

Minutes No. 4

Minutes from the Fourth session of the IPARD III Monitoring Committee

27th November 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) – Sector for Agricultural Policy;
2. Ministry of Agriculture, Forestry and Water Management: Directorate for Agricultural Land;
3. Ministry of Environmental Protection;
4. Ministry of Public Administration and Local Self-Government;
5. Ministry of Science, Technological Development and Innovation;
6. Ministry of Rural Welfare;
7. Statistical Office of the Republic of Serbia;
8. Environmental Protection Agency;
9. Institute for Nature Conservation of Serbia;
10. Fund for the Development of the Republic of Serbia;
11. Republic Geodetic Institute;
12. Development Agency of Serbia;
13. Chamber of Commerce and Industry of Serbia;
14. Standing Conference of Towns and Municipalities;
15. Provincial Secretariat for Agriculture, Water Management and Forestry;
16. Provincial Secretariat for Regional Development, Interregional Cooperation and Local Self-Government;
17. Serbian Cooperative Union;
18. Farmers Association;
19. Association of Agricultural Producers “Club 100P plus”;
20. “Vojvodina Agrar” Association of Primary Agricultural Producers LLC Bečej;
21. Network for Rural Development of Serbia;
22. Serbian Milk Producers Association;
23. Serbian Dairies’ Association “SEDA”;
24. National Association “Rural Tourism in Serbia”;
25. Association “Network of Local Action Groups of Serbia”;
26. National Association for Development of Organic Production “SERBIA ORGANICA”;
27. Serbian Young Farmers Association “SYFA”;
28. Association “Independent Association of Farmers of Serbia”;
29. Poultry Business Association “Poultry Community” and
30. 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;
4. Governmental Audit Office of EU Funds (Audit Authority) and
5. 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 Agriculture, Forestry and Water Management – 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 Rural Development;
4. Ministry of Economy;
5. Ministry of Construction, Transport and Infrastructure;
6. Ministry of Tourism and Youth;
7. Ministry of Mining and Energy;
8. National Society for Fruit Production “Our Fruits of Serbia”;
9. Association “Natura Balkanika”
10. Cluster of Aquaculture “Our Fish”
11. Office of the Prime Minister, Government of the Republic of Serbia;
12. Faculty of Agriculture, University of Belgrade and
13. Tourism Organisation of Serbia.

The Fourth 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 30 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 Fourth 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 Standing Conference of Towns and Municipalities (hereinafter: SCTM) for support provided in organisation of the IPARD III MC session.

Item 1.1 of the Agenda

Mrs. Jelena Blagojević, *State Secretary, MAFWM*, at the beginning of the introductory speech, greeted all participants on behalf of the MAFWM. The State Secretary pointed out that the MAFWM will continue to make great efforts in order to enable that the IPARD funds reach the recipients. She expressed her satisfaction in terms of signing of the Financing Agreement between

the Government of the Republic of Serbia and the European Commission, therefore the prerequisite for utilisation of funds allocated under the IPARD III Programme is fulfilled. She emphasised that the IPARD III Programme implementation began with the announcement of public calls and added that the First Public Call for Measure 1 was closed in September, while the Second Public Call for this Measure that referred to the purchase of a new tractor was closed on 8th November 2024. She also announced that new public calls within the IPARD III Programme are expected to be published by the end of the year, a Public Call for the purchase of equipment, machinery and mechanisation within Measure 1, as well as the First Public Call within Measure 3. She reminded that support within the IPARD III Programme is available through four entrusted measures, while the introduction of new measures is envisaged as well. At the end of the address, she stressed out the necessity of better information and education of potential recipients, as well as that all experiences gained during the previous period should be applied in order to increase the efficiency of the IPARD Programme implementation. **Mrs. Blagojević** wished successful work in the continuation of the session.

Item 1.2 of the Agenda

The address of **Mrs. Jovana Zdravković**, Assistant Minister, Department for EU Funds Management, Ministry of Finance, was planned under this item of the Agenda. **Mrs. Miljković** expressed regret that **Mrs. Zdravković** could not attend the session and noted that the present colleagues from the Ministry of Finance are available for any questions.

Item 1.3 of the Agenda

Mr. Frank Bollen, Head of the Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, Directorate General for Agriculture and Rural Development, European Commission, greeted all participants and expressed gratitude for the introductory address of the State Secretary. He referred to the insufficient absorption of the IPARD II funds and announced that achieved results in terms of absorption of IPARD II funds, with reference to the results of other countries implementing the IPARD Programme, will be presented in more detail in the following segment of the session. He noted that the utilisation of funds is not at satisfactory level, taking into account that in the previous period the Republic of Serbia received five extensions of the deadline for utilisation of allocated funds. In the continuation, he pointed out that the de-commitment so far amounts to approx. EUR 22 m of EU contribution, and that a significant increase of this amount is expected by the end of the year. He emphasised that all IPARD bodies, including MC members, should apply the lessons learned in order to avoid that similar situation during the IPARD III Programme implementation. When it comes to the IPARD III Programme implementation, he stressed out that at the end of October 2024, the Financing Agreement was signed between the European Commission and the Government of the Republic of Serbia, which created the possibility for contracting of projects. Furthermore, he emphasised that there is a great interest of recipients within the First Public Call for Measure 1 and added that the requested funds exceed the allocated budget for this Public Call almost four times. He expressed the hope that this trend will continue in future calls for both this and other measures. **Mr. Bollen** also referred to the entrustment of budget implementation tasks for Measure 4, Measure 5 and Measure 6 and the beginning of their implementation and added that there are certain delays in this regard. He reminded that significantly higher amount of funds was allocated for the IPARD III Programme in comparison to the IPARD II Programme. In this regard, he pointed out that it is necessary to start processing of applications and contracting as soon as possible, with the aim of better absorption of funds. He stated that by the end of 2025, approx. EUR 27 m of the EU contribution should be used in order to avoid the risk of de-commitment. He indicated the need for promotion and increase of visibility, which would raise the awareness of potential recipients regarding all opportunities within the IPARD Programme. He concluded his address by expressing the hope

that better results will be achieved under the IPARD III Programme compared to the IPARD II Programme.

Item 1.4 of the Agenda

Mr. Nikola Tarbuk, *General Secretary, SCTM*, greeted all participants on behalf of the SCTM and expressed his satisfaction for participation at the session. He expressed his deep belief that it is possible to improve the IPARD Programme implementation with joint work and thus contribute to the development of agriculture and rural areas in the Republic of Serbia. He thanked the representatives of the European Commission for the IPARD support provided, as well as the MAFWM representatives for the good cooperation. In his further address, he emphasised the importance of rural development and added that the SCTM, together with local self-government units, is making efforts that the conditions for the development of rural areas are more favourable. He stated that the SCTM has an active role as MAFWM partner through a series of activities and also that the strategic plan by the end of 2025 emphasises the importance of strengthening the local self-government units in the field of agriculture and rural development, as well as that their services are more available to the rural population. In this regard, he indicated that the aforementioned strengthening is being implemented through training, initiatives and projects that have been realised over the last few years. In the continuation, he pointed out that measures which are focused on supporting the wider development of rural local communities, such as Measure 6 and Measure 5, should be prioritised. He noted that the SCTM is devoted to entrustment of the budget implementation tasks for Measure 6 and added that capacities should be strengthened in order to ensure that the allocated funds under this Measure are used efficiently. He stated that the SCTM can take an active role in all MAFWM activities that are of importance for the local self-government units, such as development of strategic documents, legal base, promotional events, etc. He wished successful work in the continuation of the session.

Item 2 of the Agenda: IPARD Programmes – Brief overview and update

Mrs. Anna Nowak-Wood, *Unit G.4 - Neighbourhood, Enlargement and Pre-Accession Assistance, Directorate General for Agriculture and Rural Development, European Commission*, presented an overview of the state of play regarding the IPARD II and IPARD III Programmes implementation in candidate countries with an emphasis on the execution rate of IPARD funds and the risk of de-commitment at the end of the implementation period. In her address, she pointed out the importance of effective use of the lessons learned during the previous period, but also that it is necessary to accelerate the entrustment of budget implementation tasks for new measures within the IPARD III Programme. At the end of the presentation, she stressed out that the possibility for over-contracting should be considered, and added that this approach is used by other IPARD beneficiary countries.

Item 3 of the Agenda: Achieved results in IPARD II and IPARD III Programme implementation

Mr. Slobodan Nikolovski, *Director of the Directorate for Agrarian Payments, IPARD Agency*, presented the results of the IPARD II Programme implementation so far, with a special focus on the absorption of IPARD funds on an annual level, and then he presented the payments forecast for approved projects by the end of year. The second part of the presentation referred to the current state of play in the IPARD III Programme implementation. At the end of the presentation, he referred to the strengthening of institutional and human capacities for the IPARD III programming period.

Item 4 of the Agenda: Discussion

Mrs. Anna Nowak-Wood, Unit G.4 - Neighbourhood, Enlargement and Pre-Accession Assistance, Directorate General for Agriculture and Rural Development, European Commission, joined the discussion and followed up on the presentation of the IPARD Agency. On that occasion, she stated that, observed per year, there is noticeable progress in the IPARD funds realisation, but on the other hand if the entire IPARD II Programme implementation period is taken into account the results are unsatisfactory. She added that it is necessary to spend a significant amount of funds through the IPARD III Programme compared to the IPARD II Programme. When it comes to public calls, she pointed out that the First Public Call for Measure 1 was extended several times. She emphasised that there is a good response from potential recipients through the calls so far and expressed the hope that investments in the purchase of tractors will be realised quickly, taking into account that by the end of 2025, approx. EUR 27 m should be used. Regarding human capacities, she pointed out that it is necessary to fulfil the positions of assistant directors in the IPARD Agency on a long-term basis as soon as possible, considering that this is one of the conditions from the Financing Agreement.

Mr. Slobodan Nikolovski, followed up on **Mrs. Nowak-Wood** address and stated that the absorption of funds under the IPARD II Programme is 58.8%, and added that the IPARD Programme is being implemented for the first time in the Republic of Serbia, as well as that there was a lack of knowledge and insufficient training of employees. He emphasised that experience was gained in the previous period, as well as that the knowledge and skills of the employees were improved, which is significant from the aspect of IPARD III Programme implementation. He concluded his speech by expressing the hope that the absorption of funds within the IPARD III Programme will be more significant.

Mrs. Jasmina Miljković, joined the discussion and referred to the address of **Mr. Nikolovski**. She stated that the IPARD II Programme implementation was accompanied by a series of unfavourable circumstances that had an impact at the global level (the COVID-19 pandemic, the crisis in Ukraine). She also pointed out that the budgets allocated to other IPARD beneficiary countries were at a lower level than the budget allocated to the Republic of Serbia and added that our country implemented the IPARD Programme for the first time, while other countries already had experience in implementation of similar programmes.

Mrs. Marija Antanasković, *Agricultural Machinery Importers and Exporters*, raised a question regarding the Public Call for the procurement of equipment, machinery and mechanisation under Measure 1 and stated that there is concern that the funds allocated for this Public Call are not sufficient, and asked whether more public calls for this type of investment can be expected.

Mr. Nikolovski, in response to the previous question, pointed out that the budget planned for the calls which will be published in 2025 will include 2026 and 2027 allocations in order to ensure that as many recipients as possible receive support. He added that the scoring and ranking procedure will be applied within the completed Public Calls under the IPARD III Programme. **Mrs. Miljković** added that the budget for Public Calls is at the maximum of currently available funds. She stated that the allocated budget within Measure 1 for investments in the procurement of equipment, machinery and mechanisation amounts to EUR 14.4 m, and that a Public Call will be published at the beginning of December 2024. In the following, she added that the Plan of Public Calls is published at the beginning of each year, which includes the dynamics for publishing of calls, as well as the allocated amount per Public Call.

Mrs. Nataša Pantić, Acting Assistant Director of the Sector for Project Approval, IPARD Agency, pointed out that unreliable information negatively affects potential recipients of the IPARD Programme. She also stated that all necessary steps are being taken so that IPARD funds reach the recipients. In the continuation, she referred to the presentation of **Mr. Nikolovski** and stressed out that the First Public Call for Measure 1 included investments in construction and equipping, which implies that these are projects of higher value, while the Third Public Call will include investments in the purchase of equipment, machinery and mechanisation, which are projects of lower value indicating that more recipients could be supported.

Mr. Dragan Roganović, Network for Rural Development of Serbia, raised a question related to the entrustment of budget implementation tasks for Measure 4 and Measure 5, as well as when public calls for these measures could be expected. **Mrs. Miljković** stated that it is planned to prepare and submit the entrustment package for the mentioned measures to the European Commission by the end of the first quarter of 2025. She added that the entrustment process implies the engagement of an external audit and pointed out that in the previous period preparatory activities were carried out through the support of the project.

Mr. Jovica Jakšić, Association "Independent Association of Farmers of Serbia", joined the discussion and stated that there was an increase of prices of agricultural machinery and tractors, as well as iron. He believes that the greatest interest of recipients is for this type of investment, and that the allocated budget should be increased. In the following, he referred to the situation regarding the tax debts and added that a certain period should be given to farmers in order to settle their debts. In his answer, **Mr. Nikolovski** stated that the Rulebook for the implementation of Measure 1 clearly defined that taxes and fees must be paid at the time of submission of application for project approval. **Mrs. Miljković** continued by pointing out that during the IPARD II Programme, a large number of projects were subject of supplementation for this very reason, which significantly affected the duration of applications processing.

Mr. Frank Bollen, Head of Unit G.4 – Neighbourhood, Enlargement and Pre-Accession Assistance, Directorate General for Agriculture and Rural Development, European Commission, joined the discussion and pointed out that the Programme balance should be taken into account, i.e. how the allocated budget is distributed by measures and years. He added that the IPARD Programme is not only intended for investments in the purchase of tractors, and that he hopes that other investments will be supported, as well as new measures. He invited all participants to present their proposals in relation to the improvement of the Programme implementation.

Mrs. Radmila Vučinić, "Vojvodina Agrar" Association of Primary Agricultural Producers LLC Bečej, referred to the initiative regarding the improvement of the Programme implementation, and expressed dissatisfaction in terms of introduction of given proposals. **Mrs. Jasmina Miljković** continued by pointing out that most of the proposals were adopted and, in this regard, she gave specific examples. She stressed out that the initiatives of MC members are of great importance for the Programme improvement and expressed the hope that the good cooperation will continue in the future. **Mrs. Radmila Vučinić** then referred to some of the difficulties, such as settling tax debts, cadastre work, etc.

Item 5 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 Fourth session of the IPARD III Monitoring Committee.

<u>Decision No. 1</u>	The Agenda for the Fourth session of the IPARD III MC was adopted unanimously.
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Item 6 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 Third session of the IPARD III Monitoring Committee was adopted unanimously.

<u>Decision No. 2</u>	The Minutes from the Third session of the IPARD III MC were adopted unanimously.
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Item 7 of the Agenda: Information on the implementation of decisions taken at the Third IPARD III MC session and information on changes of the MC members

Mrs. Jasmina Miljković gave an overview of the activities carried out between the two sessions. In her presentation, she reminded that two public calls for Measure 1 have been closed in the previous period, and then she added that the Rulebook on conditions, manner and procedure for Technical Assistance measure implementation under the IPARD III Programme, as well as the Rulebook on methodology for determining the reference prices of investment for calculating IPARD subsidies under the IPARD III Programme have been adopted, while the Rulebook for the implementation of Measure 3 is in the process of collecting opinions. She announced that after the publication of the Rulebook for the implementation of Measure 3, a Public Call for this Measure will be published, as well as that it will be preceded by a workshop for consultants. In her address, she also indicated the importance of signed Financing Agreement, which was a prerequisite for the utilisation of allocated funds within the IPARD III Programme. In the continuation of the presentation, she pointed to the realised promotional activities and briefly presented the promotional material that was printed through Measure 9 - Technical Assistance.

Furthermore, in the period between the two MC sessions, there were changes of the IPARD III MC members and their deputies, i.e. the representatives of the: Sector for Rural Development Ministry of Agriculture, Forestry and Water Management, the Ministry of Construction, Transport and Infrastructure, the Ministry of Rural Welfare, the Development Fund of the Republic of Serbia, the National Society for Fruit Production “Our Fruits of Serbia” as well as the Poultry Business Association “Poultry Community”. These changes of the members are confirmed by the adoption of the Decision on the establishment of the IPARD III MC.

Item 8 of the Agenda: Proposal of Selection criteria under Measure 7 – Farm diversification and business development

Mrs. Jasmina Miljković stated in her address that at the proposal of the European Commission representatives, an amendment to the scoring list for Measure 7 was prepared, which was adopted by the MC members in July 2023. The amendment proposal concerns a significant increase in the points awarded to applicants within the Sector of direct marketing of agri-food products and home-made products, as well as the Sector of small-scale services, with the aim of promoting these two new sectors and creating preconditions for the best realisation of investments.

Item 8.1 of the Agenda: Discussion and voting procedure

After the voting procedure, **Mrs. Jasmina Miljković** pointed out that the Proposal of selection Criteria under Measure 7 – Farm diversification and business development was unanimously adopted.

<u>Decision No. 3</u>	The Proposal of selection criteria under Measure 7 – Farm diversification and business development was adopted unanimously.
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Item 9 of the Agenda: Proposal of Second modification of the IPARD III Programme

Mrs. Marina Vujović, Senior Advisor for Programming of agri-environment climate measures and measure of organic production of IPARD Programme, Group for Programming IPARD Measures for Improvement of Quality of Life in Rural Areas, IPARD Managing Authority, presented the Proposal of Second modification of the IPARD III Programme. The most significant changes concern changes within Measure 4, Measure 5 and Measure 7, but also include changes concerning alignment with the European Commission guidelines and List of Eligible Expenditures, updating of the Common Context Indicators, as well as technical corrections.

Item 9.1 of the Agenda: Discussion and voting procedure

Mrs. Slađana Škobić, Institute for Nature Conservation of Serbia, joined the discussion and raised a question regarding the submission of request for nature protection conditions within the Operation - Sustainable management of meadows and pastures. **Mrs. Marina Vujović**, in her response, stated that the recipient should submit a request to the Institute or the Ministry, depending on whether the plot is located in a protected area or outside it. **Mrs. Slađana Škobić** appealed that the Institute for Nature Conservation of Serbia should also take part in the work.

Mrs. Milka Nedeljković, Association "Network of Local Action Groups of Serbia", asked a question regarding the implementation of Measure 4 and pointed out that meadows and pastures are not eligible from the aspect of basic subsidies in plant production, and then she asked for clarification regarding the objective of Measure 4 and eligible recipients. **Mrs. Marina Vujović** stated in her response that under Measure 4, the recipient can be supported if certain conditions within each operation are met. She emphasised that the objective of Measure 4 is environmental protection on farm and that in this sense there are no restrictions as in the case of other measures, but all registered farms that apply certain agro-technical measures within the selected operation can be eligible recipient. **Mr. Zoran Knežević**, Assistant Director, Sector for Coordination, International Cooperation and IACS, IPARD Agency, joined the discussion and pointed out that, in accordance with the legal basis for basic subsidies in plant production, direct payments only apply to meadows seedlings, while recipients under Measure 4 of the IPARD Programme can achieve support for both types of meadows and pastures.

Mr. Aleksandar Vinčić, Association of Serbian Winemakers and Winegrowers, stated that for a long time there has been no national measure for establishment of vineyards, and that many recipients are trying to obtain IPARD support. In the continuation, he asked why the lease of state land was set for a period of 10 years and added that business plans are prepared for a period of five years. **Mrs. Miljković** stated in her response that this condition was set due to *ex-post* control, which is carried out in a period of five years after the realisation of the investment, and that the recipient must use the investment in accordance with its purpose during that period. In the following, she pointed out that investments in establishment of vineyard mother plants within the IPARD Programme are eligible, while the establishment of vineyards is not eligible investment, considering that within the IPARD II Programme, there was an initiative to support this type of investment from the national budget. She added that the introduction of this type of investment could be the subject of some subsequent Programme modification, if there is an initiative for such a thing. **Mr. Aleksandar Vinčić** further pointed to the issue of expiring the lease period on state land, which reduced the number of recipients who can apply. **Mrs. Miljković** stated that a meeting can be organised on this topic in order to determine the possibilities for overcoming this issue, in accordance with the legal basis.

Mr. Žarko Kobilarov, Association of Agricultural Producers "Club 100P plus", referred to the address of **Mrs. Radmila Vučinić** and pointed out that the proposals for determining the areas with difficult working conditions in agriculture were not adopted, and that currently the most developed municipalities on the territory of Vojvodina belong to these areas. In the following, he

raised a question regarding the signing of the Financing Agreement and added that it was announced at the previous MC session, that it would be signed in August. Furthermore, he suggested that in the future, a longer period should be left between the publication of calls for tractors and the procurement of equipment, machinery and mechanisation, in order to enable that recipients could apply for both type of investments. **Mrs. Jasmina Miljković** stated in her response that the signing of the Financing Agreement entails a series of bureaucratic procedures, and that the MAFWM took the risk of publishing of calls even before signing this Agreement. In addition, she pointed out that there was no long period left between the publication of the public call for tractors and the procurement of equipment, machinery and mechanisation considering that by the end of 2025, approx. EUR 27 m should be spent in order to avoid the risk of de-commitment, and that these types of investments can be realised in a shorter period of time. She added that the entire estimated amount for tractors has been published, and that no more calls for this type of investment are expected in this programming cycle.

Mrs. Slađana Škobić joined the discussion and raised a question regarding the type of meadow that is eligible through Measure 4. **Mrs. Marina Vujović** stated in her response that natural meadows and pastures are eligible.

Mr. Vasa Džigurski, *Serbian Milk Producers Association*, asked whether, after the publication of the results from the First Public Call for Measure 1, a public call for investments in equipping will be published. **Mrs. Miljković** clarified that the next public call for Measure 1 will include investments in the purchase of equipment, machinery and mechanisation, excluding construction. She added that the publication of a specific public call is being considered, which will include investments in establishment of perennial plantations in the Fruit Sector. In the following, **Mr. Džigurski** spoke about the reasons for the weak response of potential recipients from the livestock sector. **Mr. Nikolovski** underlined once again that the IPARD Agency is at the disposal of both applicants and consultants and stated that the guideline was disseminated together with the decision on project approval. **Mr. Džigurski** pointed out that the prices of investments within the IPARD Programme are up to 30% higher. **Mr. Nikolovski** clarified that the MAFWM cannot influence market prices.

Mrs. Marija Antanasković, followed up on the previous address and stated that the prices of agricultural machinery, primarily from the European Union, increased by 30 to 40% in the previous period due to the increase in the prices of energy sources, materials, etc.

Mr. Slobodan Nikolovski reminded that price indexation is being carried out in order to mitigate the consequences of the increase in market price in order to ensure that recipients receive a higher amount of support.

Mrs. Nataša Pantić joined the discussion and pointed out that the IPARD Agency implements a double check system through a system of three offers and a base of reference prices.

After the voting procedure, **Mrs. Miljković** stated that the Proposal of Second modification of the IPARD III Programme was adopted, stating that one MC member abstained.

Decision No. 4	The Proposal of Second modification of the IPARD III Programme was adopted.
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Mrs. Anna Nowak-Wood, asked when the public call for Measure 7 can be expected. **Mrs. Miljković** replied that the call can be expected in mid-February 2025, as well as that the process of drafting the Rulebook for the implementation of Measure 7 is ongoing. In the continuation, **Mrs. Nowak-Wood** pointed out that the idea is to encourage new sectors within the Measure 7, which was the reason for increasing the number of points. She also announced the DG AGRI audit mission and pointed out that cases of misuse of funds under Measure 7 have been found in some EU member states. She underlined the objectives of Measure 7 regarding the diversification of agricultural production and the creation of new jobs. She pointed out that the proposal to amend

the Programme concerning the ineligibility of a member of the agricultural holding as a recipient under Measure 7 did not come from the European Commission, but that it is in accordance with national rules. Also, she announced that additional comments can be expected regarding the proposed amendments within Measure 4. She asked when can be expected the submission of package for entrustment of budget implementation tasks for new measures. **Mrs. Miljković** pointed out in her reply that from the perspective of the IPARD Managing Authority, all steps will be taken in order to submit the package for entrustment of the new measures by the end of the first quarter of 2025, and added that several actors participate in this process.

Item 10 of the Agenda: Proposal of the Action Plan for Technical Assistance for 2025

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 2025 with a special emphasis on the activities that will be financed through this Measure.

Item 10.1 of the Agenda: Discussion and voting procedure

Mrs. Jasmina Miljković invited all participants to start a discussion related to the previous presentation.

Mrs. Anna Nowak-Wood, emphasised the importance of Measure 9 and expressed the hope that the next MC session will be implemented through Measure 9. She also referred to the activities from the Action Plan concerning Measure 4 and Measure 5 and stated that she hopes that these activities will be implemented during the next year.

After the voting procedure, **Mrs. Miljković** noted that the Proposal of the Action Plan for Technical Assistance for 2025 was unanimously adopted.

<u>Decision No. 5</u>	The proposal of the Action Plan for Technical Assistance for 2025 was adopted unanimously.
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Item 11 of the Agenda: Audit Report for 2023

Milena Milojević, Acting Head of Governmental Audit Office of EU Funds, Audit Authority, presented the implemented activities of the Audit Authority during 2023 and 2024, with reference to the conducted audits, as well as the findings and recommendations identified during those audits.

Item 12 of the Agenda: Presentation of the Standing Conference of Towns and Municipalities

Mrs. Slađana Grujić, Program Director for Economic Development, Sector for Economic Development, SCTM, presented SCTM activities, organisational structure, as well as current projects. During the presentation, she provided a more detailed overview of SCTM activities related to the IPARD Programme. She also emphasised that from the perspective of local self-government units, Measure 6 is the most important, with the aim of improving the quality of life in rural areas. She pointed out that SCTM can provide support for the implementation of Measure 5 and Measure 6.

Item 13 of the Agenda: Discussion

Mrs. Anna Nowak-Wood, thanked SCTM for its support in the organisation of the MC session and added that the support of SCTM from the aspect of Measure 5 and Measure 6 is of crucial importance.

Mr. Nenad Budimović, *Chamber of Commerce and Industry of Serbia*, referred to the Action Plan for Technical Assistance and pointed out that in the previous period several promotional activities were held related to Measure 7, with the support of the Chamber of Commerce and Industry of Serbia. He proposed the introduction of similar promotional activities in the Action Plan for Technical Assistance and added that the Chamber of Commerce and Industry of Serbia has technical capacities to support such activities. **Mrs. Miljković** thanked the Chamber of Commerce and Industry of Serbia for the support and stated that the intention is to intensify the promotion of Measure 7 before the publication of the First Public Call for this Measure, with a special emphasis on new sectors. She added that the budget under Measure 9 is currently focused on new measures. She pointed out that cooperation with the Chamber of Commerce and Industry of Serbia regarding the promotion of Measure 7 and Measure 3 will continue in the future.

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

Mrs. Jasmina Miljković stated that the proposal of the European Commission is to organise the next IPARD III MC session in the second half of June 2025 and expressed the hope that the next session will be financed through Measure 9.

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

The Fourth 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 SCTM for support in organising the session.

III Summary

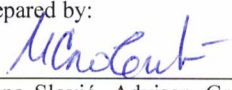
Conclusion	IPARD III Monitoring Committee	Activities that follow
Adoption of the draft Agenda for the Fourth session of the IPARD III MC	The draft Agenda for the Fourth session of the IPARD III MC was adopted unanimously	
Adoption of the draft Minutes from the Third Session of IPARD III MC	The draft Minutes from the Third session of the IPARD III MC was adopted unanimously	
Appointment of members/deputy members of IPARD III MC	Information	
Adoption of the Proposal for amendment to the selection criteria under Measure 7	The proposal for amendment to the selection criteria under Measure 7 was adopted unanimously	
Adoption of the Proposal of the Second modification of the IPARD III Programme	The Proposal of the Second modification of the IPARD III Programme was adopted	Adoption of the Second modification of the IPARD III Programme by the EC and the RS Government
Adoption of the Draft Action Plan for Technical Assistance for 2025	The proposal of the Action Plan for Technical Assistance for 2025 was adopted unanimously	Implementation of activities from the Action Plan
Implementation of the IPARD III Programme	Information	Adoption of rulebooks; Announcement of public calls.

CHAIRPERSON

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

Secretariat of the IPARD III MC

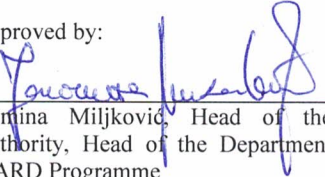
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