;
26. Association “Network of Local Action Groups of Serbia”;
27. Association “Independent Association of Farmers of Serbia”;
28. Association “Natura Balkanika”;
29. Association of Serbian Winemakers and Winegrowers;
30. Poultry Business Association “Poultry Community” and
31. Cluster of Aquaculture “Our Fish”.

Representatives without voting rights:

1. Ministry of Agriculture, Forestry and Water Management, Directorate for Agrarian Payments (IPARD Agency);
2. Ministry of Agriculture, Forestry and Water Management, Department for Management of IPARD Programme (IPARD Managing Authority);
3. Ministry of Finance;
4. Governmental Audit Office of EU Funds (Audit Authority) and

5. Ministry of European Integration.

Representatives without voting rights as observers:

1. Faculty of Agriculture, University of Belgrade;
2. Institute for Science Application in Agriculture;
3. Association of Serbian Banks;
4. Institute BioSens;
5. Agricultural Machinery Importers and Exporters.

The session was not attended by members of the IPARD III Monitoring Committee (with and without voting right), representatives of:

1. Ministry of Economy;
2. Agency for Environmental Protection;
3. Fund for the Development of the Republic of Serbia;
4. Development Agency of Serbia;
5. National Association "Rural Tourism in Serbia";
6. National Association for the Development of Organic Production "SERBIA ORGANICA";
7. Serbian Young Farmers Association "SYFA".

The Second session of the IPARD III Monitoring Committee (hereinafter: IPARD III MC) was also attended by representatives of the Directorate General for Agriculture and Rural Development of the European Commission (hereinafter: DG AGRI, EC) in an advisory role, the Delegation of the European Union to the Republic of Serbia (hereinafter: DEU) and National Authorising Officer Support Office, as well as representatives of the Ministry of Public Administration and Local Self-Government, Tourism Organisation of Serbia and representatives of the IPARD Managing Authority and the IPARD Agency.

The result:

The session was attended by 31 member/deputy members out of a total of 39 members/deputy members with the voting right. A quorum was reached and decisions could be made.

Annex 1 of the Minutes: List of participants;

Annex 2 of the Minutes: Agenda.

II Outcome of the session of the IPARD III Monitoring Committee

Item 1 of the Agenda: Introductory speeches

The Second session of the IPARD III MC began with an address by *Mrs. Jasmina Miljković, Head of the IPARD Managing Authority, Department for Management of IPARD Programme, MAFWM*, who welcomed the participants and the IPARD III MC members, representatives of the EC and DEU and expressed her gratitude that members accepted the invitation to attend.

Item 1.1. of the Agenda

Mrs. Milica Đurđević, State Secretary, MAFWM, at the beginning of the introductory address, greeted all participants on behalf of the MAFWM. In her address, she emphasised that the MAFWM will continue to make great efforts in order to enable that the IPARD funds reach the recipients. Furthermore, she informed the participants about the results achieved in the IPARD II Programme implementation and pointed out that during this year there was a significant increase of payment rate, noting that by the end of 2023 another EUR 5 million of EU budget is expected to be paid, which will contribute that the paid EU support this year should be equal to the amount

of paid funds in the entire previous period. She added that all activities will be undertaken in order to maximise absorption of the allocated EU support, given that the European Commission has extended the deadline. Therefore, payments under the IPARD II Programme will continue until the end of 2024. At the end of her address, she announced that the first public call within the IPARD III Programme is expected, first for Measure 1, due to the greatest interest of recipients, and then for other measures.

Item 1.2. of the Agenda

Mr. Frank Bollen, Head of the Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, at the beginning of his address, greeted all present and wished them successful work. He informed the IPARD III MC members that the EC made a decision to extend the deadline for the implementation of the IPARD II Programme to the Republic of Serbia for another year, which enabled the payment of funds until the end of 2024, as otherwise all unused funds of the 2019 allocation by the end of 2023 had to be de-committed. He pointed out that next year will be challenging, considering that EUR 79.5 million should be paid. He emphasised the importance that IPARD recipients implement their projects and submit requests for payment as soon as possible. The EC provides support and continuously is searching for possible solutions to improve the Programme implementation. At the end of his address, he emphasised that the lessons learned from the IPARD II Programme should be applied in the implementation of the IPARD III Programme, especially taking into account that significantly larger funds are available.

Mr. Miroslav Kiš, Farmers Association, praised and emphasised the importance of introducing price indexation, given that inflation and increase of market prices demotivated potential recipients in terms of project implementation.

Item 2 of the Agenda: Adoption of the Draft Agenda

Mrs. Jasmina Miljković noted the existence of a quorum, after which voting procedure began for the adoption of the Agenda of the Second session of the IPARD III Monitoring Committee.

Decision No. 1	The Agenda of the Second session of IPARD III MC was adopted unanimously.
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Item 3. of the Agenda: Adoption of the draft Minutes from the previous session of the IPARD III Monitoring Committee

Mrs. Jasmina Miljković, noted that the Minutes from the First session of the IPARD III Monitoring Committee was adopted unanimously.

Decision No. 2	The Minutes from the First session of IPARD III MC were adopted unanimously.
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Item 4 of the Agenda: Information on the implementation of decisions taken at the First IPARD III MC session and information on changes of the MC members

Mrs. Jasmina Miljković, regarding the information of the decisions taken on the previous session, reminded all participants that, among other, the First Modification of the IPARD III Programme was also adopted. In this regard, the EC adopted the First Modification of the IPARD III Programme by its Decision of 23rd October, after which the Programme will be adopted by the Conclusion of the Government of the RS, which is one of the preconditions for publishing the first calls within the IPARD III Programme.

The National Authorising Officer submitted a request to the EC in August for the roll-over of entrusted IPARD measures. In this regard, at the end of November, the EC delivered to the RS a

letter related to this request, stating that the RS could be entrusted with the budget implementation tasks of the already entrusted IPARD measures, with the fulfilment of conditions related to the employment of a sufficient number of adequately trained staff and the replacement of short-term contracts with long-term for all assistant directors in the IPARD Agency. Furthermore, the DG AGRI audit mission in the RS was carried out in the period from 30th November until 1st December 2023.

In the continuation of the address, she informed the participants about the steps taken to improve the absorption of IPARD funds. In 2024, the implementation of activities envisaged by the Action Plan for Improvement of Absorption of IPARD funds will continue. Identified activities are related to capacity building in terms of increasing the number of employees and applying the sustainable human resource policy, but also activities related to the simplification of the administrative verification of the justification of costs, the introduction of a software solution, the implementation of Measure 9, as well as the Programme promotion and the education of interested parties. When it comes to education, she announced the organisation of an online informative workshop related to the Rulebook for Measure 1 under the IPARD III Programme, which is planned for 22nd December.

Furthermore, in the period between the two Monitoring Committee sessions, there were changes of the Committee members and their deputies of the Governmental Audit Office of EU Funds, the National Society for Fruit Production “Our Fruit Serbia”, as well as the “Vojvodina Agrar” Association of Primary Agricultural Producers LLC Bečej. These changes of the members were confirmed by the adoption of the Decision on establishment of the IPARD III MC.

Item 5 of the Agenda: Action Plan for Technical Assistance for 2024

Mrs. Sanja Prodanović, Head of the Group for Technical Assistance and IPARD Programme Promotion, IPARD Managing Authority, presented the Action Plan for Technical Assistance for 2024, which was followed by a short discussion and voting procedure.

Point 5.1. of the Agenda: Discussion and voting procedure

Mrs. Jasmina Miljković followed up on the previous presentation and announced that after an adequate assessment of the necessary funds, as well as the identification of the mechanisms for implementation of the sustainable human resources policy, the Action Plan for Technical Assistance will be amended.

Mr. Aleksandar Bogičević, Acting Assistant Minister, Sector for Rural Development, MAFWM, joined the discussion and emphasised the importance of implementing this policy in order to retain staff, but also to interest new staff.

Mr. Božo Joković, National Society for Fruit Production “Our Fruit Serbia”, pointed out that the main recipients of the IPARD Programme are agricultural producers, however he supports the staff retention policy. In the following, he indicated the importance of strengthening producer organisations that would provide support to agricultural producers.

Mrs. Jasmina Miljković, reminded that there is the possibility to introduce top-ups within the IPARD III Programme compared to the IPARD II Programme when this possibility was excluded. After an adequate assessment of the required funds for the implementation of the mentioned policy, this possibility will be used. When it comes to producer organisations, she pointed out that, although they are envisaged by the Law on Market Organisation, they have not been established. The IPARD Managing Authority is open to cooperation and finding ways for producer organisations to be supported through the Technical Assistance Measure.

Mr. Marius Lazdinis, Deputy Head of the Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, referred to the staff retention policy and stated that there is no competition considering that a very small amount of funds, maximum 2%, may be allocated for this purpose. The benefit of the implementation of this policy, which will contribute to the better Programme implementation, is significant. When it comes to the Action Plan for Technical Assistance, he praised it, except for the part related to the *ex-post* evaluation, which will be postponed to 2025, considering the extension of the deadline for the Programme implementation. He also mentioned the importance of making the realistic Action Plan and, in this regard, pointed out that it is necessary to report on its success on an annual basis.

After the voting procedure, *Mrs. Miljković* stated that the Action Plan for Technical Assistance for 2024 was adopted, and that there were no members who voted against, but one member abstained.

Decision No. 3	The Action Plan for Technical Assistance for 2024 was adopted.
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Item 6 of the Agenda: IPARD Agency Presentation

Sanja Danilović, Director of the Directorate for Agrarian Payments, presented the achieved results in the IPARD II Programme implementation, as well as the planned activities for the next period.

Item 7 of the Agenda: First call under the IPARD III Programme

Mrs. Aleksandra Bogić, Advisor, Group for Programming of IPARD Measures for Competitiveness Improvement, Rural Infrastructure and LEADER Approach, presented the novelties in the Rulebook for the implementation of Measure 1 - Investments in the physical assets of agricultural holdings, the List of Eligible Expenditures, as well as the indicative plan of public calls for 2024, which was followed by a discussion.

Item 7.1. of the Agenda: Discussion

Mrs. Jasmina Miljković underlined the most significant novelties under the IPARD III Programme, related to the exclusion of on-the-spot control in the project approval phase, the fulfilment of the scoring criteria in the payment phase as well the conditions in terms of areas and the number of animals must be met in the payment phase for approved greenfield investments, introduction of the final ranking list, electronic exchange of data, continuation of price indexation application. She invited the participants to start a discussion related to the previous presentation.

Mr. Aleksandar Bogičević joined the discussion and raised a question on whether e-agrar will be used in the applications processing procedure. Also, referring to the plan of calls, he pointed out that by his opinion funds which have been allocated for rural tourism should be larger, taking into account expressed great interest of recipients.

Mrs. Jasmina Miljković, in response to the previous address, stated that although the entrustment process is manual, during the applications processing, the documentation will be collected electronically wherever possible. When it comes to the budget for Measure 7, she pointed out that plan of calls is indicative, as well as that more public calls are planned.

Mr. Marius Lazdinis, in relation to the plan of calls, pointed out that the conditions from the Financing Agreement must be met before the start of project payments. He also indicated that the funds allocated for 2021 and 2022 must be spent by the end of 2025. In this regard, the calls announced at the beginning of 2024 should attract projects that can be implemented and paid by the end of 2025, after which it is possible to announce calls for complex projects, such as construction.

Mrs. Jasmina Miljković, referring to the previous address, pointed out that the acquired entrustment is conditional, which carries out the risk that if the first calls are published for simpler projects that can be implemented in a relatively short period of time, the funds under the IPARD III Programme cannot be paid, while, on the other hand, there is a risk of de-commitment if calls are published for complex projects.

Mrs. Radmila Vučinić, “Vojvodina Agrar” Association of Primary Agricultural Producers LLC Bečej, pointed out that calls must be adjusted to the need of agricultural producers. She referred to the previous period in which the initiative started, several meetings were held and conclusions regarding the conditions were drawn. She underlined the key points, first of all, the importance of providing sufficient time between the publishing of the rulebook and the public call, in order to give enough time for preparation of both producers and consultants. In continuation, she referred to the call for tractors and justified the importance that this call includes mechanisation. This is significant due to the fact that farmers cannot apply for two public calls at the same time, which leads to an unfavourable position.

Mrs. Jasmina Miljković in her reply expressed hope that enough time will be provided between the moment of publishing of the rulebook, on one hand, and calls, on the other hand. However, she reminded that the $n + 3$ financing rule should be considered. In this regard, she underlined the importance of education and stated that the first workshop for Measure 1 will be held before publishing of the rulebook. She also indicated that there is a possibility of publishing a call with a later deadline for documentation submission.

Mrs. Sanja Danilović, Director of the Directorate for Agrarian Payments, MAFWM, pointed out that justification regarding the publishing of a call for tractors and mechanisation was considered, but she emphasised the difficulties. First of all, funds for tractors are limited to 20% of allocation for Measure 1, which leads to insufficient budget if the call includes mechanisation as well. She also stated that the scoring criteria and conditions that need to be met are different for investments in the procurement of tractors and mechanisation. In this way, the administrative procedure for processing of applications would be complex, which would represent an obstacle for further processes. What the past practice has shown is that the applications related exclusively to tractors were processed in a very short period of time, and after submitting the request for payment, the possibility was opened for farmers to apply for the purchase of equipment and mechanisation.

Mr. Jovica Jakšić, Association “Independent Association of Farmers of Serbia”, proposed that the first public call should refer to Measure 3, taking into account the period needed for project implementation, on one hand, as well as the deadline for funds utilisation, on the other hand.

Mr. Vasa Džigurski, Serbian Milk Producers Association, emphasised the importance that the rulebook is available on time in order to inform and better prepare for public calls. In the continuation, he pointed out the issue regarding financial resources that should be available for project implementation.

Mrs. Marija Antanasković, Agricultural Machinery Importers and Exporters, joined the discussion and raised a question regarding the possibility of submission of a new application for project approval under the new public call, taking into account that procurement of tractors and mechanisation are published separately. In her response, **Mrs. Miljković** emphasised that under the IPARD III Programme a new application for project approval can be submitted after submission of a request for final payment regarding the previous public call. She added that in this view enough time would be provided between the calls that refer to the procurement of tractors on one hand, and equipment and mechanisation, on the other hand.

Item 8 of the Agenda: An update from the EC

Mr. Marius Lazdinis, Deputy Head of the Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, briefly presented the activities carried out in the previous period by the European Commission.

Item 8.1 of the Agenda: Discussion

Mrs. Milica Jevtić, Sector for Agricultural Policy, MAFWM, thanked Mr. Lazdinis on information and informed about the state of FADN system in the RS.

Mrs. Milka Nedeljković, Association “Network of Local Action Groups of Serbia”, asked for clarification on the difference between construction-related investments under IPARD Measure 1 and Measure 3, as well as whether LAGs will be supported through the Technical Assistance Measure.

Mrs. Jasmina Miljković, stated that preparation of local development strategies for all potential LAGs will be financed through Measure 9.

Mr. Žarko Kobilarov, Association of Agricultural Producers “Club 100P plus”, pointed out the problem related to the delay in the publication of the rulebook, which will affect the quality of project preparation. Furthermore, he considers that the first call should include investments in the purchase of tractors as well as investments in the purchase of mechanisation, taking into account the increase of market prices of mechanisation. He also asked for clarification regarding the scoring criteria under Measure 1.

Mr. Lazar Popović, Assistant Director, Directorate for Agrarian Payments, MAFWM, presented the scoring criteria that will be applied under the IPARD III Programme.

Item 9 of the Agenda: Presentation of the Chamber of Commerce and Industry of Serbia

Mr. Aleksandar Bogunović, Secretary of the Association for Plant Production and Food Industry, Chamber of Commerce and Industry of Serbia, introduced the participants to the work of the Chamber of Commerce and Industry of Serbia.

Item 10 of the Agenda: Discussion

Mr. Rade Škorić, Poultry Business Association “Poultry Community”, pointed out that the rulebooks and public calls should be delivered timely and asked whether it is possible to approve a minor deviation regarding the criteria for the legal entities classification according to the size, as well as sectoral specific criteria defined by the IPARD Programme.

Mr. Lazar Popović, in his reply stated that the criteria under the IPARD III Programme are defined by planning and strategic documents, as well as by by-laws.

Mrs. Radmila Vučinović, regarding the statement of **Mr. Kobilarov** pointed out that initiative started in January, proposals and justifications regarding the importance that the first public call includes both investments in the purchase of tractor and investments in the purchase of mechanisation were submitted, which is particularly important for the Other Crops Sector.

Mr. Aleksandar Vinčić, Association of Serbian Winemakers and Winegrowers, joined the discussion and asked whether robots in the viticulture sector are eligible investments, and whether they are considered as attaching device or as a tractor.

Mr. Lazar Popović, replied that the mentioned investment is considered as agricultural self-propelled mechanisation, as well as that the aforementioned is regulated in more detail by the rulebook.

Item 11 of the Agenda: Proposals of the Agenda and date of the next session

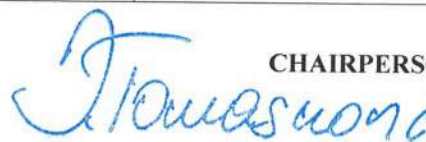
Mrs. Milica Đurđević proposed to organise the next IPARD III MC session in June next year.

Item 12 of the Agenda: Closure of the Second session of the IPARD III MC

The Second session of the IPARD III MC was concluded with an address by **Mrs. Milica Đurđević**. She thanked to all participants and their contribution, as well as to the Chamber of Commerce and Industry of Serbia for their hospitality and support in organising the session.

III Summary


Conclusion	IPARD III Monitoring Committee	Follow-up activities
Adoption of the Draft Agenda of the Second IPARD III MC session	The Draft Agenda of the Second IPARD III MC session was adopted unanimously	
Adoption of the Draft Minutes from the First IPARD III MC session	The Draft Minutes from the First IPARD III MC session were adopted unanimously	
Appointment of members/deputy members of the IPARD III MC	Information	
Adoption of the Action Plan for Technical Assistance for 2024	Action Plan for Technical Assistance for 2024 was adopted.	Implementation of the Action Plan
Start of the IPARD III Programme implementation	Information	Adoption of Rulebook; Publishing of calls.
Discussion on the results of the IPARD II Programme implementation	Exchange of information and recommendations for overcoming challenges and limiting factors in the processing of applications, selection criteria for scoring and ranking procedure, etc.	


CHAIRPERSON

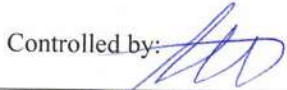
Jelena Tanasković
Minister of Agriculture, Forestry and Water Management

Secretariat of the IPARD III MC

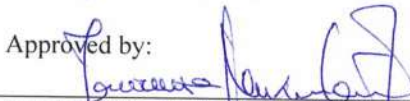
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