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RELATIONS

REPORT

ON

**THE INTERNATIONAL ASSISTANCE FOR THE AGRICULTURE, FOOD AND
RURAL DEVELOPMENT SECTOR 2018**

IN

BOSNIA AND HERZEGOVINA

Sarajevo, May 2019

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1. Introduction

The regular Annual Report on the International Assistance for the Agriculture, Food and Rural Development Sectors 2018 in Bosnia and Herzegovina is produced in accordance with Article 17 of the Law on Council of Ministers of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina Nos. 30/03, 42/03, 81/06, 76/07, 81/07, 94/07, and 24/08), and on the basis on gathered data, monitoring activities and exchanging information with donors and beneficiaries of the international assistance funds.

The Report contains data which enable stakeholders a better insight into activities of the institutions of Bosnia and Herzegovina, activities of the international donors and intents to help in identifying the needs of the agricultural sector in achieving planned sector objectives. In addition, it 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 of Bosnia and Herzegovina.

This Report was made on the basis of available information and in cooperation with participants in the process of planning and coordination of the international assistance and those 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.

2. Institutional framework of the Agriculture, Food, Forestry and Rural Development Sector in Bosnia and Herzegovina

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 the key sector's institutions. On the basis of the constitutional order of Bosnia and Herzegovina, authorities at all levels, starting from the municipality to the state 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 state 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.¹

¹ The Law on Ministries and Other Bodies of Administration of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina Nos. 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 Agriculture 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.

The Veterinary Office of Bosnia and Herzegovina, the Plant Health Protection Administration of Bosnia and Herzegovina and the 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 order to support agricultural policy measures and the gradual adjustment of the payment system in Bosnia and Herzegovina with the payment system of the European Union.

The Veterinary Office of Bosnia and Herzegovina, the 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 respond directly for their work 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 (CoM BiH), and cooperates with the Ministry in activities related to the aspect of food safety.

There are other agencies, institutes and directorates at the level of Bosnia and Herzegovina whose activity is directly or indirectly related to the domain of agriculture, namely, the Market Surveillance Agency (responsible for reporting on risks and dangerous products), the Agency for Statistics (gathering statistical data), the Institute for Intellectual Property (responsible for conducting administrative procedure related to industrial property rights, such as patents, geographical indications etc.), the 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 were given to the Ministry of Agriculture, Water Management and Forestry of the Federation of BiH (FMoWMF), the Ministry of Agriculture, Forestry and Water Management of the Republic of Srpska (MoAFWMRS), 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 the agriculture, veterinary, forestry and water management issues.

Competence of the Entity ministries in the field of agriculture refers to the design and realisation of policies, adoption and enforcement of laws which were adopted by the competent

Entity authorities, as well as monitoring of the enforcement of regulations. Entity ministries of agriculture are competent and responsible for management of natural resources for agriculture development, food industry and follow-up activities in the field of agricultural production, livestock farming, veterinary, plant protection, rural development, fisheries and hunting, protection and use of agricultural land, water management, veterinary and phytosanitary protection, public health protection, management, protection and use of forest resources, the activities of the inspection, advisory and selection services, incentive policy, etc.

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 against illegal wood cutting, maintaining structures for water management, et al.

The cantons of the Federation of Bosnia and Herzegovina are federal units which have their own 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).

Pursuant to 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 implementation of the international obligations, and in accordance with Article 8 of the Law on Agriculture, Food and Rural Development of Bosnia and Herzegovina² shall support development of all key institutions and other bodies to ensure implementation of the international obligations and trade standards related to agriculture, food and rural development sector and their harmonisation and integration to the EU.

3. General and specific objectives for agriculture, food and rural development in Bosnia and Herzegovina

In order to increase the interest of the international donors to invest in the agriculture, food and rural development sector, as part of this Report, it is necessary to emphasize the strategic commitment of Bosnia and Herzegovina (BiH) and the sector priorities defined by the legislation and the strategic documents.

The Copenhagen Agreement lays down the criteria for the EU membership that accession countries and BiH must meet, including economic criteria meaning that producers must be able to cope with the pressure of the competition and market forces within the Union. These requirements have been 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 food industry, 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 European Union.

² The Law on Agriculture, Food and Rural Development in Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina No. 50/08)

BiH has committed to implement the Reform Agenda for 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 the EU approximation. The EU institutions have 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 the main element which should encourage a comprehensive structural reform to maintain macroeconomic stability and foster growth and competitiveness.

The Economic Reform Program of Bosnia and Herzegovina for the period 2019-2021 is in line with the aforementioned documents and continues to highlight key sectoral needs and constraints, such as the alignment of veterinary and phytosanitary control systems with the European standards; strengthening administrative capacity especially with regard to inspection services and laboratories; transposition of the EU regulations and setting up structures to ensure the required level of quality and food safety standards for the smooth trade in agricultural commodities and the export of all goods of animal and plant origin to the European Union market. In the coming period, it is necessary to establish a structure for the use of pre-accession assistance to the agricultural sector through the Instrument for Pre-accession Assistance for Rural Development, so that EU funds available for agriculture and rural development can be withdrawn.

The European Commission's Strategy for the Western Balkans, published in February 2018, points to the significant economic potential of the Western Balkan region with higher growth rates than the EU and its increasingly interesting market for the EU goods and services that gradually becoming part of the European value chains. The level of economic integration with the Union is already very high, primarily because of the signed Stabilization and Association Agreement. However, further efforts are needed to increase the competitiveness of the BiH economy, address unemployment, especially among young people, and create business opportunities not only for local actors. However, despite progress in the reform, there are still many structural issues, including that much still needs to be done to bring the legislation into line with the EU acquis, to establish or build institutions and to provide the capacity to implement acquis and to apply the EU rules and standards in all areas of public policy.

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 is a framework Law and regulates the objectives, principles and mechanisms for the development of policies and strategies, the structure and competences at all levels of the government, their roles and connections, monitoring and evaluation mechanisms, and administrative and inspection supervision. In addition, the implementation of this regulation should facilitate progress towards the European integrations in terms of the coordination of preparation activities to create conditions and opportunities to use the pre-accession assistance.

3.1. General objectives

Pursuant to Article 4 of the Law on Agriculture, Food and Rural Development, sector's 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 exist and to reduce the foreign trade deficit in agro-food products;
- 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 to 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.

3.2. Specific objectives

Specific objectives of the sector are: creating an efficient, sustainable and innovative agri-food sector that is competitive in the EU market, employment, social inclusion and a better standard of living for farmers and rural populations, as well as upgrading the institutional system and aligning with the EU acquis in sectors and sub-sectors directly related to the EU export requirements (food safety, veterinary and phytosanitary standards).

3.3. Priority areas and measures

In order to realize the aforementioned general and specific objectives, derived from previously adopted strategic documents, the activities of institutions and donors need to focus on the six strategic objectives of the Strategic Plan for Rural Development of Bosnia and Herzegovina (2018-2021) - Framework Document (SPRR), while ensuring their complementarity and consistency, namely:

- I. To establish functional institutional capacity, coordination and implementation mechanisms at all levels;
- II. To strengthen the competitiveness of agriculture, forestry and rural areas by increasing investment levels and enhancing knowledge transfer and promoting innovation;
- III. To improve the marketability of agri-food products by increasing value added, improving quality and safety standards, and strengthening links within value chains;
- IV. Sustainable management of natural resources and adaptation to climate change;
- V. To improve the quality of life in rural areas by generating new sources of income and improving physical infrastructure, social inclusion and accessibility of public services;
- VI. To improve institutional systems and capacities and harmonization of the legal framework, in the field of agriculture and rural development, at all levels of government in accordance with the constitutional competences, towards a gradual approximation to the Common Agricultural Policy of the EU.

4. Planning and the coordination of the international assistance in Bosnia and Herzegovina

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

The international assistance in BiH is coordinated 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 the 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 and public investment programs which are available on the MTF's website.

MFT regularly organizes meetings of the Donor Coordination Forum and publishes annual reports on donations (Donor Mapping Report) which show donors active in Bosnia and Herzegovina and identify their contribution by sector.

DEI, namely the Office of the BiH IPA Coordinator (DIPAK) 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, and it is a coordinator for issues dealing with policy and strategy, the 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.

The 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.

4.1. Planning and Coordinating International Assistance in Agriculture, Food and Rural Development Sector

4.1.1. Prior information

The Ministry of Foreign Trade and Economic Relations of BiH ensures the planning and coordination of international assistance at the level of BiH, which implies, on the one hand, the coordination of the interests of relevant actors within the country and, on the other, the coordination of donor activities in this sector. In addition, one of the criteria of the Sectoral Approach under IPA II is precisely the requirement for the existence of a sectoral structure for donor coordination and the preparation of an annual Donor Aid Report for a given sector.

In this regard, the Working Group for planning and coordinating international assistance in the agriculture, food and rural development sector (the Working Group) has been established in 2008 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 of the Annual Progress Report of Bosnia and Herzegovina prepared by the European Commission (EC), key principles of the Paris Declaration on Aid Effectiveness,³ which has been endorsed by Bosnia and Herzegovina in 2010, the strategic documents of Bosnia and Herzegovina and the principles of sector-wide approach applied to programming within the framework of the EC Instruments for Pre-accession Assistance (IPA II).

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

It was formalized in 2012, when its composition, rights and obligations of members were formalized by the Decision of the Minister. The Working group consists of representatives of Entity ministries for agriculture and the Department for Agriculture, Forestry and Water Management of the Government of the Brčko District of BiH, the Ministry of Finance and Treasury of BiH, the Food Safety Agency of BiH, the Plant Health Protection Administration of BiH, the Veterinary Office of BiH, the Office for Harmonization and Coordination of Payment System, the Directorate for European Integration and Foreign Investment Promotion Agency of BiH, and representatives of unions of cooperatives of Bosnia and Herzegovina, the Republic of Srpska and the Federation of Bosnia and Herzegovina, in the role of the 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 plans 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.

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 the International Assistance in the Agriculture, Food and Rural Development Sector in BiH. The previous Report on the International Assistance for Agriculture, Food and Rural Development Sector in BiH for 2017 has been considered and adopted by the Council of Ministers at its 152th session held on 29 August 2018.

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.

4.1.2. Activities of the Working group in 2018

In May 2018, the Ministry organized the eleventh annual information meeting for donors in the agriculture, food and rural development sector in BiH. In addition to representatives of the competent institutions of BiH, the meeting was attended by the most important donors in this sector in BiH: the European Union, Sweden, the Czech Republic, Germany, Italy, Turkey and the United Nations specialized organization UNDP. To achieve its strategic goals, Bosnia and Herzegovina uses the resources of international financial institutions such as IFAD and the World Bank whose representatives are also members of donors' forums in the agricultural sector.

Based on the conclusions of this meeting, donor action priorities should continue to be aligned and harmonized with priorities of Bosnia and Herzegovina, and such engagement will assist Bosnia and Herzegovina in implementing reforms and meeting the EU membership requirements in the field of agriculture and rural development. This is particularly true in supporting the implementation of activities that result from the priorities, that is, strategic goals of the Strategic Plan for Rural Development of Bosnia and Herzegovina (2018-2021) - Framework Document.

In this regard, the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, as the Coordinating Institution (CI), with the guidance of the DIPAK Office, coordinated the process of drafting documents related to the use of IPA II pre-accession

assistance. At the beginning of 2018, for the Sector: Agriculture and Rural Development,⁴ in cooperation with the relevant institutions, the following were prepared: Sectoral Planning Document 2018-2020 and an Action document for a program worth EUR 30 million entitled "EU Support for Agriculture and Rural Development, Food Safety, Veterinary and Phytosanitary Standards."

Although Bosnia and Herzegovina was unable to use IPA II funds in 2018, the Technical Assistance and Information Exchange (TAIEX) instrument of the European Commission was still available within the Directorate-General for Neighbourhood and Enlargement Negotiation of the European Commission (DG NEAR).

Representatives of the institutions of Bosnia and Herzegovina in charge of Chapters 11, 12 and 13 of the acquis, during 2018, participated in five expert missions, fifteen workshops and three study visits to the European Union countries (Annex 1). The recommendations of the experts that emerged after these events were formulated in the context of priority activities in the process of aligning BiH legislation with the EU legislation in the aforementioned chapters.

5. Active donors in the Agriculture, Food and Rural Development Sector in Bosnia and Herzegovina in 2018

The main donors in this sector in BiH are the European Union, the Czech Republic, Netherlands, Italy, Japan, Germany, Poland, the United States of America, Sweden, Switzerland and the specialized United Nations organizations: UNDP and FAO. Many of the EU Member States provide targeted - bilateral 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.

The following is the basic information on strategic development documents of donors and their activities during 2018.

5.1. The European Union

In the second half of 2018, the European Commission adopted an Indicative Strategy Paper (ISP) for BiH for the Instrument for Pre-Accession Assistance II (IPA II). Among others, the Sector: Agriculture and Rural Development was classified under the ISP, which means that the possibility to use these funds is open. Since the nation-wide strategic document - the Strategic Plan for Rural Development of Bosnia and Herzegovina for the period 2018-2021 - Framework Document was adopted in February 2018, the programming conditions under this assistance instrument have been created in order to strengthen the competitiveness of this Sector.

The ISP for Bosnia and Herzegovina 2014-2020 states that the EU will support the implementation of the SAA through the development of an efficient, sustainable and innovative agri-food sector, which is competitive in the EU market and offers employment, social inclusion and quality of life for the rural population. Therefore, the focus of this assistance is the modernization of the agri-food sector in BiH as a means of strengthening the rural economy and ensuring a better quality of life for the rural population.

The modernization of the agri-food sector is planned to be achieved through two pillars and two priority areas, respectively through competitiveness support measures (in line with the

⁴ In accordance with the IPA II sector classification

strategic objectives I, II, IV and V of the Strategic Plan for Rural Development outlined above) and through alignment with the acquis and capacity building of key sectoral sub-sectoral areas for implementation of sectoral policy measures.

This is a complex sector, consisting of different sub-sectors (agriculture, rural development, food security, veterinary, phytosanitary and aquaculture) as well as with many involved and interested parties. Both entities (the Federation of Bosnia and Herzegovina and the Republic of Srpska) and the District of Brčko have their strategic documents, which clearly define the strategic goals in agriculture, and formed the basis for the development of a comprehensive document - the Strategic Plan for Rural Development.

5.1.1. IPA II programming in 2018

During the IPA II programming process, an Action Document - AD 2018 was prepared for the Sector: Agriculture and Rural Development, with the overall objective of modernizing the agri-food sector and strengthening the rural economy in BiH. Two specific goals were also set:

1. Increase the competitiveness of agricultural production and jobs and services in rural areas and strengthen the capacities of the institutions responsible for the agriculture and rural development sector to meet the obligations arising from the EU integration process, and
2. Support alignment of the acquis and implementation of policy measures in the areas of food safety, veterinary and phytosanitary standards.

The amount earmarked by the EC for this Action (AD, program) entitled "EU Support in Agriculture and Rural Development, Food Safety, Veterinary and Phytosanitary Standards" is EUR 30 million and will be distributed over a 4-year period.

After it became very clear at the end of 2017 that the Strategic Plan for Rural Development would be adopted, activities on IPA II assistance programming began. The Ministry of Foreign Trade and Economic Relations of BiH has been recognized as a Sectoral Coordinating Institution (SCI) for drafting a Sectoral Planning Document (SPD) and an Action Document (AD) in accordance with the Framework Agreement between Bosnia and Herzegovina and the European Commission on arrangements for implementation of the Union financial assistance to Bosnia and Herzegovina under the Instrument for Pre-Accession Assistance (IPA II).⁵

In November 2017, the preparation of the SPD 2018-2020 began as well as the establishment of a Sectoral Working Group⁶ (SWG) consisting of 25 members and 17 alternate members,

⁵ Official Gazette of Bosnia and Herzegovina, No. 6/15 - International Treaties

⁶ The composition of the Sectoral Working Group is as follows:

1. The Ministry of Foreign Trade and Economic Relations of BiH - SCI;
2. The Federal Ministry of Agriculture, Water Management and Forestry;
3. The Ministry of Agriculture, Forestry and Water Management of the Republic of Srpska;
4. The Government of the Brčko District - Department for Agriculture, Forestry and Water Management
5. The Food Safety Agency of Bosnia and Herzegovina
6. The Plant Health Protection Administration of Bosnia and Herzegovina
7. The Veterinary Office of Bosnia and Herzegovina
8. The Office for Harmonization and Coordination of the Payment System in Agriculture, Food and Rural Development of Bosnia and Herzegovina
9. The Ministry of Agriculture, Water Management and Forestry - Canton of Tuzla;
10. The Ministry of Agriculture, Forestry and Water Management - Zenica-Doboj Canton;

(footnote continued)

representatives of BiH institutions - State, Entity and Brčko District, as well as representatives of cantonal administration bodies, which were actively engaged in the design and development of the SPD.

The entire process was led by the Office of the State IPA Coordinator (DIPAK Office) and, in addition to all the challenges in the programming process, AD entitled "EU Support in Agriculture and Rural Development, Food Safety, Veterinary and Phytosanitary Standards", in the framework of the IPA 2018 program for the whole of Bosnia and Herzegovina, was submitted to the Council of Ministers of Bosnia and Herzegovina for consideration and adoption and finally to the European Commission for further procedure.

Consultations with the civil society were organized through an e-platform managed by the DIPAK Office.

5.1.2. Action for the sector: Competitiveness and innovation - Local development strategies

In early April 2018, the implementation of a project entitled "Competitiveness and Innovation - Local Development Strategies or EU for Business (EU4Business)" under IPA 2016, which supports the competitiveness of the private sector through support for export-oriented small and medium-sized enterprises (SMEs) which are partly related to agriculture and focused on innovation.

The total value of the project is EUR 16,1 million, of which EUR 4,4 million will be directly earmarked for the agriculture, food and rural development sectors.

Nearly EUR 3 million will be used to support investment in the form of grants through three support measures: (i) support for investment in agricultural holdings, intended for agricultural holdings, cooperatives and small and medium-sized enterprises active in primary agricultural production; (ii) support for investments in processing capacities and marketing of food products, intended for cooperatives and small and medium-sized enterprises active in the processing and production of food; (iii) investment support for the implementation of local development strategies with a focus on diversifying the rural economy, aimed at local governments and local action groups and their partners.

In addition, the project will actively support the improvement of the business environment by providing technical assistance to BiH authorities in developing, managing and monitoring incentives for the private sector and providing grants to small and medium-sized enterprises with the aim of strengthening their business, better cross-sectoral cooperation and stimulation of entrepreneurial initiatives, which will directly influence the implementation of the priorities of the Strategic Plan for Rural Development of Bosnia and Herzegovina (2018-2021) - Framework Document.

The project is being implemented by the international agencies: German Development Agency (*Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ*), United Nations Development Programme (UNDP) and International Labour Organisation (ILO).

11. The Ministry of Agriculture, Forestry and Water Management - Herzegovina-Neretva Canton;
12. The Ministry of Economy - Zapadna Herzegovina Canton;
13. The Ministry of Economy -Canton Sarajevo;
14. The Government of Canton 10

In early 2019, the first public call for the implementation of these funds for agriculture, food and rural development will be announced.

5.1.3. IPA 2012

Technical assistance in the field of management of animal by-products and animal waste in BiH, which cost EUR 1,67 million, was finalized in mid-2018. Within the framework of two years, a Draft Strategy on the Management of Animal By-Products was prepared, which would be ready for adoption by the competent authorities of BiH with defined follow-up activities for the implementation of the Strategy (Action Plan). Also, a Feasibility Study has been developed evaluating technological options and proposing the best solutions for the option(s) of treatment/disposal/destruction of harmful animal waste and for the respective facility(s) at the specific location(s). The feasibility study should take into account all available technologies that may be realistic and applicable in BiH.

The European Commission continued to provide technical assistance in coordinating animal control and eradication programs in BiH - Phase III.

5.1.4. Assistance from the Technical Assistance Instrument of the European Commission – TAIEX

Technical Assistance and Information Exchange (TAIEX) instrument is a technical assistance available under the Directorate-General for Neighbourhood and Enlargement Negotiation of the European Commission (DG NEAR). TAIEX aims to provide short-term technical assistance to the new EU Member States, accession countries, candidate countries and the Western Balkans, in line with the overall policy objectives of the European Commission, in the field of approximation, transposition and introduction of the EU legislation.

As noted above, although Bosnia and Herzegovina could not use IPA II funds in 2018, representatives of the institutions of Bosnia and Herzegovina in charge of Chapters 11,12 and 13 of the acquis, during 2018, used these supports through five expert missions, participation in fifteen workshops and three study visits to the European Union countries.

The beneficiaries of this instrument were 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 Federal Ministry of Agriculture, Water Management and Forestry, the Department of Agriculture of the Government of the Brčko District of BiH, the Food Safety Agency of BiH, the Plant Health Protection Administration of BiH, the Veterinary Office 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 (Annex 1).

5.1.5. Assistance from the European Commission's Initiative "Better Training for Safer Food" - BTSF

Bosnia and Herzegovina is, among other countries, the beneficiary of the EC initiative (project) "Better Training for Safer Food" (BTSF), which aims to organize and develop a training strategy in the EU with a view to:

- 1) Ensure and maintain a high level of consumer protection and protection of animal health, animal welfare and plant health;

- 2) Promote harmonized approach to the functioning of the EU system and national controls;
- 3) Create the conditions for a level playing field for food businesses
- 4) Promote safety food trade;
- 5) Secure fair trade with third countries, especially with developing countries.

BTSF events attended by the representatives of the Food Safety Agency BiH, the Plant Health Protection Administration of BiH and the Veterinary Office of BiH are shown in Annex 2.

5.2. Japan/JICA

Japan 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 are: (1) Market economy promotion (2) Environment and (3) Peace contribution.

The Project for Building Trust through Rural Development (2014-2022), 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 Srebrenica, Bratunac and Rogatica areas with the support of the Ministry of Agriculture, Water Management and Forestry of the Republic of Srpska in the period 2014-2022 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.

5.3. The Kingdom of Sweden

The regional strategic principle was 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:

1. Enhanced economic integration with the EU and development of market economy;
2. Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law;
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change.

Brucellosis control activities continued in 2018. As part of the monitoring of bovine brucellosis, 119,009 cattle were searched and a parallel check was carried out to determine whether these cattle were in the national database. Furthermore, in 2018, the implementation of the Sida-funded project "Strengthening Export Potential and Improving the Competitiveness of Agricultural Producers in BiH" has begun in order to continue vaccinating small ruminants against brucellosis. A total of 322,955 small ruminants have been vaccinated during 2018 and activities will continue in 2019.

In cooperation with USAID, the implementation of the USAID/Sweden FARMA II project, co-financed by the Kingdom of Sweden, has continued in 2018.

5.4. The Czech Republic/CzDA

The focus of the Czech Development Cooperation Strategy 2018-2030 is to meet selected thematic priorities in the development and humanitarian field that correspond to the key UN Sustainable Development Goals (SDGs). Bosnia and Herzegovina is a priority partner of the Czech Republic's development assistance in the period 2018-2023.

One of the selected thematic priorities for funding is agriculture and rural development, where the Czech development assistance will contribute to the elimination of hunger, nutrition improvement and support for rural development, with a focus on building sustainable, environmentally friendly and profitable agricultural production. At the same time, this assistance will contribute to protecting biodiversity and ecosystems, especially soil and forest restoration, and preventing soil degradation and desertification.

In 2018, the implementation of the Project "Improvement of the Food Safety System in Bosnia and Herzegovina within the Development Cooperation between the Czech Republic and Bosnia and Herzegovina" was continued. Beneficiaries are the Food Safety Agency of Bosnia and Herzegovina, the Veterinary Office of Bosnia and Herzegovina, the Plant Health Protection Administration of Bosnia and Herzegovina, the Ministry of Agriculture, Forestry and Water Management of the Republic of Srpska, the Ministry of Agriculture, Water Management and Forestry of the Federation of Bosnia and Herzegovina, the Government of the Brčko District of BiH - Department of Agriculture, Water Management and Forestry, the Administration for Inspection Affairs of the Federation of Bosnia and Herzegovina, the Republic Administration for Inspection Affairs of the Republic of Srpska, and the Inspectorate of the Brčko District of Bosnia and Herzegovina. The technical assistance provider within the Czech development assistance is the Central Institute for Supervising and Testing in Agriculture, Brno and the State Veterinary Institute, Prague.

In 2018, the Czech Republic also funded the following projects in BiH related to agriculture, rural development and food security, namely: (1) Increasing the quality and quantity of milk in the Brčko District, (2) Increasing the income of vulnerable families through intensive horticulture in the municipality of Tešanj and (3) Support to the traditional production of Livno cheese.

During 2018, cooperation between the Czech Development Agency and the Plant Health Protection Administration of BiH continued on the Project "Institutional Support for Plant Material Control and Certification".

Also, during 2018, the local support continued for five projects in the amount of KM 120,000. Small local projects are being implemented within the priority sectors of the Czech Development Cooperation in Bosnia and Herzegovina, namely economic growth, with a focus on renewable energy sources, sustainable management of natural resources and good and efficient public administration.

5.5. The Federal Republic of Germany/GIZ

The development of a functioning market economy in BiH is Germany's priority as well as assistance in aligning the legal system with the EU acquis. During 2018, the agricultural sector was represented in the structure of the "Programme for local self-government and economic development" (EU ProLocal program) funded by the European Union and the Government of the Republic of Germany and being implemented by the Development Agency GIZ (*Die Deutsche Gesellschaft für Internationale Zusammenarbeit*). 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.

It is important to note that GIZ cooperated with the other international development agencies and organizations through joint implementation and financing of projects in the field of agriculture and rural development.

5.6. The United States of America/USAID

The United States of America/USAID has a strategic document called USAID/Bosnia and Herzegovina Country Development Cooperation Strategy 2012-2016 whose duration was extended until November 2018. 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.

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), the implementation of the USAID/Sweden FARMA II project started in 2016, as a confirmation of the vision of USAID and the Government of the Kingdom of Sweden that domestic consumers may and should have confidence in the domestic food and agricultural products, which can also be exported to the markets of the European Union.

In the third year of the implementation of this Project, the provision of technical assistance and training through a program tailored to the needs of its users has continued with the aim of improving the competitiveness of food and agricultural products through the expansion of 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.

It is important to emphasize here that a nation-wide document entitled "Strategic Plan for Rural Development of Bosnia and Herzegovina 2018-2021 - Framework Document" adopted in early 2018 was prepared with the support of the USAID / Sweden FARMA II project. As noted above, this document plays a key role in programming for funds of the EU Instrument for Pre-Accession Assistance (IPA II).

The USAID / Sweden FARMA II project also includes a program of grant allocation to non-profit, profit, research and academic organizations to support innovative ideas, new technologies, analyzes, conferences, workshops, publications, research, study trips, trainings and seminars. All grants awarded should directly and significantly contribute to increasing the competitiveness of the agri-food sector, individual subsectors, clusters or value chains, as opposed to generating financial benefits for only one grantee.

In addition, since 2015, USAID has been financing and implementing a Project entitled "Agribusiness Development Partnership" that helps create jobs and increase household income in targeted rural regions of BiH, supporting the development and expansion of the production and sale of gherkins, vegetables and berries for small farmers.

5.7. The 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, advices 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:

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

Implementation of the "Irrigation Development Project" (IDP) whose development goal is to improve the performance of irrigation systems and to support institutions that support agricultural producers in project areas is underway. During 2018, 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 are also used for the preparation of a strategy for adapting to climate change.

The Project is implemented by the competent institutions at the Entity level, through Project Implementation Units (PCU and APCU).

5.8. Food and Agriculture Organisation of the United Nations - FAO

As an organization within the UN, the Food and Agriculture Organisation of the United Nations - FAO strategic approach is based on the Millennium Development Goals, the Framework Programme for the period 2010-2019, and the Country programming framework for Bosnia and Herzegovina – CPF 2018-2021.

Two strategic goals of this framework are:

1. Strengthening the competitiveness of small family farms, value chains and developing rural living conditions for women and men through improved food security, phytosanitary, veterinary and institutional systems; and
2. Sustainable management of natural resources and adaptation and mitigation of climate change.

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

As foreseen by the FAO CPF for Bosnia and Herzegovina 2018-2021, within the first strategic objective, the funds of USD 943,900 were planned for BiH for Outcome 1.1: Integrated and gender-sensitive development of rural and local communities and strengthening the competitiveness of small family farmers in selected sectors.

For outcome 1.2: Farmers' skills and knowledge are strengthened by increased access to knowledge, information and communication technologies, advisory services, agricultural centers of excellence, USD 1.2 million have been reserved in this programming period, and for Outcome 1.3: Capacity building of public and private organizations sectors to create and implement national policies, strategies and regulatory frameworks that support the development of inclusive and efficient agricultural and food systems, USD 2,164 million.

Under the second strategic goal, the following results and resources were planned: Outcome 2.1: Institutional capacity building on agri-environmental policies, sustainable management of natural resources and access to financing priority investments for climate change - USD 1,2 million, and for Output 2.2: Capacity building of local self-government for disaster prevention and preparation through the implementation of inclusive multisectoral disaster risk reduction activities that build resilience of communities - USD 348,000.

5.8.1. FAO General Fisheries Commission for the Mediterranean - GFCM

The Commission (FAO General Fisheries Commission for the Mediterranean - FAO GFCM, 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 cooperation 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.

In 2016, Bosnia and Herzegovina became a non-contracting party of the Commission. During the non-contractual relationship with this organization Bosnia and Herzegovina was invited to participate in the activities of the AdriaMed Project entitled "Scientific Cooperation to Support Responsible Fisheries in the Adriatic Sea". Following the conclusion of a Project Agreement between the Council of Ministers of Bosnia and Herzegovina and FAO in early 2018 for the implementation of this Project, BiH uses the technical support of this Project in the process of aligning aquaculture and marine fisheries legislation with the EU Common Fisheries Policy and with the provisions and decisions of GFCM.

5.9. International Fund for Agricultural Development - IFAD

IFAD (International Fund for Agricultural Development) Strategy entitled "Bosnia and Herzegovina Result Based - Country Strategic Opportunities' Program - RB-COSOP" was approved in 2013 for a six-year duration period, and its duration in 2018 has been extended to 2021.

The overarching development goal of COSOP is to enable rural poor people to improve their food production and generate income through credit. Non-commercial and commercial farmers and agricultural businesses are also supported.

The development orientation of COSOP has three strategic goals:

1. Farmers' organizations (FOs) and their umbrella organizations are effective in supporting farmers in their transition from non-commercial to commercial agriculture;
2. Clusters of small farmers, FOs and small and medium-sized enterprises (SMEs) are able to access technological innovation, business development and financial services to achieve long-term competitiveness; and
3. Access to markets for small farmers and entrepreneurs outside the farm has been improved through developed public and collective market infrastructure.

In addition, gender equality and environmental sustainability would be seen as two important cross-cutting issues.

In the FBiH as well as in the RS, IFAD is currently implementing 2 projects through its two Entity Units (PCU in Sarajevo and APCU in Banja Luka): RBDP and RCDP.

The Rural Business Development Project (RBDP) is in its final stages - the closing date of the Project is 30 September 2019. The implementation of the main activities in its 4 components continued in 2018:

Component 1: Rural business support through:

- a) Strengthening the capacity of individual agricultural producers;
- b) Farmer education and training;
- c) Procurement and delivery of starter package for farmers / members of the association;

Component 2: Financing Rural Business for farmers and SMEs through credit placements for farms and enterprises through commercial banks and credit placements through microcredit organizations;

Component 3: Rural market infrastructure; implementation of fully funded micro-projects from OFID lending;

Component 4: Coordination and project management by Entity units for project implementation.

The seventh IFAD project entitled "Rural Competitiveness Development Project (RCDP)" began at the end of 2017. Project realization will take place in two cycles of 5 years: 2017-2022 and 2020-2025.

RCDP is implemented through two components that are complementary to each other:

- (i) Facilitating an environment for sub-sector inclusive development, in particular - cluster and sub-sector participant platforms improve value chain coordination and sub-sector governance, direct public policies and investments to guarantee the long-term competitiveness of sub-sectors; these appropriate technical / professional and business development services have been made available at the local and entity levels;
- (ii) Sustainable involvement of smallholder farmers in successful value chains, namely, business proposals (BPs) allowing business partners (producers and agribusiness) to plan, coordinate and carry out mutually benefiting investments, as the main instrument of BP business partners (small-scale producers and collectors and their organizations, agribusiness companies) for the sustainable development of their joint businesses in the selected sub-sectors and value chains. BPs will also frame partner's needs in terms of capacity development and investments of which part will be addressed by public (project) funds.

In 2018, work was underway to establish Cluster Platforms (Component 1) as a forum for lobbying and promoting the position of farmers and the placement of their products on the market, their organizations-associations and cooperatives, as well as market integrators/purchasers in the sub-sectors of fruit and vegetables and medicinal herbs and forest fruits. The program applies an approach of business plans that will be implemented from spring 2019 (procurement of initial spring sowing packages and equipment).

Rural Enterprise and Agricultural Development Project - READP was designed in 2017 and is currently under negotiation and preparation for signing.

5.10. United Nation Development Programme - UNDP

The activities of the United Nations Development Program in Bosnia and Herzegovina (UNDP BiH) are based on the United Nations Development Assistance Framework in BiH adopted by the Council of Ministers of BiH and on the Sustainable Development Goals (SDG). Through its activities, UNDP BiH co-finances and implements programs and projects in several sectors, including agriculture, food processing and rural development, thus contributing to the improvement of the living standards of BiH citizens.

In 2018, the following projects contributed to the development of the agricultural and food sectors in BiH:

Project Competitiveness and Innovation - Local Development Strategies (EU4Business) of IPA 2016 described in section 5.1.2. of this Report.

The Local Integrated Development (LID) Project, which aims to contribute to improving the standard of living for more than 100,000 people in BiH, working with domestic authorities to put into place mechanisms and resources needed to drive social and economic development of BiH. The project is worth EUR 6,6 million and is primarily funded by the European Union. During the three-year implementation, the project operates under three interconnected components: i) improving the capacity of local authorities for better public administration, ii) improving services through building better infrastructure, and iii) creating more opportunities for generating income for citizens.

During 2018, a program of entrepreneurship development in agriculture and food production (Agro-Food Start-up) was implemented under the LID Project. The aim of this activity is especially to motivate young entrepreneurs, create new processing capacities, increase the level of processing of agricultural products and add new value. As a result of these activities, 14 agricultural entrepreneurs have been trained to start processing agricultural products on a commercial basis.

In addition to the program of entrepreneurship development in agriculture, the LID project also supported the strengthening of primary agricultural production by supporting the raising of new plantations, raising the level of agro-technical knowledge of agricultural producers through advisory services, and improving agro-technical conditions through investments in anti-hail systems for perennial crops.

The second phase of the Birač Development and Cooperation Project (BIRAC) is completed in 2018, a joint initiative of UNDP, UNICEF and UNHCR through which development support was provided to municipalities in the Birač region, as well as stimulated inter-municipal and regional cooperation to support a partnership approach. The Project is largely funded by the Government of the Kingdom of the Netherlands for a total amount of over EUR 4,7 million.

During this period, a Local Action Group (LAG) was established, involving representatives of the public, private and non-governmental sectors.

5.11. Regional Rural Development Standing Working Group in South Eastern Europe - SWG RRD

The Regional Rural Development Standing Working Group in South Eastern Europe - SWG RRD is a regional international intergovernmental organization whose members are ministries of agriculture of Southeast European countries and represents an important institutional framework for cooperation in the field of agriculture and rural development policy. The main objective of the SWG Group is to establish cooperation and long-term stable links between policy-makers and research institutions as well as individual researchers engaged in the analysis of agricultural policies and their impact on the agricultural sector and rural development in Southeast Europe.

In the said organization, Bosnia and Herzegovina is represented by the Ministers of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, the Ministry of Agriculture, Forestry and Water Management of the Republic of Srpska and the Federal Ministry of Agriculture, Water Management and Forestry, and designated delegates and relevant officials of these institutions.

The implementation of initiatives and goals in 2018 is based on the SWG Strategic and Operational Plan – SOP for the period 2016-2020, and the following projects were implemented and completed in 2018:

- Rural Development through Integrated Forest and Water Resources Management in Southeast European Countries (LEIWW), Component: Conservation of Agro-Biodiversity in Southeast European Countries: October 2015 - August 2018; GIZ
- Rural Development through Integrated Forest and Water Resources Management in Southeast European Countries (LEIWW), Component: Qualification, reintegration and (self) employment from a rural perspective, July 2017 - August 2018.; GIZ
- Regional Cooperation and Networking in the Field of Agriculture, Rural and Economic Development of Cross-border Areas, December 2017 - December 2018; EC
- Land Market Development and Small Farms' access to Land in Pre-Accession Countries (LMSF-AC), November 2017 - September 2018; EC JRC IPTS
- Agricultural Policy Development and the EU Approximation Process in the Western Balkans (APDAP-WB) December 2017 - September 2018; EC JRC IPTS

Projects of a regional character started in 2018 are:

- GIZ Support for the Economic Diversification of Rural Areas in South East Europe (SEDRA), September 2018 - June 2021; GIZ
- Facilitation of exchange through advice on harmonized wine regulations in all Western Balkan Countries, November 2018 - October 2021, funded by the Federal Ministry of Food and Agriculture of the Federal Republic of Germany (BMEL)
- Capacity Building Program for Advisory Services in the Western Balkans to Support Participation in IPARD Calls, March 2019 - April 2020; Central European Initiative (CEI)

During the previous year, a regular annual Agricultural Policy Forum was held from 17 to 18 October 2018 on Jahorina organized by the Regional Rural Development Standing Working Group in cooperation with the Ministry, where the Jahorina Agenda was adopted. In addition to the Forum, on 15 November 2018, an annual working meeting of the Ministers of Agriculture of Southeast Europe was held in Struga, Republic of North Macedonia, presenting the Jahorina Agenda and adopting the Struga Declaration 2018 "Regional Cooperation for Sustainable Growth and Economic Prosperity in Southeast Europe". This provided an exceptional platform for disseminating project results and lessons learned, as well as for raising the awareness of decision makers and the general public in the most effective way.

6. Recommendations and observations

A general recommendation for donors focusing on Bosnia and Herzegovina and the agriculture and rural development sector would be to primarily direct their activities on assistance to meet the priorities set out in the strategic documents in this area (as outlined above) as well as priorities and recommendation of the European Commission, all in the context of meeting the obligations of the Stabilization and Association Agreement between Bosnia and Herzegovina and the European Union.

6.1. The European Commission Recommendations

The most important EC recommendations for BiH from the meeting of the Subcommittee on Agriculture and Fisheries held on 25 October 2018 were related to:

- Strengthen trade statistics for agricultural and fishery products with the EU regime;
- Further strengthen administrative capacities and resources with the aim of better preparedness and gradual convergence to the Common Agricultural Policy (CAP) of the EU;
- Ensure jointly coordinated and coherent implementation of the Strategic plan for Rural Development, through targeted use of expected funds in accordance with the main principles of the CAP, as well as effective and regular monitoring and reporting at all levels.
- Reaching an agreement on the legal framework for conducting the agricultural census;
- Harmonization of wine and organic production legislation with the EU legislation as well as legislation in the area of protection of national geographical indications;
- Make progress in setting up and improving agricultural information systems, ensuring their harmonization across the country;
- Initiate activities in the field of fisheries to develop a strategic document and an action plan on fisheries and seek to align its legislation with *acquis* in the field of fisheries and aquaculture and strengthen BiH administrative capacity in this area;
- Strengthen efforts to align with *acquis* and improve institutional capacity (especially phytosanitary inspections and laboratories); build and maintain a reliable and sustainable system for improving animal disease control in the field of food safety, including veterinary and phytosanitary issues, etc.

The importance of alignment of Entity laws with the state-level laws was particularly emphasized.

6.2. Recommendations from the information meeting for donors in 2018

The eleventh information meeting for donors in the agriculture, food and rural development sector, held in May 2018, highlighted the priority areas for donors and creditors actions in the agricultural, food and rural development sector to assist Bosnia and Herzegovina in its implementation of reforms and meeting the criteria for the EU membership in the coming period:

1. Support to the implementation of priorities - strategic goals of the Strategic Plan for Rural Development of Bosnia and Herzegovina (2018-2021) - Framework Document.
2. Intensifying cooperation between the Ministry of Foreign Trade and Economic Relations of BiH, as a coordinating institution in the agriculture and rural development sector, and donors, in order to avoid overlapping and duplication of international assistance.
3. Strengthening the capacities of the competent institutions at all levels of government in strategic planning, analytics, monitoring of sectoral policy performance, donor coordination and drafting of legislation in line with the acquis.

6.3. Observations

Following the adoption of the Strategic Plan for Rural Development (2018-2021) - Framework Document, during 2018, the possibility of programming for agriculture was opened, thus halting the unfavourable trend of losing pre-accession funds for agriculture and rural development, which has lasted since the IPA II package began, i.e., since 2014, actually since the establishment of the fund.

Due to the very demanding commitments awaiting agriculture throughout the pre-accession period, the next steps in coordinating donor support to the agriculture and rural development sector should be directed towards improving administrative capacity and strengthening human resources, in order to be better prepared for a gradual takeover and alignment with the Common Agricultural Policy of the European Union (CAP), including the identification of a model for IPARD implementation structure and its establishment to allocate funds from the next IPA III program in the period 2021-2027 to the agriculture and rural development sectors. This is very important to highlight, as the lack of use of IPARD funds from the Instrument for Pre-Accession Assistance to the EU in the agricultural sector has already left a visible mark. Due to the lack of technical assistance, institutional capacities in the agricultural sector at all levels of government in BiH were not sufficiently built, and in addition to the difficult ability to monitor changes in the EU legislation, and without technical support, the cooperation network with the EU countries and countries in the region which rapidly adopting regulations and establishing the necessary structures for one of the most demanding areas of the European legislation (Chapter 11) has been lost.

With the implementation of the Common Agricultural Policy measures in the EU countries, particular attention is paid to the regeneration and development of rural areas, the preservation of cultural treasures and traditional values. Significant funds have been earmarked for support to rural development, including support to rural tourism development, restoration of traditional crafts, improvement of infrastructure, and promotion of indigenous agricultural products. Failure to meet the requirements for the use of the European Union technical assistance in the agricultural sector and processing of agricultural products results in a decrease in the competitiveness of the agricultural sector and hindered the export of agricultural products.

Bearing in mind that a nation-wide strategic document for the agriculture and rural development sector has been adopted, and on this basis IPA II support has been programmed, it offers real hope that Bosnia and Herzegovina will succeed in implementing the necessary reforms, establishing and strengthening the necessary institutional structures in the coming period, and adapt its agriculture to the EU market requirements.

In view of the foregoing, it is proposed to the Council of Ministers of Bosnia and Herzegovina, after considering the Report on the International Assistance for Agriculture, Food and Rural Development Sector 2018 in Bosnia and Herzegovina, to adopt the following:

Conclusions:

1. The Report on the International Assistance for Agriculture, Food and Rural Development Sector 2018 in Bosnia and Herzegovina is hereby adopted.
2. The Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina shall be responsible, in cooperation with the members of the Working Group for Planning and Coordinating International Assistance in Agriculture, Food and Rural Development Sector in Bosnia and Herzegovina, to continue the activities of planning and coordination of international assistance in the mentioned area.

7. Annexes

Annex I

Use of the Technical Assistance (TAIEX) instrument of the European Union in Bosnia and Herzegovina in 2018

During 2018, several activities within the TAIEX instrument were organized and held in Bosnia and Herzegovina. Representatives of the institutions of Bosnia and Herzegovina in charge of Chapters 11, 12 and 13 of the acquis, during 2018, organized and participated in five expert missions, fifteen workshops and three study visits to the EU countries.

- Agriculture, Rural Development and Fisheries
 - Workshop: Practical Experiences from the Pre-Accession Period to Acquisition of Membership in the Agricultural Sector, 26 - 27 February 2018, Teslić
 - Ljubuški Expert Mission: Panels for Organoleptic Analysis of Olive Oil, Mostar, Žitomislići, 12 - 16 March 2018, Ljubuški
 - Study Visit: Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG) for food, 12-16 November 2018, Bologna, Florence, Rome, Parma, Republic of Italy
 - Workshop: Functioning of the Farm Accountancy Data Network (FADN), 24-25 May 2018, Sarajevo
 - Multi-user workshop: Opportunities for small farmers in the Western Balkans and Turkey, 25-26 April 2018, Cluj-Napoca, Romania
 - Turska Multi-user workshop: Rural tourism sector in the context of IPARD, 25-26 September 2018, Çanakkale, Republic of Turkey
- Food Safety and Phytosanitary Policy
 - Expert Mission: Risk Management and Food Safety Assessment, 12-16 February 2018, Banja Luka
 - Workshop: Protection of Plant Varieties and Plant Breeders' Rights, 05-06 March 2018, Banja Luka
 - Multi-user workshop: Animal Health Management, 08-09 March 2018, Sofia, Republic of Bulgaria
 - Expert Mission: Improving the administrative capacity to evaluate dossiers for plant protection products, 13-15 March 2018, Sarajevo
 - Expert Mission: Identification, Registration and Control of Animal Movement, 26-27 March 2018, Banja Luka
 - Workshop: Post-registration Control of Plant Protection Products under Integrated Pest Management, 26-27 March 2018, Sarajevo

- Study visit: Registration of fruit and grape varieties, 16-20 April 2018, Ravenna, Conegliano, Rome, Republic of Italy
- Workshop: Quarantine regime for imports with special focus on planting material and citrus fruits, 25-26 April 2018, Banja Luka
- Multi-user workshop: Rabies, 13-14 June 2018, Uccle, Belgium
- Workshop: Production of sheep and goat meat, 16-17 July 2018, Teslić
- Multi-user workshop: Official Measures for Disease Control and Control of Grapevine Dorée Phytoplasma, 11-13 September 2018, Podgorica, Montenegro
- Study visit: Quarantine regime for import of planting material and citrus, 17-20 September 2018, Corinth, Athens, Greece
- Workshop: Preparation of Official Control Plans Based on Risk Analysis, 27-28 September 2018, Banja Luka
- Workshop: Products for Plant Protection Products and Record Keeping, 11-12 December 2018, Sarajevo
- Workshop: Implementation of the Hygiene Package, 18-19 December 2018, Mostar
- Fisheries
 - Expert Mission: Fisheries Data Collection, 22-26 January 2018, Sarajevo
 - Multi-user workshop: Implementation of the Malta MedFish4ever Declaration, 23-24 May 2018, Tirana, Albania

BTSF 2018 - BOSNIA AND HERCEGOVINA

Within the framework of the Better Training for Safer Food (BTSF) organized by the European Commission, the representatives of Bosnia and Herzegovina participated in the following events:

- Food Safety
 - EU Feed Law, 22-26 January 2018, Valencia, Spain
 - EU Feed Hygiene Rules and HACCP Auditing 13-15 March 2018, Porto, Portugal
 - Antimicrobial resistance, 19-22 March 2018, Zagreb, Croatia
 - Antimicrobial resistance, 28-31 May 2018, Madrid, Spain
 - Microbiological criteria, 3-6 July 2018, Brussels, Belgium
 - Food Hygiene and Flexibility, 12-16 November 2018, Turin, Italy
 - Antimicrobial Resistance, 12-15 November 2018, Sofia, Bulgaria
 - Foodborne diseases, 20-23 November 2018, Barcelona, Spain
 - Microbiological criteria and zoonoses, 27-30 November 2018, Venice, Italy
 - Audit and Internal Audit Systems, 26-30 November 2018, Barcelona, Spain
- Veterinary
 - Control of animal by-products at border crossings - Paris, France, March 2018
 - Management of Foodborne Diseases - Riga, Latvia, April 2018
 - Animal welfare during transport - Poznan, Poland, May 2018
 - Animal welfare in pig production - Malmo, Sweden, May 2018
 - Animal welfare at slaughter and killing - Thessaloniki, Greece, October 2018
 - Non-commercial movement of dogs and cats - Athens, Greece, October 2018
 - Animal welfare in poultry production (chickens kept for meat production), Malmo, Sweden, November 2018
 - HACCP - Amsterdam, The Netherlands, November 2018
 - Non-commercial movement of dogs and cats - Malaga, Spain, November 2018
- Phytosanitary
 - TK 11: Training on inspection and calibration of pesticide application equipment in professional use, 10-13 April 2018, Barcelona, Spain
 - Epidemic surveillance and management - Horticulture, 28 May-1 June 2018, Bari, Italy
 - TK 10: Wood packaging material, 7-10 May and 3-6 September 2018, Tallinn, Estonia
 - Plant Health Surveys - New Sessions 2018, 12-15 November 2018, Bari, Italy

List of projects in the field of agriculture, food and rural development in Bosnia and Herzegovina in 2018

	Project name	Financing/Co-financing	Time/period	Value (EUR)
1.	Rural Business Development Project (RBDP)	IFAD, Loan	2014-2019	26,700,000
2.	Rural Competitiveness Development Project (RCDP)	IFAD, Loan	2017-2022 2020-2025	54,290,000
3.	Irrigation Development Project (IDP)	WB, Loan	2013-2019	28,620,000
4.	Floods Emergency Recovery Project (FERP)	WB, Loan	2014-2018	88,327,000
5.	Competitiveness and Innovation - Local Development Strategies	EU	2018-2022	16,100,000
6.	IPA 2012 Technical Assistance in the Management of Animal By-products and Animal Waste in BiH	EU	2016-2018	1,670,000
7.	EU support for the procurement and distribution of rabies vaccine baits for vaccination campaigns for autumn 2017 and spring 2018 in BiH	EU	2017-2018	1,090,000
8.	Technical Assistance in Coordinating Animal Disease Control and Eradication Programs in BiH - Phase III	EU	2017-2019	590,000
9.	The Local Integrated Development (LID)	EU/UNDP	2016-2019	6,600,000
10.	Purchase of vaccines against Lumpy Skin Disease	The Kingdom of Sweden	2016-2018	273,000
11.	The Local Integrated Development Project (LID)	UNDP/Switzerland	2017-2021	7,470,000
12.	Development and Cooperation Project of the Region Birač (BIRAC) Phases I and II	Netherlands /UNDP/ Municipalities	2013-2018	4,720,000
13.	USAID/Sweden FARMA II	USAID/Sweden	2016-2021	15,973,000
14.	Partnership for agribusiness development	USAID/Private sector	2015-2020	373,190
15.	Pilot actions for rural development and revitalization of the territories- Phase III	Republic of Italy	2017-2018	280,000
16.	Strengthening the phytosanitary sector in Bosnia and Herzegovina in line with the EU Standards	Republic of Italy	2017-2018	150,000
17.	A project for building trust through rural development	Japan/JICA	2014-2022	700,000
18.	Improvement of the food safety system in Bosnia and Herzegovina with components: - Support for the establishment of a functional pesticide and fertilizer control system and integral plant protection - Support for the establishment of official Salmonella sampling system - Support for the establishment of a pilot control system for food additives control	The Czech Republic /CzDA	2017-2019	2,000,000
19.	Increasing income of the vulnerable families through intensive horticulture in the municipality of Tešanj	The Czech Republic /CzDA	2016-2018	398,922
20.	Support to the traditional production of Livno cheese	The Czech Republic /CzDA	2015-2018	396,667
21.	Increasing the quality and quantity of milk in the Brčko District	The Czech Republic /CzDA	2016-2018	487,733
22.	Support to the Preparation for Community-led Local Development Planning and Implementation of a Pilot Project in the Livno area (Canton 10)	FAO/Hungary	2016-2018	460,000