

BOSNA I HERCEGOVINA  
MINISTARSTVO VANJSKE TRGOVINE  
I EKONOMSKIH ODNOSA



БОСНА И ХЕРЦЕГОВИНА  
МИНИСТАРСТВО СПОЉНЕ ТРГОВИНЕ  
И ЕКОНОМСКИХ ОДНОСА

BOSNIA AND HERZEGOVINA  
MINISTRY OF FOREIGN TRADE AND ECONOMIC RELATIONS

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REPORT  
ON THE  
INTERNATIONAL ASSISTANCE FOR THE AGRICULTURE, FOOD,  
AND RURAL DEVELOPMENT SECTOR 2016  
IN  
BOSNIA AND HERZEGOVINA

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Sarajevo, May 2017

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## *Introduction*

The Annual Report 2016 on international assistance for the agriculture, food and rural development sectors in Bosnia and Herzegovina was made in accordance with Article 17 of the Law on Council of Ministers of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina 30/03, 42/03, 81/06, 76/07, 81/07, 94/07, and 24/08), and based on gathered data, monitoring activities and exchanging information with donors and beneficiaries of the international assistance funds.

This Report contains data which enable stakeholders a better insight into activities of the institutions of Bosnia and Herzegovina, and activities of the international donors. The Report intends to help in identifying the needs of the agricultural sector in achieving planned sector objectives. In addition, the Report aims at aiding potential donors in creating their plans and defining priorities for assistance and investments in the Agriculture, Food, Forestry and Rural Development Sector in accordance with strategic priorities in Bosnia and Herzegovina.

The Report was made based on available information and in cooperation with participants in the process of planning and coordination of the international assistance in the Agriculture, Food, Forestry and Rural Development Sector who have delivered material for its drafting.

The Report is structured in a way that it contains the following: institutional framework for the sector, general and specific objectives for development of the sector, planning and coordination of the donor assistance in the sector, overview of the strategic documents of the active bilateral and multilateral donors and their activities, overview of current programmes and projects, observations and recommendations.

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## **1. INSTITUTIONAL FRAMEWORK FOR THE AGRICULTURE, FOOD, FORESTRY AND RURAL DEVELOPMENT SECTOR IN BOSNIA AND HERZEGOVINA**

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In order to present the mechanisms and the responsibilities for planning and coordination of the international assistance in the Agriculture, Food and Rural Development Sector in Bosnia and Herzegovina, this Report will provide the description, scope of work and the organizational structure of key institutions. On the basis of the constitutional order of Bosnia and Herzegovina authorities at all levels, starting from the state to the municipality level, have certain obligations and responsibilities for the development of agriculture and rural areas.

Most of the assigned tasks related to the agricultural sector at the national level are the responsibility of the **Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina** (the Ministry).

In addition to activities related to foreign trade policy and foreign investments, international trade relations, customs tariff policy of Bosnia and Herzegovina, economic development, entrepreneurship and consumer protection, the Ministry is responsible for performing activities and duties related to defining policies, basic principles, coordinating activities and consolidating plans of Entity bodies and institutions at the international level in the field of agriculture<sup>1</sup>.

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<sup>1</sup> The Law on ministries and other bodies of administration of Bosnia and Herzegovina (Official Gazette Bosnia and Herzegovina, 5/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09 and 103/09)

The organisational unit within the Ministry which carries out activities in the field of agriculture is the Sector for Agriculture, Food, Forestry and Rural Development (the Sector) which is in charge of establishing framework for the development of sector strategies, policies, programmes and measures, and coordinating them with the aim of harmonized approach to development of agriculture in the entire country.

In addition, the Sector has a significant role in planning and coordinating international assistance in the field of agriculture, food and rural development.

**Veterinary Office of Bosnia and Herzegovina, Plant Health Protection Administration of Bosnia and Herzegovina and Food Safety Agency of Bosnia and Herzegovina** have competences in terms of animal health, plant health, food safety and quality control at the level of Bosnia and Herzegovina.

The **Office for Harmonization and Coordination of the Payment System in Agriculture, Food and Rural Development of Bosnia and Herzegovina** (hereinafter referred to as the Office for Harmonization and Coordination of Payment System) has the responsibility for coordination of harmonization of the payment system in Bosnia and Herzegovina in support of policy measures and the gradual adjustment of the payment system in Bosnia and Herzegovina with the payment system of the European Union.

Veterinary Office of Bosnia and Herzegovina, Plant Health Protection Administration of Bosnia and Herzegovina and the Office for Harmonization and Coordination of Payment System are administrative units within the Ministry and for their work respond directly to the Minister, while the Food Safety Agency of Bosnia and Herzegovina is independent administrative organisation, which responds to the Council of Ministers of Bosnia and Herzegovina (CM BiH), and cooperates with the Ministry in activities related to the aspect of food safety.

At the level of Bosnia and Herzegovina there are other agencies, institutes and directorates whose activity is directly or indirectly related to the domain of agriculture, namely: Market Surveillance Agency (responsible for reporting on risks and dangerous products), Agency for Statistics (gathering statistical data), Institute for Intellectual Property (responsible for conducting administrative procedure related to industrial property rights, such as patents, geographical indications etc.), Institute for Accreditation (responsible for the preparation of the process of accreditation of laboratories, certification bodies and inspection bodies) and the Institute for Standardization (represents Bosnia and Herzegovina in the European and international organizations for conformity assessment to the formation of an association of testing laboratories and association of calibration laboratories).

Competences in the field of agriculture at the Entity level are given to the **Ministry of Agriculture, Forestry and Ministry of Agriculture of the Republic of Srpska, Ministry of Agriculture, Ministry of Agriculture and Forestry of the Federation of BiH**, and in the Government of the Brčko Distrikt of Bosnia and Herzegovina to the **Department for Agriculture, Forestry and Water Management**.

In the Federation of Bosnia and Herzegovina competences in the field of agriculture have been additionally distributed, so that all 10 cantons have established institutions/departments that are competent for agriculture, veterinary, forestry and water management issues.

Competence of the Entity ministries in the field of agriculture refers to execution of policies and enforcement of laws which were adopted by competent Entity authorities, control over the implementation of regulations and the adoption of implementing decisions. Entity ministries of agriculture are competent and responsible for natural resources management for agriculture development, food industry and follow-up activities in the field of plant production, livestock farming, rural development, fishery and hunting, use and protection of agricultural land, development of food industry, animal feed production, activities in the field of water management, veterinary and phytosanitary protection, public health protection, management, protection and use of forest resources, the activity of advisory and selection service, incentive policy and others.

Competences of the Department for Agriculture, Forestry and Water Management of the Government of the Brčko Distrikt of Bosnia and Herzegovina are related to development and improvement of agricultural production and livestock farming, protection and use of agricultural land, veterinary and sanitary control of animal health and public health, application of credit policy, protection and rational use of agricultural land, providing consulting services in agriculture and livestock farming, restoring forests, protection of illegal wood cutting, maintaining structures for water management.

The cantons of the Federation of Bosnia and Herzegovina are federal units of the BiH entity - the Federation of Bosnia and Herzegovina. The cantons have a cantonal constitution, a parliament, a government that carries out a number of competencies (police, education, use of natural resources, spatial and housing policies, culture), as well as the competencies shared with the Federation (health, social protection, judiciary).

Additionally, in accordance with Article III of the Constitution of Bosnia and Herzegovina, each Entity shall provide any necessary assistance to the Council of Ministers of Bosnia and Herzegovina in order to enable execution of international obligations, as well as in accordance with Article 8 of the Law on Agriculture, Food and Rural Development <sup>2</sup> support development of all key institutions and other bodies to ensure execution of international obligations and trade standards in those related to agriculture, food and rural development sector and their harmonisation and integration to EU.

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## 2. GENERAL AND SPECIFIC OBJECTIVES FOR AGRICULTURE, FOOD AND RURAL DEVELOPMENT IN BOSNIA AND HERZEGOVINA

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In order to increase the interest of the international donors to invest in the Agriculture, Food and Rural Development Sector, it is necessary to emphasize in this Report the strategic commitment of Bosnia and Herzegovina (BiH) and the sector priorities defined by the Legislation and the strategic documents.

The Copenhagen Agreement, which lays down the criteria for membership which BiH must meet, including economic criteria, which say that producers must be able to cope with the pressure of the competition and market forces within the Union. These requirements are defined in the **Stabilization and Association Agreement (SAA)**, which states that in the field of **agriculture** in BiH it is necessary to modernize and restructure the agricultural sector and the agricultural industry in BiH, especially in terms of meeting the veterinary and phytosanitary requirements of the Community and approximation of the laws of Bosnia and Herzegovina to rules and standards of the Community.

BiH has committed to implement the **Reform Agenda BiH** which has been adopted by Entity level governments and the Council of Ministers, and which lists priority measures whose goal is to boost economy, open workplaces, and enable EU approximation. EU has closely cooperated in identifying priority measures in a way that the objectives are closely linked with objectives of the new EU approach on economic governance in Western Balkans and is in line with Economic Reforms Programme, as well as the main element which should encourage a comprehensive structural reform to maintain macroeconomic stability and foster growth and competitiveness.

**Strategic framework for Bosnia and Herzegovina**, prepared by the Directorate for Economic Planning Bosnia and Herzegovina, which was adopted at the 19<sup>th</sup> session of the Council of Ministers of Bosnia and Herzegovina, held on August 20, 2015. The document has been drafted in accordance with the Decision on the procedure of the medium-term planning, monitoring and reporting in the institutions of Bosnia and Herzegovina, and will serve as a guiding portfolio of the strategic objectives for the preparation of the Mid-term Work Programme of the Council of Ministers for the period 2016-2018.

When it comes to the role and the responsibility of the institutions involved in the field of agriculture at all levels, they have been defined by the Law on Agriculture, Food and Rural Development in Bosnia and Herzegovina. This Law is framework and regulates the objectives, principles and mechanisms for the development of policies and strategies, the structure and competences at all levels of the government,

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<sup>2</sup> The Law on agriculture, food and rural development in Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, 50/08)

their roles and connections, monitoring and evaluation mechanisms, and administrative and inspection supervision. In addition, this Regulation should facilitate progress towards European integrations, and the coordination of preparation activities in order to create conditions and opportunities to use the pre-accession assistance.

## 2.1. General objectives

According to Article 4 of the Law, sector framework objectives in BiH are to:

- a) Activate unused natural and human resources, the development of a sustainable, competitive and dynamic agriculture, forestry and food sector;
- b) Enhance rate of the fulfilment of demands of population with own food and to substitute imported food with domestic production for which natural and other conditions for foreign trade deficit in agro-food products exists;
- c) Ensure harmonization and integration of the Sector in the EU and global market;
- d) Encourage the diversification of economic activity, improve employment and general income opportunities and the improvement of the life quality in rural areas;
- e) Ensure access and availability of high-quality, affordable and safe food;
- f) Ensure the rational use and protection of natural resources and biodiversity;
- g) Enable appropriate life standard and contribution to stability of agricultural income and food safety for the population, which are to the maximum extent possible, settled with domestic competitive agriculture products.

## 2.2. Specific objectives <sup>3</sup>

Gradual harmonization of policies and implementation mechanism of agricultural policies within Bosnia and Herzegovina and with the common agricultural policy of the European Union (EU), as defined by the following EU regulations:

- (1) Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005;
- (2) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) 485/2008;
- (3) Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 on establishing rules for direct payments to farmers under support programmes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 and
- (4) Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 on establishing a common organization of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No

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<sup>3</sup> Strategic plan of Bosnia and Herzegovina for the harmonisation of agriculture, food and rural development (2008-2011)

Establishing coordination mechanism and relevant institutional structures, capacities, systems and procedures in the framework of the assigned competences in order to manage pre-accession preparations of the harmonisation and gradual takeover, and adoption of the *acquis communautaire* in agriculture.

### Joint framework of priority areas and measures

In order to realise the above mentioned general and specific objectives, derived from previously adopted strategic documents, activities of the institutions and donors should be focused to six priority areas, ensuring thus their mutual complementarity and consistency, namely:

- ☆ Establish functional institutional capacity, coordination and implementation mechanisms at all levels
- ☆ Raise the quality and safety of domestic products with competitive advantage in production, processing and trade
- ☆ Support primary production with measures of direct support to agricultural estates with the aim of their gradual equalisation between the Entities and with the EU mechanisms
- ☆ To increase the competitiveness of the agriculture-food sector in BiH through indirect support measures for production, processing and trade
- ☆ To support agro-environmental programs in order to protect the rural environment of BiH
- ☆ To branch rural activities in order to improve life quality in rural areas.

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### 3 . PLANNING AND THE COORDINATION OF THE INTERNATIONAL ASSISTANCE IN BOSNIA AND HERZEGOVINA

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Institutional responsibility for donor coordination in BiH is divided between the **Directorate for European Integration** (DEI) for donors from the EU and the **Ministry of Finance and Treasury of Bosnia and Herzegovina** (MFT) for all other donors and international financial institutions. Consultations with donors are done at other levels as well.

Coordination of the international assistance in BiH is done by the MFT namely the Sector for Coordination of International Economic Aid. It has been planned that the Ministry of Finance and Treasury of BiH through the Sector for the Financing of the EU assistance Programmes and Projects, i.e. Central financing and contracting unit for the EU assistance programmes and projects, carries out work related to financing, procurement contracting, payment, monitoring and control of the implementation of all EU assistance programmes and projects in BiH, even those in the field of agriculture. Also, MFT administrates the database on programmes and projects of international aid, which is available on the MFT's website.

MFT regularly organizes meetings of the Donor Coordination Forum and publishes annual reports on donations, which show donors (Donor mapping report) that are active in Bosnia and Herzegovina, and determine their contribution by sectors.

DEI, as a permanent body of the Council of Ministers of Bosnia and Herzegovina, is the main operational partner to the European Commission in the Stabilisation and Accession Process, it is a coordinator for issues dealing with policy and strategy, European integration, harmonisation of laws and coordination of

assistance in all areas, even in the field of agriculture, through the activities of organisational units of the Sector for Coordination of the EU Assistance.

**Office of the Coordinator for Public Administration Reform in Bosnia and Herzegovina** also has a significant role in planning and coordinating international assistance, especially in the area of institutional capacity building.

### **3.1. Planning and Coordinating International Assistance in Agriculture, Food and Rural Development Sector**

Coordination meetings of donors in the agricultural sector are organized and chaired by the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina.

**Working Group for planning and coordinating international assistance in the agriculture, food and rural development sector** has been established with the aim of realising Measure 1.8. of the First priority area of Bosnia and Herzegovina Operational Programme for agriculture, food and rural development.

The Working Group is guided by the recommendations from the Annual Progress Report of Bosnia and Herzegovina prepared by the European Commission (EC), key principles of the Paris Declaration on Aid Effectiveness<sup>4</sup>, which has been endorsed by Bosnia and Herzegovina in 2010, strategic documents of Bosnia and Herzegovina and the principles of sector-wide approach applied to programming within the framework of EC Instruments for Pre-accession Assistance (IPA II).

The Working group consists of representatives of Entity ministries for agriculture and the Department for Agriculture, Forestry and Water Management of the Brčko District BiH government, the Ministry of Finance and Treasury BiH, Food Safety Agency BiH, BiH Plant Health Protection Administration, BiH Veterinary Office, Office for Harmonization and Coordination of Payment System, Directorate for European Integration and Foreign Investment Promotion Agency BiH, and representatives of joint associations of Bosnia and Herzegovina, the Republic of Srpska, Federation of Bosnia and Herzegovina, as well as non-governmental organisations.

The Working group has a task to systematically monitor programming and implementation of the assistance, collect observations on all relevant partners, update database on international assistance and plan donor meetings. Representatives of institutions have an important role in the programming and the implementation of projects and programmes of the international assistance. Through active participation in the work of projects management committees they have a managing function.

Rights and obligations of its members are established by the Decision on Establishing Working Group which has been adopted by the Minister of Foreign Trade and Economic Relations.

Members of the Working group participate in updating data on international assistance in the Agriculture, Food and Rural Development Sector, with the purpose of drafting Annual Report on International Assistance in the Agriculture, Food and Rural Development Sector in BiH. Working group members also mutually exchange information in fields of agriculture, rural development, food safety, veterinary and phytosanitary field for better management of projects, and to avoid their overlapping and duplication. In 2016, the Working group has held two meetings, organized by the Ministry. The ninth Information meeting for donors in the sector of agriculture, food and rural development was held on 19 May 2016.

One of the criteria of the Sector approach within the IPA II requires the existence of a sectoral structure for donor coordination and drafting of the Annual Sector Report.

The Report on International Assistance for Agriculture, Food and Rural Development Sector in BiH for 2016 has been deliberated and adopted by the Council of Ministers at its 56<sup>th</sup> meeting held on 18 May 2016. At the same time, the Ministry was tasked to prepare a compact material in cooperation with DEI and this material as such was adopted at the 87<sup>th</sup> meeting held on 29 December 2016.

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<sup>4</sup> (1)Ownership, (2) Integration, (3) Alignment, (4) Management directed towards results and (5) Mutual accountability



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#### 4 . ACTIVE DONORS IN AGRICULTURE, FOOD AND RURAL DEVELOPMENT SECTOR IN BOSNIA AND HERZEGOVINA IN 2016

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The main donors in this sector in Bosnia and Herzegovina are the European Union, Japan, Netherlands, Sweden, Czech Republic, Germany, the United States of America, Italy, Switzerland and the specialized United Nations organizations: UNDP and FAO. Many EU Member States provide targeted assistance in individual sectors. International financial institutions such as IFAD and the World Bank (with its members) - provide loans for agricultural development of Bosnia and Herzegovina.

Below is the basic information on strategic development documents of donors and their activities during 2016.

**4.1. The European Union** – The mid-term revision of the Indicative Strategic Document for BiH (ISP) is in progress, and the next plan is expected from the European Commission in April 2017. According to information obtained during workshops organized by the Delegation of the European Union to BiH regarding the mid-term review of the document, it is likely that all IPA II sectors will be included in the ISP, but the IPA II instruments will not be withdrawable in the fields of energy, environmental protection, rural development and support to quality infrastructure until the set prerequisites of the European Commission (the adoption of the whole country strategy) are not met.

During the programming of IPA 2017, which was completed in 2016 after the adoption of the Transport Strategy of BiH, the Action Document: Transport was also included in the package, so that the value of the package has increased in relation to the amount of annual allocation stated in ICSP for IPA 2017, which can be interpreted as readiness of the European Commission to immediately after fulfilling this precondition provide IPA II support to each sector for which the preconditions for the use of IPA II have been achieved. This is a clear message to the beneficiary country that it is necessary to work on fulfilling the prerequisites for obtaining assistance.

The Action Program for Bosnia and Herzegovina for 2016 was adopted by implementing decision of the European Commission dated 13.12.2016. This program includes nine action documents (AD) including AD for Competition and Innovation: Local Development Strategies. This AD is untypical and includes several sub-sectors: small and medium enterprises, tourism, agriculture and rural development and innovation through a budget of 15 million EUR.

The Veterinary Office of Bosnia and Herzegovina is a beneficiary of the IPA 2012 "Technical Assistance in the Management of Animal By-Products and Animal Waste in BiH", which is being implemented for two years (2016-2018) and aims to ensure a high level of protection of public health and animal health in BiH. As a result, it is expected that the Draft of the Strategy on the management of animal by-products should be prepared, which would be ready for adoption by the competent bodies of BiH with defined follow-up activities for the implementation of the Strategy (Action Plan). It is also envisaged to develop a Feasibility Study that evaluates technological options and suggests the best solutions for the treatment/disposal/destruction of hazardous animal waste and the appropriate facility (s) at a particular location (s). The feasibility study should take into account all available technologies that could be realistic and applicable in BiH.

Also, the BiH Veterinary Office, from the IPA 2012 program, is a beneficiary of the "Program for the Control and Eradication of Animal Diseases in Bosnia and Herzegovina", which is being implemented from 2014 to 2016 and its expected results are:

- Developed vaccination and post-vaccination monitoring programs based on collected data that are ready for implementation by trained staff, with the support of public awareness campaigns,
- Vaccines, diagnostic material and laboratory equipment purchased and distributed to competent veterinary organizations and laboratories, implemented oral vaccination of foxes and

- Implemented animal vaccination and labelling campaigns and obtained a clear picture of the health status and impact of vaccination.

The final conference of the project "Strengthening of Centres for Aquaculture Production and Safety surveillance in the Adriatic cross-border Countries – CAPS2", IPA Adriatic cross-border cooperation was held in Split, Croatia on May 5, 2016. The participants of this project were the Veterinary Office of BiH and the Faculty of Agriculture and Food Sciences of the University of Sarajevo.

Also, during 2016, the IPA 2012 Management Board of Bosnia and Herzegovina for the protection of plant health has benefited from the twinning project "Further strengthening the phytosanitary sector capacities in the field of plant protection products, plant health, seeds and planting material", including phytosanitary laboratories and phytosanitary inspections.

The aim of this project is to strengthen the phytosanitary system in Bosnia and Herzegovina in accordance with the standards of the European Union, and in this way help the plant products from Bosnia and Herzegovina to be more competitive on the European Union market and international markets, which will increase the conditions and possibilities for their exports.

"Our Fields without Borders": European Perspective of BiH Agriculture.

In December 2016, the Office of the European Union Special Representative in Bosnia and Herzegovina (EUSR) launched a public dialogue with farmers and rural populations in BiH in order to promote a better understanding of the requirements of the SAA in the field of agriculture and rural development. The project includes a comprehensive information campaign and public forums on agriculture and rural development, as well as various informative and educational events in ten selected municipalities across the country: Travnik, Livno, Prijedor, Bihać, Brčko, Bijeljina, Banja Luka, Gradačac, Doboј and Trebinje.

It is expected that at the beginning of 2017, forums will be attended by farmers, business representatives, development and agricultural associations, cooperatives, experts, agronomists, veterinarians, local authorities, including agriculture and rural development departments, and other relevant actors from targeted areas.

Each forum includes a mini-fair where leading donors will have the opportunity to present their programs and initiatives for rural development and agriculture in BiH (such as USAID / Swedish FARMA II project, GIZ "ProLocal", UNDP BiH, Care Austria, HELP, OXFAM, UPIP Žepče, etc.). Local producers of seed and animal feed, as well as those who distribute plant protection products, will also be invited to present their products.

At the same time, local thematic experts will conduct fewer dialogue sessions for interested farmers regarding the latest achievements and potentials of using new technologies in rural development and agriculture, seasonal activities and the like.

During 2016, the implementation of projects from the IPA Program I continued. Within the cross-border cooperation program of Bosnia and Herzegovina and Montenegro, implementation of the projects "Environment friendly, new and organic approach to agriculture" - ENO - Agri, "Beekeeping - Activity for Future BAF", project "Let the Europeans enjoy in Wines of Herzegovina and Pljevlja Cheese - WINE and CHEESE", and projects: Thematic routes of Medieval Herzeg Lands - THEME MEDIEVAL and the Southern Dinarides Eco and Cultural Tourism Actions.

Also, through the IPA Multi-beneficiary Program, the European Commission, through the Strengthening European Integration Project, supported the activities of the South East Regional Rural Development Standing Working Group on the implementation of the project "Area Based Development in the Western Balkans - Phase II". The main goal of this grant scheme is to strengthen the integrated economic development in the regions "Drina - Tara" and "Drina - Sava" through support to entrepreneurial initiatives, focusing on strengthening the tourism offer in the region and improving production chains of agricultural and food products, improving tourism services through integrated projects to encourage cooperation among participants in the value chain.

SWG RRD in 2016, within this project, organized / implemented three (3) stakeholder meetings of the cross-border region "Drina-Sava", where representatives from BiH actively participated. In the framework of people-to-people activities, the SWR called for support for "people-to-people" events. In the region of "Drina-Sava", a total of 11 events were financed, attended by representatives from Bosnia and

Herzegovina. Members of the group of interested parties applied, and SWG RRD supported, three manifestations that were organized in Brčko, out of which we would especially highlight the International Fair of Brčko 2016, where this international institution was awarded the recognition for international contribution. In addition, SWG RRD, i.e. their Project Implementation Office "Drina-Sava", has supported a group of stakeholders in applying to eight (8) IPA CBC Calls.

Within the framework of the project implemented by the SWG RRD "Solid Waste Management in the Cross-Border Rural and Coastal Areas of South East Europe" with the support of GIZ and the Open Regional Fund for South East Europe - Modernization of Utility Services (ORF MMS) and the Government of Switzerland, four (4) dialogue platform and two (2) workshops were held attended by representatives from the Brčko District of BiH – the Government of the Brčko District of BiH – the Department of Public Affairs, Public Utility Company Brčko and non-governmental organizations.

Within the pilot activities, the SWG RRD donated in the cross-border region Drina-Sava waste sorting equipment that includes containers, benches and similar to schools - 47 schools from Brčko, Bogatić, Lopare and Loznica. In the Brčko District of BiH, the donation was awarded to 12 primary and secondary schools.

As part of other pilot activities, the SWG RRD conducted cleaning activities and organized workshops with elementary and high school students in the Drina-Sava region: 16 cleaning actions called "Green Actions, Earth Day Every Day!". In addition, a promotional film for the above pilot activities was recorded: [//www.youtube.com/watch?v=hvAUlSkXze8](https://www.youtube.com/watch?v=hvAUlSkXze8), and a Solid Waste Management Study was prepared with recommendations in which representatives from BiH participated.

Within the framework of the project implemented by the SWG RRD "Rural Development through Integrated Forest and Water Resources Management" (LEIWW) with the support of the GIZ, three (3) info days were held with representatives from BiH.

Through this interinstitutional group, Bosnia and Herzegovina was given the opportunity to participate in a multi-beneficiary project within IPA II 2014, implemented by the SWG RRD: Support to the Regional Rural Development Standing Working Group - Area Based Development, and a multi-use project from IPA II 2016: Support for SWG RRD - IPARD (Regional Cooperation and Networking in the Field of Agriculture, rural and economic development of cross-border areas) that will help create opportunities for sustainable development in rural cross-border areas in economic and social context and better use of EU funds, especially in the context of IPA Cross-Border Cooperation Program and IPA Rural Development (IPARD).

In 2016, the SWG RRD issued a call for grants - ABD Grant Scheme. Within the scheme in the regions "Drina-Sava" a total of eight (8) projects will be funded. Contracts have been signed with 9 beneficiaries for these projects. One (1) of the ABD Grant Scheme beneficiary is from the Brčko District of BiH. Implementation is in progress.

## **Assistance from the Technical Assistance Instrument of the European Commission - TAIEX**

Technical Assistance and Information Exchange (TAIEX) is a technical assistance instrument for the exchange of information within Directorate General for Neighbourhood and Enlargement Negotiations of European Commission (DG NEAR). TAIEX aims to provide short-term technical assistance to countries in the accession process, candidate countries and countries of the Western Balkans in accordance with the general objectives of the European Commission's policies in the field of approximation, transposition and introduction of EU legislation.

In Bosnia and Herzegovina, during the 2016, 14 TAIEX workshops and 9 expert missions were held in the areas of agriculture, food and rural development. The beneficiaries of this instrument are representatives of the Ministry of Foreign Trade and Economic Relations of BiH, the Ministry of Agriculture, Forestry and Water Management of the Republic of Srpska and the Ministry of Agriculture, Water Management and Forestry of the Federation of BiH, the Department of Agriculture of the Government of the Brčko District of BiH, the Food Safety Agency of BiH, the BiH Plant Health Administration, Veterinary Offices of BiH and representatives of other institutions and organizations whose work is directly related to the field of agriculture, food, forestry and rural development (veterinary

inspectors, laboratory staff, etc.). All events were organized by the beneficiaries and in cooperation with the TAIEX office from Brussels (Table 1).

Also, Bosnia and Herzegovina is, among other countries, the beneficiary of the EC instrument "Better Training for Safer Food" (BTSF), and events attended by the representatives of the BiH Plant Health Administration and the Veterinary Office of BiH are shown in Table 1.

**4.2. Japan/JICA** - Japan, together with other donors and international organizations, provides support to Bosnia and Herzegovina in order to promote ethnic reconciliation and economic stabilization, which represents a basis for reinforcement of peace in Bosnia and Herzegovina. Priority sectors for the Japanese development assistance: (1) Market economy promotion (2) Environment and (3) Peace contribution.

The Project for Building Trust through Rural Development (2014-2017), financed by the Government of Japan, consists of smaller projects aimed at development of the agricultural production and the processing agricultural products. The Project is being implemented in the Srebrenica, Bratunac and Rogatica areas with the support of the Ministry of Agriculture and Forestry of the Republic of Srpska in the period 2014-2017, and aims to help agricultural producers and family farms in the targeted municipalities to achieve as much revenue as possible with their own resources and within their own agricultural activities.

**4.3. Kingdom of the Netherlands** - In addition to other countries it helps, the Netherlands continuously has a bilateral development program for BiH. This assistance is mainly focused on creating a sustainable, transparent and accountable administrative structure in the country in accordance with the process of EU integration, with special attention on improving the business climate for private sector development and direct foreign investments. Since 2012, bilateral development assistance of the Netherlands to Bosnia and Herzegovina has been transformed from the traditional development relationship to a relationship oriented towards EU accession. The bilateral approach of the Netherlands to countries of the region is gradually moving towards a regional strategic approach. The Kingdom of the Netherlands to the greatest extent finances:

**The Srebrenica Regional Recovery Programme (SRRP IV)** which specifically supports local producers in three municipalities (Srebrenica, Bratunac and Milići), by providing technical assistance and training on methods of modern agricultural production, establishing market structures for the sale of their products and helping to increase their competitiveness through investments. Systematic development steps are being taken to revive and strengthen production in the livestock, dairy and fruit and vegetable sectors in the three municipalities. In addition, the Project actively promotes the development of the private sector and supports the region in its attempts to attract investment for large and medium-sized industries. Also, the Project supports local government structures with the aim of providing appropriate, transparent and accountable governance at the local level.

**The Development and Cooperation Project in the Birač region (BIRAC)** is a joint initiative of UNDP, UNICEF and UNHCR, based on previously implemented and ongoing support to municipalities in the Birač region, and encourages inter-municipal and regional cooperation to support partner approach. This approach involves strengthening bottom-to-top coordination, as well as territorial cohesion, with the application of the EU LEADER principle. Including as a target group primarily sub regional areas, the main stakeholders of this approach are the local action groups (LAGs), i.e. their members from among representatives of local public as well as private socio-economic interests. It is based on a common regional integrated development strategy that takes into account local needs and potentials in order to encourage the active engagement of all actors in the implementation of the joint development plan and program. In this context, with the LEADER methodology, the approach to the establishment and implementation of a human rights-based program, in terms of social protection and inclusion, is applied.

These programs are financially supported by the UNDP and municipalities.

**4.4. The Kingdom of Sweden** - Regional Strategic principle is applied when creating a strategic document of the Kingdom of Sweden. This document, entitled "*Results strategy for Sweden's reform cooperation with Eastern Europe, the Western Balkans and Turkey for the period 2014–2020*" focuses on three results:

- Enhanced economic integration with the EU and development of market economy,

- Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law
- A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

The Veterinary Office of Bosnia and Herzegovina has concluded a special agreement with the Kingdom of Sweden's Embassy in Sarajevo regarding help to fight Lumpy Skin Disease. The total value of the project/Agreement amounts to SEK 2,600,000 (Swedish crowns) and is valid for the period from 11 November 2016 to 30 June 2018 for vaccine procurement against this disease.

In cooperation with USAID, the implementation of the USAID/Sweden FARMA II project, co-financed by Sweden, has started.

**4.5. Czech Republic/CzDA.** The Strategy for Development and Cooperation of the Czech Republic 2010-2017, among others, includes the agricultural sector in BiH as a target sector for funding. The Czech Republic funding is based on the "Program of cooperation between Bosnia and Herzegovina and the Czech Republic for the period 2011 -2017."

In 2016, the Czech Republic financed six projects in Bosnia and Herzegovina related to agriculture, but it is announced that in the coming period this donor will withdraw for the sector. Within the framework of the program of small local projects for 2016, six project proposals with a total value of BAM 106,000 were selected, which were realized in the period from March to October 2016. When selecting concrete projects, the quality of the project proposal and its broader contribution to the target group were taken into account. Among others, the purchase of vacuum packing machines for Agricultural Cooperative Tarevci was financed. The project "Development of cattle breeding system in Bosnia and Herzegovina" is underway as well as the project "Institutional support for certification and control of planting material for the Administration of Bosnia and Herzegovina for Plant Health Protection. Also, the Czech Republic supports the production of the Livno cheese Cincar in cooperation with the municipality of Livno and the Association of indigenous livestock cheese Cincar et al.

**4.6. The Republic of Croatia,** as a new member of the donor community, supports projects for the renovation of schools and cultural heritage in rural areas in BiH, as well as sustainable return projects related to agriculture through projects entitled "Job creation for the returnees and the local population in agricultural production " and " Support for sustainable return in Bosnian Posavina ".

**4.7. The Republic of Italy** from the project "Pilot Action for Integrated Rural Development and Revitalization of the Territory of Bosnia and Herzegovina "donated a plant for the production of olive oil, which will be used by all olive oil producers in the Municipality of Stolac. The donated "Oliomio 80" is equipped with an olive kernel extractor and a pump that separates oil from water and olive leaves. The value of the oil plant is about EUR 20,000.

**4.8. The Republic of Poland,** at the end of 2015, actively joined the donor community operating in BiH by providing technical assistance in conveying experiences for the use of EU pre-accession funds. Four representatives from each of the six Western Balkan countries (European integration, agriculture, foreign affairs and judiciary) participated in the first (2015) and the second (2106) Academy of Enlargement, implemented in the regions of the Republic of Poland, which had the greatest success in using funds from EU funds.

**4.9. The Federal Republic of Germany/GIZ** - Germany is committed to help BiH in the development of a functioning market economy in the process of harmonization of the legal system with the EU *acquis communautaire*, as well as for overcoming the consequences of war and the recent floods. During 2016, the Agricultural sector was represented in the structure of the "Programme for local self-government and economic development" (EU ProLocal program) which is being implemented by GIZ (*Die Deutsche Gesellschaft für Internationale Zusammenarbeit*), funded by the European Union and the Government of the Republic of Germany. EU ProLocal aims to contribute to more dynamic economic and social development in Bosnia and Herzegovina by strengthening the competitiveness of small and medium-sized

enterprises. The focus of the Program are small and medium enterprises from 4 key economic sectors in BiH (wood processing, metal processing, agribusiness and tourism) in 20 selected partner municipalities.

The implementation was on-going of the "non-GMO soybeans quality of the Danube region - Bosnia and Herzegovina and Serbia" during 2016. This project provides a solid basis for the production of high-quality food for people and animals without genetically modified organisms (GMOs) and having a safe, controlled origin, and it is intended for the Danube region and the Western European market.

4.10. **USA/USAID** Strategic document is: USAID/Bosnia and Herzegovina Country Development Cooperation Strategy 2012-2016. Activities implemented by USAID as part of their projects are based on the development objectives of this strategy, and primarily focused on economic development in order to strengthen the competitiveness of the BiH market economy, and to provide better economic opportunities for all citizens.

In 2016, with the assistance of USAID, the following projects were implemented:

**"Partnership for the Development of Agribusiness"** implemented by Brams d.o.o. whose overall activities relate to strengthening the potential for the production of corn, vegetables and berries and their processing in BiH by upgrading value chains and connecting small producers for export to the EU market. The project focuses on increasing the volume and improving the quality of production and facilitating access to agricultural inputs to meet the demands of EU clients. These activities will generate economic and social growth and increase sales, exports, profitability, employment of minorities and women, and encourage interethnic cooperation.

**"Support to the development of agriculture in Herzegovina"** is a program aimed at improving the competitiveness of the agro-food sector in Herzegovina through providing technical assistance for capacity building to selected farmers and micro-enterprises.

Based on the experiences from the FARMA project, funded by the governments of the USA, Sweden and the Czech Republic (USA/USAID, Sweden/SIDA, Czech Republic/CzDA), in 2016, the implementation started of the **USAID/Sweden FARMA II** project, which is a confirmation of the vision of USAID and the Government of the Kingdom of Sweden: that domestic consumers can and should have confidence in the food and agricultural products of domestic production, which can also be exported to the markets of the European Union.

The project lasts for five years and provides technical assistance and training through a program adapted to the needs of its users, with the aim of improving the competitiveness of food and agricultural products, by extending environmentally sustainable production and processing, and by increasing the production of food products of a higher degree of processing. The achievement of success in these fields of action will contribute to the overall economic growth in the agricultural sector and to the reduction of poverty in rural areas. Implementation and expected results:

- The USAID / Sweden FARMA II project works with organizations of agricultural producers and individual farmers to increase their yields and improve product quality,

- Training and technical assistance are specifically targeted at women entrepreneurs and organizations of agricultural producers headed by women, and

- Cooperation with state authorities in the drafting and implementation of legislative acts as required by the EU is another major pillar of project action. By improving the regulatory framework and harmonizing domestic legislation with EU requirements, the project will strengthen the capacity of the private sector to gain access to the European Union market, increase exports and income of farmers, create new jobs and ultimately lead to poverty reduction.

4.11. **Switzerland**, in accordance with its strategy of cooperation with Bosnia and Herzegovina 2013-2016 (*Swiss Cooperation Strategy Bosnia and Herzegovina 2013-2016*), has the overall objective to contribute to the transition of Bosnia and Herzegovina towards socially inclusive market economy and decentralized, democratically oriented political system, with a long-term perspective for the accession process to the EU.

Switzerland is financing, among others, the Integrated Local Development Project (ILDP), whose activities support various projects in agriculture and rural development at the community level. This project, implemented and co-funded by the UNDP, as one of the pillars of the UNDP's Rural and Regional Development Sector, supports the strengthening of local development planning and the implementation of local strategies in BiH. The concept of the project provides a "bridge" between the strategic and budgetary frameworks of local and higher levels of government, and also helps 40 local authorities to develop integrated local strategies and successfully implement them in partnership with their communities

In addition, Switzerland is financing projects that indirectly strengthen the competitiveness of the agricultural sector: "Skills for Jobs" implemented by the Agency for Development of Small and Medium Enterprises of RS (RARS), Project "MarketMakers" as well as the Swiss Import Promotion Programme - SIPPO.

**4.12. World Bank** - Country Partnership Strategy for Bosnia and Herzegovina for the period 2016-2020 (*International Development Association and International Finance Corporation Country Partnership Strategy for Bosnia and Herzegovina for the Period 2016–2020*) provides the basis for analysis, advice and funding to speed up the implementation of reforms designed to restore economic growth. In order to prepare this strategy, a systematic diagnostic analysis was carried out to define the challenges BiH faces on the path to growth and prosperity and to identify possible solutions.

The main conclusion is that BiH can achieve sustainable growth that will be beneficial to broad social groups only if decisive steps are taken to regulate the public sector in order to give the chance to grow and exploit the potential of the private sector. Through a strategic framework, the World Bank Group will support reforms in three areas:

- Increasing the efficiency and effectiveness of the public sector
- Creating conditions for the accelerated development of the private sector
- Building Resistance to Natural Disasters

The implementation of the "**Agriculture and Rural Development Project**" (ARDP) ended in June 2016 and its goal was to give BiH loan funds for the process of strengthening the capacities of institutions at the state and entity level to provide more effective and efficient agricultural services and support programs, and it also provides a significant contribution to make BiH eligible as soon as possible for support under the IPARD. The project supported the development of the agricultural information system, as well as the building of institutional capacities in agriculture and the rural sector, including capacity building in the field of veterinary, food safety, phytosanitary services, agricultural inspection capacities, and agricultural service activities.

Implementation of the "Irrigation Development Project" (IDP) is underway. Its development goal is to improve the performance of irrigation systems and support institutions that support agricultural producers in project areas. In 2016, the project supported better planning and management of water resources and the sustainable use of water resources for irrigation and drainage, as well as mitigation of drought and flood impacts. The funds from this loan also prepare a strategy for adapting to climate change.

After the catastrophic floods in May 2014, the "**Emerging Flood Recovery Project**" (FERP) was created and in its financial construction agriculture participates with about 25%. Projects are implemented at entity level through Project Implementation Units (PCU and APCU).

#### **4.13. Food and Agriculture Organisation of the United Nation - UN FAO**

As an organization within the UN, FAO strategic approach is based on the Millennium Development Goals, the Framework Programme for the period 2010-2019, and the Medium-Term Plan for the period 2014-2017. Five strategic objectives of this plan are: (1) To contribute to the eradication of hunger, insecurity in securing sufficient quantities of food, and malnutrition; (2) To increase and improve the provision of products and services from agriculture, forestry and fishing in a sustainable manner; (3)

Reduce rural poverty; (4) To enable efficient agricultural and food systems at the local, national and international levels, involving all stakeholders, and (5) Increase the resilience of livelihood threats and crises.

In accordance with these objectives, FAO experts participate in the implementation of projects from the funds of the FAO TCP instrument (*Technical Cooperation Programme*) or from funds from other donors.

In 2016, FAO implemented the regional project in BiH: "Technical support for the use of wood energy in order to improve economically sustainable rural development and to meet the objectives of renewable energy sources 2020 for the Western Balkans". Following the completion of the procedure for concluding the Implementation Agreement in accordance with the Law, the following regional technical assistance projects are in preparation for implementation: "Strengthening the capacity to manage and reduce disaster risk (DRRM) and introduce climate change adaptation (CCA) practices in the agricultural sector in the Western Balkans" and "Support decision-making for the modernization and improvement of sustainable land management".

As foreseen by the FAO Program Framework for Bosnia and Herzegovina 2015-2017, funds amounting to USD 467,776 (USD) have been allocated to Bosnia and Herzegovina for the project "Support to the Preparation for Community-led Local Development Planning and Implementation of a Pilot Project in the Livno area (Canton 10)" - FAO - GCP / BiH / 008 / HUN. The project, funded by the Government of Hungary, and implemented by the FAO Office in Bosnia and Herzegovina, was implemented in 2016. The main objective of this project is to support the sustainable development of rural areas in Bosnia and Herzegovina based on local community-led approach. Activities took place in Canton 10 (Livno Canton), which includes municipalities: Bosanski Grahovo, Glamoč, Livno, Kupres and Tomislavgrad.

#### **4.13.1. FAO General Fisheries Commission for the Mediterranean – GFCM**

In the course of 2016, Bosnia and Herzegovina became a non-contracting member of the General Fisheries Commission for the Mediterranean (GFCM, the Commission) within UN FAO.

The Commission was established in accordance with the provisions of Article XIV of the FAO Constitution, the Agreement establishing the General Fisheries Commission of the Mediterranean, and it consists of 23 Member States, together with the European Union. The goals of GFCM are: promoting development, conservation, rational management and best use of living resources, as well as sustainable aquaculture development in the Mediterranean, the Black Sea and connected waters. Membership is open to both Mediterranean coastal states and regional organizations, as well as to member states of the United Nations whose vessels fish in the waters of the Mediterranean.

In collaboration with other Regional Fishery Bodies (RFBs), the GFCM is an instrument to coordinate efforts by governments to effectively manage fisheries at the regional level in accordance with the Code of Conduct for Responsible Fisheries (CCRF). The GFCM has the authority to adopt binding recommendations for the conservation and management of fisheries through the Convention Area and plays a key role in the management of fisheries in the region.

The GFCM holds regular annual sessions and implements its policies and activities through the Secretariat, which is headquartered in Rome, Italy, and operates between its sessions through its committees, such as:

- Scientific Advisory Committee (SAC),
- Committee on Aquaculture (CAQ),
- Compliance Committee (CoC),
- Committee of Administration and Finance (CAF) and their internal units.

The GFCM is also supported by joint projects at the sub-regional and regional levels that enhance scientific cooperation and capacity building in beneficiary countries, in line with the GFCM priorities and



strategic goals. In addition, the Commission works closely with other international organizations on issues of common interest.

Bosnia and Herzegovina, as a non-contracting GFCM member, was invited to participate in the activities of the "Scientific Cooperation to Support Responsible Fisheries in the Adriatic Sea" project – **AdriaMed**, which is, under the auspices of the GFCM, able to provide technical support to Bosnia and Herzegovina in the process of harmonization of legislation in the field of marine fisheries and aquaculture with the EU Common Fisheries Policy. The project is financed by the Government of the Republic of Italy and the Republic of Croatia and the European Commission, and implemented by the FAO Office in Rome, the Republic of Italy.

The project aims to promote scientific cooperation among the Adriatic countries (Albania, Croatia, Italy, Montenegro and Slovenia), in accordance with the Code of Responsible Fisheries - CCRF. The long-term goal of the project is to support the Adriatic countries in the implementation of the joint fisheries management program, with full and coordinated cooperation between the state fisheries administrations, research structures, fish processing companies and professional fishermen, and according to the CCRF recommendation.

In order to include Bosnia and Herzegovina in the activities of this project, the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina initiated the procedure for concluding a project agreement and organized a reception for an AdriaMed Project mission in December 2016.

**4.14. International Fund for Agricultural Development – IFAD Strategy:** Bosnia and Herzegovina Result Based - Country Strategic Opportunities Programme - RB-COSOP for 2013-2018 was adopted in 2013. The aim of RB-COSOP is to contribute to poverty reduction in a way that allows sustainable and efficient use of natural resources, diversification of activities and improving life in the countryside, and to help mitigate risks arising from climate change - particularly in the most vulnerable categories of the population.

The implementation of the Project called The Rural Livelihoods Development Project - RLDP was concluded in 2016.

The objective of the Project was to achieve sustainable improvements in the lives of 29 municipalities with high poverty rates and low levels of development in the central and southern parts of the country. Likewise, the project aimed to increase the level of income and employment among farmers without their own possessions, farmers, rural entrepreneurs and unemployed and self-employed people in the countryside, with a special emphasis on involving women in these groups. The project supported the diversification of income and living in rural areas, the promotion and commercialization of production on small farms, and the commercialization of rural businesses through supply chains.

The implementation of the sixth IFAD Rural Business Development Project (RBDP) started in 2016.

The project's overall goal is to reduce rural poverty by increasing target group revenues and empowering them to quickly recover by building profitable farm and non-farm enterprises.

The development objective of the project is to help farmers survive, with an effort to move from production for their own needs (consumption) to commercial farming, and to help them develop the sector of non-farm businesses and create opportunities for employment in the countryside. The project is expected to be used directly by more than 20,000 rural households.

The Credit Agreement for the seventh IFAD project entitled The Rural Competitiveness Development Project (RCDP) was signed by the authorized representatives of IFAD and BiH, after which the procedure for approval (acceptance) at the level of the Parliamentary Assembly of BiH was completed, and the Project was ratified by the Presidency. The declaration of the effectiveness of the project and the beginning of implementation are about to follow during the year of 2017, after the finalization of the legal procedure.

4.15. **United Nation Development Programme - UNDP** - The strategic commitment for Bosnia and Herzegovina is based on the Global Millennium Development Goals - GMDP. Together with Switzerland and the Netherlands, UNDP co-finances and implements programs and projects related to several sectors, thereby affecting the development of agriculture in BiH.

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## **5. ADJUSTMENT OF THE AGREEMENT ON STABILIZATION AND ASSOCIATION BETWEEN THE EUROPEAN COMMUNITIES AND THEIR MEMBER STATES AND BOSNIA AND HERZEGOVINA**

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The Stabilization and Association Agreement (SAA) with Bosnia and Herzegovina was signed in 2008 and entered into force in June 2015. Thanks to the SAA and its trading component, the Interim Agreement, which has been in force since 2008, 85% of export from BiH goes to the European Union.

Trade benefits between BiH and the EU are already largely asymmetrical in favour of BiH: while BiH maintains quotas on imports of numerous products from the European Union, the EU has liberalized almost all imports from BiH, with the exception of sugar, wine, veal and fish provided that goods meet the standards defined by the EU rules.

Since the end of 2012, the European Commission has been negotiating adaptation protocols with a number of countries, including the Western Balkan countries, to avoid disruption of the existing bilateral trade between these countries and Croatia, following the accession of Croatia to the EU in July 2013. Bosnia and Herzegovina is the last country in the Western Balkans to sign the Protocol on the Technical Adjustment of the SAA on December 15, 2016. By signing the Protocol, the EU Member States, in particular Germany, expressed their readiness to support the agriculture sector in order to overcome the possible negative consequences of signing this Protocol for the agricultural sector in BiH.

### **Path of EU integration**

Full implementation of the SAA, including its adaptation, is an important element of the country's commitment to the European integration process. Together with the establishment of a functional coordination mechanism on EU issues, the adaptation of the SAA was an unresolved issue that the country should have prioritized on its European integration path.

Addressing these issues has enabled Bosnia and Herzegovina to move forward on its path to the EU, as shown by the EU Council's request of 20 September 2016 to the European Commission to prepare an Opinion on the membership application submitted by Bosnia and Herzegovina on February 15, 2016. Commissioner Hahn visited the country on December 9<sup>th</sup> to hand over a comprehensive Questionnaire, which the Commission will use with other sources to draw up its Opinion.

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## **6. RECOMMENDATIONS AND OBSERVATIONS**

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### **6.1. The European Commission Recommendations**

The Progress Report on Bosnia and Herzegovina for 2016 prepared by the European Commission (EC) states that "Preparations in the field of agriculture and fishery at an early stage. There has been some progress in the area of food safety and veterinary and phytosanitary policy.

In the coming year, Bosnia and Herzegovina, in particular, should:

→ develop and adopt an all-country strategic plan for rural development and agree to establish a national structure for obtaining pre-accession assistance in the agricultural sector through the Instrument for Pre-Accession Assistance for Rural Development;

→ additionally harmonize the system of official veterinary and phytosanitary control to European standards,

→ additionally strengthen its administrative capacity in particular in terms of inspection services and laboratories,

It is stated in detail that "In the field of **agriculture and rural development policy**, Bosnia and Herzegovina has not yet developed a strategic plan for rural development at the state level. An updated program of harmonization for agriculture, food and rural development at the state level has not yet been adopted. The legislation on wine and organic production at the state level has yet to be adopted. An agreement on the establishment of institutional structures that would allow the country to use the Instrument for Pre-Accession Assistance for Rural Development has not yet been reached. Administrative capacity and coordination in the field of agriculture and rural development need to be improved.

Support measures are neither sufficiently efficient nor harmonized with the EU in order to increase the productivity and competitiveness of the sector. There is still no agreement on the legal framework for the implementation of the agricultural census. Agricultural statistics and the agricultural information system have yet to be established and consolidated throughout the country. The state strategy of the agricultural information system has not yet been adopted. Land registration systems have yet to be harmonized throughout the country, and land management needs to be improved.

In terms of **food safety**, four dairies were approved in Bosnia and Herzegovina in September 2015 for the export of heat-treated milk and certain dairy products in the EU. Since then, the number of approved dairies in the country has increased to eight. Some progress has been made in implementing the Bosnia and Herzegovina action plan for the production and processing of milk and dairy products for export to the EU. However, certain inefficiencies have yet to be corrected. In this context, it is necessary to adopt new laws on veterinary and food safety at the state level and amendments to the state laws on agriculture and rural development. Official state food and feed control systems should be fully aligned with the acquis and properly implemented. It is necessary to further improve information exchange and coordination within the control chain in order to increase efficiency, so that the country can meet the requirements and standards of the EU for the export of other goods of animal origin to the EU market. The hygienic package must be carried out in a fully and harmonious manner throughout the country.

Institutional and administrative capacities, especially in the inspection services, require further upgrading in order to fully implement the system of control of import and control of the internal market in accordance with EU regulations. Food business operators still need further education and training on specific EU requirements in terms of safety and quality.

Bosnia and Herzegovina continued to implement a food safety monitoring plan. It is necessary to adopt a crisis management plan and emergency operational measures. Implementing regulations were adopted to strengthen the country's risk assessment system and to harmonize and maintain databases on food safety.

Bosnia and Herzegovina remains fully involved in the European Commission's Rapid Alert System for Food and Feed by conducting appropriate inspections and reporting to the Commission on the results. In total, seven notifications were received through the system, and three notifications were delivered to the system, including those related to imported products. There was no danger to the health and safety of consumers in these cases.

Laboratory capacity has been further strengthened and the number of accredited laboratory methods for diagnostics increased, thus improving official controls on food and feed. However, the central database for the official food and feed control system is still not fully functional. It is necessary to develop a strategy for laboratory testing of samples at the state level in accordance with the official system for controlling food and feed..

In terms of **veterinary** issues, Bosnia and Herzegovina has continued to control, prevent and eradicate infectious animal diseases. Animal control measures have been implemented, including those against brucellosis and tuberculosis of cattle. BiH has successfully completed a five-year program of control and eradication of rabies, so that in the last two years there were no cases of rabies in the country. It is necessary to adopt new multi-year operational programs for the control and eradication of rabies and

brucellosis for 2016-2022. The information system for the management of information on animal diseases and their outbreaks needs to be further upgraded to make it fully functional. Laboratory capacities have been further improved in terms of equipment, and the number of accredited laboratory methods for diagnosing animal diseases has also increased.

The Earth Residue Monitoring Plan is still being implemented. Disadvantages in the system of animal identification, registration and movement control, including the central database, do not allow the authorities effective planning and implementation of relevant animal health measures. It is necessary to establish a strategic framework for the management of animal by-products for the whole country in accordance with the *acquis*.

By-laws adopted in January in the **phytosanitary** sector have led to the improvement of the registration of plant protection products. The manual and guidelines developed in April for phytosanitary inspectors have harmonized their standard operating procedures and controls, both in the internal market and at border crossings. After the potato exports to the EU were approved in July 2015, special control of quarantine harmful organisms of potatoes continued. The registration of relevant manufacturers, importers, exporters and distributors was continued in the PHYTO-register. The work of official diagnostic laboratories and controls at border crossings are to a large extent aligned with the *acquis*. However, further improvements are needed in the accreditation of laboratories. Institutional and administrative capacities, especially the capacity of phytosanitary inspectors for official controls of the internal market, need to be further strengthened. The network of regional offices of the Plant Health Protection Administration is still not fully operational. Enrolment of new varieties in the list of plant varieties of the country should be improved in order to provide greater potential for trade. Principles of integrated pest management must be implemented in a consistent manner throughout the country.

Agricultural producers need additional training on requirements and standards for the use of plant protection products and on the application of maximum residue levels.

Bosnia and Herzegovina has continued to strengthen the implementation of the regulations on **genetically modified organisms** and issued 16 decisions authorizing the placing of genetically modified food on the market of Bosnia and Herzegovina. The Council for Genetically Modified Organisms in BiH continues to act as an advisory and monitoring body. The Register of Genetically Modified Food and Feed is fully functional. In the process, the principles of control and transparency are respected and proper monitoring and labelling of these products is ensured. Further harmonization of legislation in this area is needed in order to further upgrade operational procedures throughout the country.

Policies in the **fisheries** sector must be harmonized throughout the country. Bosnia and Herzegovina needs to step up efforts to implement the *acquis* in this sector in a coordinated way in order to increase the potential for export of fish and fish products to the EU.

In addition, the recommendations and operational conclusions of the **First Subcommittee on Agriculture and Fisheries under the EU-BIH SSP**, held in Brussels on 29 June 2016, are related to enabling access to IPA II funds, so that "**the authorities in Bosnia and Herzegovina should urgently adopt the country-wide strategy of the agriculture and rural development sector, given that this document is a prerequisite for the inclusion of the agriculture and rural development sector in the IPA II program framework. Authorities in BiH urgently need to continue their activities to achieve a formal political agreement on IPARD structures and finalize, adopt and submit to the EU a technical document on the establishment of IPARD. Also, it is necessary to agree and draft a national legal framework for the implementation of the agricultural census. Because of its absence, the development of the sector slows down and the IPA funds are redirected to other measures.**"

## 6.2. Recommendation from Donor information gathering meeting 2016

At the ninth donor information gathering meeting in the agriculture, nutrition and rural development sector held on May 19, 2016, the priority directions were emphasized for the agriculture, food and rural development sector in BiH, which are in the coming period suitable for donor intervention that can help Bosnia and Herzegovina in implementing reforms and fulfilling the criteria for EU membership:

1. Strengthening of the institutional capacities (personnel and material), and in particular the capacities of the relevant institutions responsible for international trade, in particular in the field of standardization, accreditation, veterinary, plant protection, food safety, statistics and market surveillance.
2. Activities on the development of a strategic rural development plan at the level of Bosnia and Herzegovina in order to fulfil the basic criterion for the use of IPA II funds for rural development 2018-2020.
3. Intensification of activities on the establishment and development of the Agricultural Information System, in particular on the establishment of the Agricultural Market Information System (PTIS).
4. Activities to innovate existing documents prepared with the assistance of projects funded by international donors, such as:
  - BiH Strategic Plan for Harmonization of Agriculture, Food and Rural Development 2008-2011 and the BiH Operational Program for Harmonization of Agriculture, Food and Rural Development 2008-2011;
  - Roadmap for the creation of conditions for the export of animal and plant products (2010), FARMA project - USAID / Sida.
5. Continuation of control of brucellosis in small ruminants in Bosnia and Herzegovina - BiH Veterinary Office.
6. Provision of material and technical support and continuation of capacity building of phytosanitary inspectors for field work.
7. Training and procurement of necessary equipment for quality work of advisory services in BiH, especially in the part of reporting and forecasting services in order to implement IPM (Integrated Pest Management).
8. Technical assistance to harmonize BH legislation with new EU legislation in the field of plant health.

### **6.3 Bosnia and Herzegovina and IPARD**

Common agricultural policy is one of the most important policies of the European Union and almost half of the EU budget is invested in it. It is a set of measures and programs for subsidizing agriculture in the European Union. Its aim is to ensure reasonable prices and acceptable quality of agricultural products for European consumers, satisfactory income for farmers in the EU and preserve the rural heritage.

The framework for a common agricultural policy was set out in the Treaty on the European Economic Community (1957/1958), and its implementation started in 1962. Common agricultural policy is based on three principles:

- Single market - free movement of goods, determination of common prices and assistance;
- EU's preference – preferential status for EU product over imported; protection of the internal market from disruptions caused by imports of agricultural products and world market disturbances;
- Financial solidarity - the costs of a common agricultural policy are shared by all Member States.

Today, special attention is paid to the reconstruction and development of rural areas, the preservation of cultural treasures and traditional customs. Rural development is supported, including rural tourism, traditional crafts, improving infrastructure, and promotion of quality ecological and autochthonous agricultural products.

The IPARD Instrument for Pre-Accession Assistance Rural Development is a component of the EU Instrument for Pre-Accession Assistance, intended for agriculture and rural development of candidate and potential candidate countries for IPA I 2007-2013 and IPA II 2014-2020.

The main objective of the IPARD program is to help prepare for the implementation of the EU's legal heritage in the field of agriculture and rural development, and restructuring the agricultural sector and the sustainable development of rural areas in candidate / accession countries. These goals are implemented through three main priorities:

1. Improving market efficiency and the implementation of EU standards;
2. Preparatory activities for the implementation of agri-environmental measures and LEADER (local strategies that enable projects of relevance to the region in the region or micro regions, regardless of the existing administrative boundaries, to be co-financed)
3. Development of rural economy.

IPARD implementation is carried out on the basis of the IPARD program, and through the operational structure of the so-called IPARD operational structure, which is part of the indirect implementation of EU pre-accession funds.

Bosnia and Herzegovina (BiH) undertook by international legal act to gradually transpose and apply the provisions of the Regulation of the European Parliament, the Commission and the Council on the Instrument for Pre-Accession Assistance II for the period 2014-2020.<sup>5</sup> **Framework Agreement between Bosnia and Herzegovina and the European Commission (EC) on arrangements for the implementation of the Union's financial assistance to Bosnia and Herzegovina under the Instrument for Pre-Accession Assistance (IPA II)**, which entered into force in August 2015<sup>6</sup>, in Article 10, for IPA accession II funds within the field of agricultural and rural development policy in indirect management requires the establishment of the following structures and bodies for rural development programs:

- (i) Managing Authority
- (ii) IPA Paying Agency (IPARD)

Therefore, in the period 2014-2020, the European Commission, directly through the Framework Agreement for the IPA II instrument, lists the necessary operational structures for access to the field of agricultural and rural development policy, which set the preconditions more prominent in relation to the IPA 2007-2013 instrument, in which necessary Operational structures were not listed in the Framework Agreement, but only in sectoral agreements.

It has been emphasized that since 2008, Bosnia and Herzegovina has been familiar with the criteria that need to be met for the use of pre-accession funds in the field of agriculture and rural development, that is, the requirements for the establishment of the IPARD operational structure.

Technical assistance was provided to Bosnia and Herzegovina to achieve these criteria through the holding of seminars, workshops, study tours, written interpretation of the existing acquis, and the preparation of proposals for the establishment of a structure in line with the internal structure of Bosnia and Herzegovina through the IPA I projects (3PBHRD, SAPIC and PSIPARD). However, as no

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<sup>5</sup> Regulation (EU) no. **231/2014** of the European Parliament and of the Council establishing the Instrument for Pre-Accession Assistance (IPA II); Commission Implementing Regulation (EU) no. **447/2014** on special rules for the application of Regulation (EU) No. 231/2014 of the European Parliament and of the Council establishing the Instrument for Pre-Accession Assistance (IPA II) and Regulation (EU) No. **236/2014** of the European Parliament and of the Council on the establishment of common rules and procedures for the implementation of Union instruments for the financing of external actions.

<sup>6</sup> Official Gazette of BiH, International Agreements No. 6/2015 of 20 August 2015

agreement was reached on the establishment of the structure, the EC suspended projects from IPA 2008 and IPA 2010 and suspended further assistance in the field of agriculture and rural development.

As a consequence, by the IPA II Indicative Strategy Paper for Bosnia and Herzegovina (2014-2017), adopted on 15.12.2014, agriculture and rural development are not envisaged as priority areas for which the European Commission will donate funds. Learned lessons from programming and realization of previous and current EU assistance are that political commitment and ownership of the reform process is a prerequisite for success. In view of these experiences, and in line with the Paris Declaration on Aid Effectiveness, assistance will be based on Bosnia and Herzegovina's own sectoral strategies. Where there are no such strategies, the IPA II Program will support the development, adoption, and implementation of these strategies. Funding for development of the whole country strategies will be available under the Instrument for European Integration foreseen in each annual IPA program 2014-2017. Short-term technical assistance under the Technical Assistance and Information Exchange Instrument (TAIEX) will continue to be provided in all sectors.<sup>7</sup>

As stated above, the ISP is under review, and according to the information obtained during the process, it is likely that all IPA II sectors will be included under the ISP, with the IPA II instruments not being able to be used in the areas of energy, environmental protection, rural development and support for quality infrastructure, while the established preconditions of the European Commission (the adoption of the whole country strategy) are not fulfilled.

It is important to emphasize that, according to the IPA requirements, without a comprehensive Country Strategy for Agriculture and Rural Development and the Rural Development Program, as well as appointments of the Managing Authority for Creating and Managing the Program and establishing a Payment Agency in accordance with the agreed policy and requirements of the IPARD Program, BiH will not be able to fulfil the conditions for the full use of funds from the EU pre-accession fund for rural development for many years, or rather, perhaps, in 2021.

The Ministry of Foreign Trade and Economic Relations of BiH (Ministry) is aware of the imperative of adopting strategic documents related to agriculture and rural development, primarily the Strategic Rural Development Plan of BiH (SPRR BiH) in order to ensure, on the one hand, production growth and stability of producers' income, growth in competitiveness and technical and technological improvement of the sector that would be adapted to the requirements of the domestic and foreign markets, and on the other hand - to ensure the management of public policies in accordance with the EU rules, thus ensuring the possibility of using EU funds.

Article 12 of the Law on Agriculture, Nutrition and Rural Development of BiH ("Official Gazette of BiH", No. 50/08) stipulates the adoption of the BiH Rural Development Strategic Plan, and in this regard, the Decision on Drafting a Strategic Rural Development Plan and the Decision on the Establishment of the Interdepartmental Commission for the Drafting of the Strategic Rural Development Plan was adopted on 28.4.2015. Although the acts that defined the content of the strategic document as well as the manner of work of the Interdepartmental Commission have already been harmonized, the activities were stopped and conditioned by the adoption of a functional coordination mechanism in the EU process.

In accordance with the Law, the Ministry's obligation in this process is to ensure that all decisions related to planning at all levels of government are made in agreement, coordination and cooperation, and with the active participation of representatives of all responsible institutions and stakeholders, who are involved in rural development, in line with good EU practices. The documents and activities prepared were completely aligned with the above. However, in the context of all activities, including political, in the process of drafting and harmonizing the coordination mechanism in the process of European integration, the Government of RS, i.e. the Ministry of Agriculture, Water Management and Forestry of the Republic

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<sup>7</sup> IPA II Indicative Strategy Paper for Bosnia and Herzegovina (2014-2017) adopted on 15.12.2014.

of Srpska, by letter dated 25.06.2015, informed that it considers that the activities on the development of the SPDR BiH may be continued only after reaching a political agreement on the appearance of the functional coordination mechanism in BiH, and this stopped the continuation of the activities.

After the Decision on the System of Coordination of the European Integration Process in BiH ("Official Gazette of BiH" No. 72/16) was adopted on 27 September 2016; activities on the drafting of the BiH Rural Development Strategic Plan were again initiated. In order to speed up the work, and taking into account that, in the meantime, the Entity Strategy Documents defining this area were adopted, the Inter-Agency Commission for the drafting of the document was also reorganized. Although the work was partly burdened by the re-binding of the activities on the drafting of the SPDR with the functioning or the full implementation of the Decision on the system of coordination of the process of European integration in BiH, the bodies of the Interdepartmental Commission have held five meetings in which the method of work was agreed, as well as the methodology of document development and the content of the document, including the objectives and measures that it should contain. Support in the drafting of the BiH Rural Development Strategic Plan is provided by experts engaged in the USAID / Sida FARMA II project. The plan is that the text of the Strategic Rural Development Plan of BiH, in accordance with the Law on Agriculture, Nutrition and Rural Development of BiH, be submitted to the adoption procedure at the beginning of September 2017.

#### **6.4. Observations**

As stated in the previous Report, the consequences are felt of the lack of donor funds in the agricultural sector (given that the conditions for the use of EU pre-accession funds have not been met), especially those from the European Union. Insufficiently built institutional capacities at all levels of government in BiH due to the lack of technical assistance are getting additionally weaker, and in addition to the difficulty of monitoring changes in EU legislation, without technical support, the network of cooperation is lost with the countries of the EU, as well as countries from the region that are adopting at an accelerated pace knowledge and regulations in one of the most demanding areas of European legislation (Chapter 11).

All of this, as well as the adjustment of the Stabilization and Association Agreement, may result in a decline in the competitiveness of the agricultural sector and the difficulty in exporting agricultural products due to the failure to meet standards and modernize the sector in accordance with European standards. There is a possibility to repeat the case of Croatia's entry into the EU with other CEFTA countries before joining the EU, which are in terms of achieving standards with the EU ahead of BiH. BiH, if it continues at this pace, will not be able to fulfil the export conditions.

Bearing in mind the above, and in accordance with the Work Program of the Council of Ministers of BiH and in accordance with the recommendations of the EC Progress Report, priority is given to the adoption of the BiH Rural Development Strategic Plan, as well as to the political agreement on the IPARD structure, so that the funds from the IPA II program for the period after 2017 would be available also for the agricultural and rural development sector in BiH.



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**TAIEX AND BTSF 2065 – BOSNIA AND HERZEGOVINA**


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## Agriculture and rural development

1. Expert mission on organic production, Sarajevo, Banja Luka, Brčko, 11-14.04.2016
2. Workshop on the Land Parcel Identification System (LPIS) System Sarajevo, 22-23 April 2016
3. Workshop on EU rural development policy 2014-2020 and its relevance to rural development strategies, Sarajevo, 26-27 April 2016
4. Workshop on the topic of Expert Advisory Service, Sarajevo, May 16, 2016
5. Workshop on the Comparative Review of the EU Common Fisheries Policy and its Implementation, Sarajevo, 23-24 May 2016
6. Workshop on Organic Production, Sarajevo 03.-04.11.2016

## Food safety, veterinary and phytosanitary policy

7. Workshop on the procedures for categorization and upgrading of facilities (2015), Sarajevo, 21-22.01.2016.
8. Workshop on the Audit of the System on Food Safety, Health and Animal Welfare (2015), and Plant Health, Sarajevo, 27-28 January 2016
9. Workshop on the topic of Rights to plant varieties with the focus on preserved seeds from farms (2015), Banja Luka, February 11, 2016
10. Workshop on the conditions for export of poultry products and table eggs to the EU, Banja Luka, 11-12 May 2016
11. Expert mission on the topic of official controls for drinking and natural mineral water, Mostar, 17.-19.5.2016
12. Workshop on animal feed hygiene, control of medicated food and additives in animal feed, Sarajevo, May 18-19, 2016
13. Workshop on official controls for drinking and natural mineral water, Sarajevo, May 20, 2016
14. Expert mission: border crossing audit including equipment and practical training for inspection of ornamental plants at border crossings, Sarajevo, Banja Luka, Brčko; Gradiška; Izačić, 23.-26.05.2016
15. Workshop on Wildlife Control, Sarajevo, 01.-02.06.2016
16. Expert mission on developing the Plan of management in crisis for food and feed, Mostar, 13-17 June 2016
17. Expert mission related to laboratory analysis of pesticides and contaminants in food, Mostar, Banja Luka, 20-24 June 2016
18. Expert mission - Food safety risk assessment, Mostar, 18-22 July 2016
19. Expert mission on consumer information obligations with a focus on requirements for meat products, Mostar, 3.-5.10.2016
20. Workshop on the topic of the obligation to inform consumers about food (Requirements for meat products) Mostar, October 6, 2016
21. Workshop on Official Controls for GMOs, Sarajevo, October 10-12, 2016
22. Expert mission on Protecting Geographical Origin, Protection of the label of geographical origin, originality and traditional reputation of food, Mostar, 05.-08.12.2016.
23. Expert mission on official controls for GMOs, Banja Luka, Gradiška, December 12-14, 2016

In addition, in the framework of the BTSF training organized by the European Commission (*Better Training for Safer Food*) the following trainings have been held:

- Plant health, integrated plant protection and plant protection products application devices: Athens, 30.5.-2.6.2016; Lisbon 27.-30.6.2016; Berlin, 29.8.-1.9.2016
- Implementation of TRACES for the import of food and animal feed - Tallinn, Estonia (10-13 May 2016)
- Animal by-products (organic fertilizers) - Antwerp, Belgium (11-14 October 2016)
- Implementation of the audit system - Seville, Spain (12-16.12.2016)

Table 2

## A list of projects in the field of agriculture, food and rural development in BiH in 2015

	Project name	Financing/Mode of Financing/Co-financing	Time Period	Value (EUR)
1.	Rural Life Development Programme (RLDP)	IFAD, loan	2010-2016	18 702 347
2.	Rural Business Development Project (RBDP)	IFAD, loan	2015-2020	25 000 000
3.	Agricultural and Rural Development Programme (ARDP)	SB, loan /SIDA grant	2007-2016	19 416 544
4.	Irrigation Development Project (IDP)	SB, loan	2013-2017	35 333 000
5.	Floods Emergency Recovery Project (FERP)	SB, loan	2014-2018	88 327 000
6.	Strengthening animal health controls and by-products of animal origin	European Commission IPA 2102	2014-2016	6 677 500
7.	Technical Assistance in the Management of Animal By-Products and Animal Waste in BiH	European Commission IPA 2102	2016 – 2018	1 673 000
8.	Further strengthening of the phytosanitary sector capacities in the field of phyto-pharmaceutical products, plant health, seed and planting material, including phytosanitary laboratories and phytosanitary controls	European Commission Twinning Project IPA 2012	2015-2017	1 500 000
9.	Program for Local Self-Government and Economic Development (ProLocal Program)	EC/Germany/GIZ	2016-2018	13 000 000
10.	BEE Promoted – Promotion of beekeeping IPA CBC	European Commission	2014-2016	351 000
11.	Promotion of BiH and MNE products Wine and Cheese IPA CBC	European Commission	2014-2016	160 903
12.	Agribusiness - Capitalization of agricultural heritage in Dubrovnik and Herzegovina IPA CBC	European Commission	2015-2017	171 745
13.	A project for building trust through rural development	Japan/JICA	2014-2017	700 000
14.	Srebrenica Region Recovery Program (SRRP IV)	Netherlands/UNDP	2013-2016	5 100 000
15.	Development and Cooperation Project in the Birač region (BIRAC)	Netherlands/UNDP/ Municipality	2013-2016	2 300 000
16.	Purchase of vaccines against Lumpy Skin Disease	Kingdom of Sweden	2016-2018	273 000
17.	Pilot of the action for agricultural development and revitalization of territory in BiH	Italy/CI	2008-2016	949 000
18.	Project Genetically Unmodified Soya from the Danube Region (Danube Soya)	Germany/GIZ Austria/ADA	2014-2017	1 250 000
19.	USAID/Sweden FARMA II	USAID/Sweden	2016-2021	15 400 000
20.	Support to the development of agriculture in Herzegovina	USAID/partners	2013-2016	877 300
21.	Partnership for agribusiness development	USAID/private sector	2015-2020	5 370 021
22.	The Integrated Local Development Project (ILDLP)	Switzerland/UNDP	2007-2016	4 332 226
23.	Increasing income of endangered families through intensive horticulture in the municipality of Tešanj	Czech Republic/CzDA	2016-2018	398 922
24.	Support to the traditional production of Livno cheese	Czech Republic/CzDA	2015-2018	396 667
25.	Increasing the quality and quantity of milk in the Brčko District	Czech Republic/CzDA		487 733
26.	Development of organic cutting and forest management in BiH	Czech Republic/CzDA	2014-2017	722 222
27.	Development of BiH cattle breeding system	Czech Republic/CzDA	2013-2017	705 104
28.	Institutional support for certification and control of planting material	Czech Republic/CzDA	2013-2016	412 555
29.	Technical support for the use of wood for the purpose of improving economically sustainable rural	FAO	2015-2016	437 490

	development and meeting the goals of renewable sources 2020 for the Western Balkans			
30.	Support to preparations for the planning and implementation of the pilot project of rural community development in the area of Livno (Canton 10)	Government of Hungary	2016-2016	430 807

Compared with previous years, due to the lack of harmonized strategic goals in Bosnia and Herzegovina, a decrease of the inflow of donor funds directly related to agriculture is evident, although donors, to a lesser extent, support projects at the local level. Due to lack of funds, the tendency of indebtedness of entities in international credit organizations (World Bank and IFAD) has been observed, which generally brings the economy of Bosnia and Herzegovina into an unenviable position in relation to countries in the region.

Compared to 2015, there is a noticeable lack of investment in agriculture, as well as a lack of technical assistance. Following the completion of the FARMA I project, in 2016, the USAID / Sweden FARMA II project started, which, like the previous one, supports institutional capacity building, in addition to strengthening the competitiveness of agriculture in Bosnia and Herzegovina in targeted subsectors: dairy industry, poultry, medicinal herbs, honey, fruit and vegetables through improving productivity and standards, increasing employment and increasing sales and exports.