

Minutes No. 3

Minutes from the Third session of the IPARD III Monitoring Committee
2nd July 2024, 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 International Cooperation and European Integration;
3. Ministry of Agriculture, Forestry and Water Management: Sector for Agricultural Policy;
4. Ministry of Agriculture, Forestry and Water Management: Sector for Rural Development;
5. Ministry of Agriculture, Forestry and Water Management: Directorate for Agricultural Land;
6. Ministry of Environmental Protection;
7. Ministry of Economy;
8. Ministry of Construction, Transport and Infrastructure;
9. Ministry of Tourism and Youth;
10. Ministry of Public Administration and Local Self-Government;
11. Ministry of Mining and Energy;
12. Ministry of Rural Welfare;
13. Statistical Office of the Republic of Serbia;
14. Institute for Nature Conservation of Serbia;
15. Fund for the Development of the Republic of Serbia;
16. Republic Geodetic Authority;
17. Development Agency of Serbia;
18. Chamber of Commerce and Industry of Serbia;
19. Standing Conference of Towns and Municipalities;
20. Provincial Secretariat for Agriculture, Water Management and Forestry;
21. Provincial Secretariat for Regional Development, Interregional Cooperation and Local Self-Government;
22. National Society for Fruit Production “Our Fruits of Serbia”;
23. Farmers Association;
24. Association of Agricultural Producers “Club 100P plus”;
25. “Vojvodina Agrar” Association of Primary Agricultural Producers LLC Bečej;
26. Network for Rural Development of Serbia;
27. Serbian Milk Producers Association;
28. Serbian Dairies’ Association “SEDA”;
29. Association “Network of Local Action Groups of Serbia”;
30. National Association for Development of Organic Production “SERBIA ORGANICA”;
31. Association “Independent Association of Farmers of Serbia”;
32. Association “Natura Balkanika” and
33. Association of Serbian Winemakers and Winegrowers;

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 and
4. Ministry of European Integration.

Representatives without voting rights as observers:

1. Institute for Science Application in Agriculture;
2. Association of Serbian Banks;
3. Institute BioSens;
4. 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 Science, Technological Development and Innovation;
2. Environmental Protection Agency;
3. Serbian Cooperative Union;
4. National Association "Rural Tourism in Serbia";
5. Serbian Young Farmers Association "SYFA";
6. Poultry Business Association "Poultry Community";
7. Cluster of Aquaculture "Our Fish";
8. Governmental Audit Office of EU Funds (Audit Authority);
9. Faculty of Agriculture, University of Belgrade and
10. Tourism Organisation of Serbia.

The Third 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 National Authorising Officer Support Office and Accounting Body, as well as representatives of the IPARD Managing Authority and the IPARD Agency.

The result:

The session was attended by 33 member/deputy members out of a total of 40 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 IPARD III Monitoring Committee session

Item 1 of the Agenda: Introductory speeches

The Third session of the IPARD III MC began with an address by *Mrs. Jasmina Miljković*, Head of the IPARD Managing Authority, Head of the Department for Management of IPARD Programme, MAFWM, who welcomed the participants and the IPARD III MC members, representatives of the EC and expressed her gratitude that members accepted the invitation to attend. Furthermore, she thanked to the Chamber of Commerce and Industry of Serbia for support provided in organisation of the IPARD III MC session.

Item 1.1 of the Agenda

Mr. Aleksandar Martinović, PhD, Minister of Agriculture, Forestry and Water Management, MAFWM, at the beginning of the introductory speech, greeted all participants on behalf of the MAFWM. The Minister pointed out that the MAFWM will continue to make great efforts in order to enable that the IPARD funds reach the recipients, and then he referred to the results achieved during the IPARD II Programme implementation. When it comes to the IPARD III Programme implementation, the Minister reminded that the First Public Call for Measure 1 - Investments in physical assets of agricultural holdings was published on 23rd February, and that the deadline for submission of applications for project approval was extended until 26th July 2024. He pointed out that recipients expressed great interest for IPARD Programme, which is supported by the fact that 244 applications were submitted within this Call by the end of June. In further address, he gave an overview of the plans for the publishing of calls in 2024. The Minister emphasised that from the point of IPARD III Programme implementation, the focus is on signing the Financing Agreement, adoption of legal framework for the implementation of entrusted measures and publishing of calls and added that one of the goals for this year is the preparation of the entrustment package for new measures under the IPARD III Programme. At the end of the address, the Minister stressed out that the task in this programming period is to educate potential recipients as best as possible and to use lessons learned in a most productive way in order to increase the efficiency of the IPARD Programme implementation. He wished successful work in the continuation of the session.

Item 1.2 of the Agenda

Mr. Frank Bollen, Head of the Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, thanked to the Minister and greeted all IPARD MC members. In his further address, he referred to the IPARD II Programme implementation, stressing that it is characterised by insufficient absorption of funds. He announced that in the following segment of the session, Mrs. Anna Nowak-Wood, EC, will inform on the current situation regarding the IPARD III Programme implementation, with reference to the other IPARD countries. Taking into account that the IPARD II Programme implementation will be completed by the end of 2024, he pointed out that significant amount of funds will not be used, unfortunately, and invited representatives of associations to influence the acceleration of project implementation, as well as representatives of the IPARD Agency in terms of speeding up the application processing in order to spend as many funds as possible by 31st December. In the continuation, he pointed out that the signing of the Financing Agreement is of crucial importance, after which the IPARD Agency will be able to start the IPARD III Programme implementation, as well as project contracting. Also, he emphasised that the Financing Agreement includes conditions whose fulfilment is important from the point of a stable structure, which actually represents a guarantee of smooth Programme implementation. He noted that the great interest of recipients within the First Public Call is a positive signal of readiness of the sector. He pointed out that the funds allocated for the IPARD III Programme amount to EUR 288 m, which is almost three times more compared to the expected absorption of IPARD II funds. The funds are available and should be used, while the EC will provide support. IPARD represents an excellent opportunity to support farmers in implementing investments and increasing competitiveness. He reminded that two years ago, the introduction of new measures was planned (Measure 4 and Measure 5) and pointed out that it is necessary to submit a request for the entrustment of budget implementation tasks as soon as possible. In the following, he wished successful work and invited the IPARD MC members to take an active part.

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 for the Third session of the IPARD III Monitoring Committee.

<u>Decision No. 1</u>	The Agenda for the Third session of the 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 Second session of the IPARD III Monitoring Committee was adopted unanimously.

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

Mrs. Jasmina Miljković reminded that the Action Plan for the implementation of Measure 9 - Technical Assistance for 2024 was adopted at the previous session. She also informed the participants that the members of the IPARD II Monitoring Committee adopted the Annual Implementation Report on the IPARD II Programme for 2023, as well as the Seventh Modification of the IPARD II Programme through the written procedure. After that, she gave an overview of the activities carried out between the two sessions, and then referred to the address of the Minister regarding the plan for publishing of calls during 2024. In her address, she also indicated the importance of signing the Financing Agreement, which is a prerequisite for spending funds allocated within the IPARD III Programme. In the continuation, she pointed out the promotional activities carried out, as well as the activities regarding the education of interested parties in the previous period.

Furthermore, in the period between the two Monitoring Committee sessions, there were changes of the IPARD III MC members and their deputies, i.e. the representatives of the: Ministry of Agriculture, Forestry and Water Management, the Ministry of Economy, the Ministry of Science, Technological Development and Innovation, the Ministry of Rural Welfare, the Development Fund of the Republic of Serbia, as well as the IPARD Agency. These changes of the members will be confirmed by the adoption of the Decision on the establishment of the IPARD III MC.

Item 5 of the Agenda: Achieved results in IPARD II and IPARD III Programme implementation

Mr. Slobodan Nikolovski, Acting Director of the Directorate for Agrarian Payments, IPARD Agency, presented the results of the IPARD II Programme implementation achieved so far, and referred to the preparation of institutional and human capacities for the new programming period.

Item 6 of the Agenda: Implementation of Measure 9 and presentation of the IPARD website

Mr. Nikola Milošević, Independent Advisor, Group for Technical Assistance and IPARD Programme Promotion, IPARD Managing Authority, pointed out the importance and objectives of Measure 9, with reference to the Action Plan for Measure Technical Assistance for 2024. The second part of the presentation was devoted to both implemented and ongoing activities related to the mentioned Measure. In further address, he presented the IPARD website.

Item 7 of the Agenda: Presentation of Draft Rulebook for Measure 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products

Mr. Rastko Cenic, Independent Advisor, Group for Programming of IPARD Measures for Competitiveness Improvement, Rural Infrastructure and LEADER Approach, IPARD Managing Authority, presented the draft Rulebook for the implementation of Measure 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products. He

reminded the participants of eligible investments and sectors within Measure 3, he presented, also, the scoring and ranking criteria, the project approval procedure, as well as the procedure for payment approval of IPARD support.

Item 8 of the Agenda: Discussion

Mr. Božo Joković, *National Society for Fruit Production "Our Fruits of Serbia"*, he suggested to the MAFWM to organise meetings with representatives of various sectors in the coming period, with the aim of finding a model for the best possible utilisation of IPARD funds. Furthermore, he pointed out that in the previous period, mainly large producers utilised IPARD funds and that it is necessary to prevent that same situation happen again in the future. At the same time, he stated that it is necessary to ensure the equally regional disbursement of IPARD funds.

Mrs. Jasmina Miljković reminded that the IPARD Programme foresees specific demarcation criteria in relation to the national measures, which ensures that the small farmers obtain support from the national budget, with simpler procedure for obtaining subsidies. She pointed out that the amendment of the criteria is possible through the IPARD Programme modification and in that sense announced that the modification is planned in the forthcoming period due to the changes related to Measure 4 and Measure 5. In her further address, she stressed out that, starting from this programming period, time needed for application processing will be significantly shortened, with more frequent publishing of calls.

Mr. Božo Joković, agreed with Mrs. Miljković that it is of high importance to publish calls more frequently. He also emphasised the necessity of establishing and strengthening producer organisations in order to ensure joint market performance.

Mr. Vasa Džigurski, *Serbian Milk Producers Association*, joined the discussion and indicated a potential problem regarding the "zero" control for investments related to the reconstruction of facilities within the current public call, and announced that they will provide possible solutions. He also pointed out problems related to the transfer of ownership, bank guarantees and calculation of reference prices.

Mr. Lazar Popović, *Assistant Director, Directorate for Agrarian Payments*, pointed out that the conditions are prescribed by the Rulebook, as well as that investments in reconstruction of facilities are eligible expenditures. For this type of investment, it is necessary to submit a project and obtain construction permit. He mentioned that on-the-spot control will be carried out in terms of projected and performed works.

Mr. Vasa Džigurski, specified that in the dairy cow sector reconstruction refers to the facilities that are already in use. **Mr. Lazar Popović** replied that in mentioned cases the projects should be implemented in several phases.

Mrs. Jasmina Miljković pointed out that the MAFWM is willing to cooperate and that proposals for overcoming difficulties are more than welcome.

Mr. Jovica Jakšić, *Association "Independent Association of Farmers of Serbia"*, referred to the ongoing public call with allocated budget of approx. EUR 40 m and stated that this budget will cover approx. 120 projects. In that view, it is necessary to ensure the legal base for increasing the allocated funds for this public call. He noted that the duration of the public call was extended twice, while the allocated funds remained at the same amount.

Mrs. Jasmina Miljković, stated that the duration of the public call was extended due to the non-signing of the Financing Agreement, as well as that new public calls will be published in the coming period. She pointed out that the maximum budget has been allocated to the first call related to the construction. Any subsequent budget increase would imply a decrease in funds for calls planned in the following period.

Item 9 of the Agenda: IPARD Programmes – Brief overview and update

Mrs. Anna Nowak-Wood, Programme Manager, Unit G.4 - Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, gave an overview of the situation regarding the IPARD II Programme implementation in the candidate countries, and then referred to the IPARD III Programme implementation. In her address, she presented plans for the entrustment of new measures within the IPARD III Programme. At the end of the presentation, she reminded of the obligations regarding the visibility and marking of investments.

Item 10 of the Agenda: Discussion

Mr. Aleksandar Bogićević, Acting Assistant Minister, Sector for Rural Development, MAFWM, began his address by stating that the results achieved during the IPARD II Programme implementation are not satisfactory. He pointed out the problems that farmers often face, primarily related to the obtaining bank guarantees and finances. Although the IPARD Programme is intended for medium and large agricultural producers, he stated that smaller farmers represent 70% of the total number of agricultural producers, and accordingly, it is necessary to find adequate support schemes in order to address their needs. He further stated that although the absorption of the IPARD II fund was not satisfactory, the budget of EUR 288 m can be considered as insufficient taking into account the great interest of farmers. It is necessary to discuss and find a solution in order to increase absorption, primarily through the simplification of procedures, but also easier access to finances.

Mrs. Anna Nowak-Wood, Programme Manager, Unit G.4 - Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, pointed out that the absorption of the IPARD fund must be improved and added that the conditions are the same for all IPARD countries.

Mrs. Jasmina Miljković stated that in the previous period steps have been taken in order to simplify the procedures, that alternative methods for on-the-spot control were found, and that in the future period activities will be performed in order to submit one instead of three offers for the subject of investment. She also pointed out that the conditions are the same for all IPARD countries and that there are no exceptions.

Mr. Žarko Kobilarov, Association of Agricultural Producers “Club 100P plus”, pointed out that the members of their Association are primarily recipients of Measure 1 and to some extent Measure 3. He then expressed his dissatisfaction regarding the non-attendance of the IPARD Managing Authority representatives at the seminar held on Tara, where numerous proposals and suggestions were planned to be presented. Furthermore, he pointed out that the dynamic for publishing of calls is not satisfactory, noting that the last public call for mechanisation was published in 2021 and for the procurement of tractors in 2022. Taking into account the great interest of potential recipients under the First Public Call within the IPARD III Programme, he emphasised that the quality of the rulebook is crucial in order to avoid demotivation of potential recipients.

Mrs. Jasmina Miljković following on from the previous address, noted that the Rulebook for Measure 1 under the IPARD III Programme has been significantly improved compared to the IPARD II Programme. She also stated that in the previous period representatives of the IPARD Managing Authority attend various events, but that in this particular case, another MAFWM representative was delegated. When it comes to the plan of calls, having in mind that the Financing Agreement has not been signed, the idea was to start with more complex investments, while in the next period calls related to the procurement of equipment and mechanisation will be published. When it comes to the dynamic for publishing of calls, she pointed out that the five public calls are foreseen and expressed her belief that the plan will be implemented. She also stated that there is a possibility to introduce new measures through the IPARD Programme modification.

Item 11 of the Agenda: Presentation of the results from the Census of Agriculture 2023

Mrs. Jelena Perać, Head of the Department of Agriculture and Forestry Statistics, Statistical Office of the Republic of Serbia, pointed out in her presentation the importance and goals of the Census of Agriculture 2023, while *Mrs. Dragana Pogarčić, Head of the Group for Livestock and Fisheries Statistics, Statistical Office of the Republic of Serbia,* presented the results of the Census, which will be available in the dissemination database on the SORS website successively during 2024, and by the end of 2025 at the latest.

Item 12 of the Agenda: Discussion

Mr. Frank Bollen, Head of the Unit G.4 - Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, thanked for the presentation of the results from the Census of Agriculture 2023, which he considers to be significant, having in mind that they indicate a similar situation as in other EU member countries, and emphasised the importance of the conducted Census from the point of accession to the EU.

Mrs. Jasmina Miljković followed up on the previous address by pointing out that the results of the previous Census and Surveys have been used for the IPARD III Programme preparation, as well as that the updated data will be of great importance in the following period.

Item 13 of the Agenda: Any other business

Mr. Frank Bollen, Head of the Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, European Commission, followed up on all previous presentations and pointed out that the great interest expressed within the First Public Call gives hope regarding the IPARD III Programme implementation. Furthermore, he noted that the budget was allocated at the very beginning, and that it would be premature to reallocate funds between the measures at this moment. He also stressed out that the role of the IPARD III MC members is to participate in the improvement of the Programme and that it is certainly possible to modify Programme in the coming period. When it comes to support of large compared to small farmers, he emphasised that the targeting of recipients is to great extent a national decision, noting that the IPARD Programme is not intended for large agricultural producers. Once again, he referred to the IPARD II Programme implementation and expressed the hope that by the end of 2024, approx. EUR 100 m of EU contribution will be spent, but at the same time regret that this amount is not higher, as well as that the funds after 2024 will have to be paid from the RS budget. He pointed out that it is extremely important to apply the lessons learned from the previous period, as well as to organise joint meetings that can be of great importance for achieving better results. He expressed regret that Mr. Laszlo Arendas, was not able to attend this session and on his behalf thanked to all participants for their cooperation in the previous period.

Item 14 of the Agenda: Proposals of the Agenda and date of the next session

Mrs. Jasmina Miljković proposed to held the next IPARD III MC session at the end of November 2024.

Mrs. Slađana Grujić, Standing Conference of Towns and Municipalities, initiated to held the next IPARD III MC session in the organisation of the Standing Conference of Towns and Municipalities. Furthermore, she used the opportunity to emphasise the importance of the entrustment of Measure 6 and added that local self-government units are interested in the implementation, as well as that LSGU invest from year to year in project documentation related to roads, water supply, sewerage, etc. She also stated that there will be challenges in terms of capacities, pre-financing of investments, etc. At the end, she suggested organisation of training sessions in order to exchange good practice related to Measure 6 implementation.


Item 15 of the Agenda: Closure of the Third session of IPARD III MC

The Third session of IPARD III MC was concluded with an address by **Mrs. Jasmina Miljković**. She thanked the participants for their attendance and contribution. Furthermore, she thanked the Chamber of Commerce and Industry of Serbia for their hospitality and support in organising the session.

III Summary

Conclusion	IPARD III Monitoring Committee	Activities that follow
Adoption of the Draft Agenda for the Third session of the IPARD III MC	The Draft Agenda for the Third session of the IPARD III MC was adopted unanimously	
Adoption of the Draft Minutes from the Second session of the IPARD III MC	The Draft Minutes from the Second session of the IPARD III MC was adopted unanimously	
Appointment of members/deputy members of the IPARD III MC	Information	
IPARD III Programme implementation	Information	Adoption of rulebooks; 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, scoring and ranking criteria, etc.	

CHAIRPERSON


Aleksandar Martinović, PhD
Minister of Agriculture, Forestry and Water Management

Secretariat of the IPARD III MC

Prepared by:



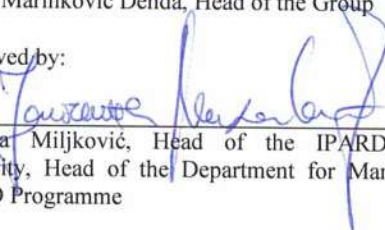
Ivana Slović, Advisor, Group for Monitoring, Evaluation and Reporting of IPARD Programme

Controlled by:



Tijana Marinković Denda, Head of the Group

Approved by:



Jasmina Miljković, Head of the IPARD Managing Authority, Head of the Department for Management of IPARD Programme