

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

REPORT
ON
THE INTERNATIONAL ASSISTANCE FOR THE AGRICULTURE, FOOD AND
RURAL DEVELOPMENT SECTOR 2017
IN
BOSNIA AND HERZEGOVINA

Sarajevo, July 2018

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Introduction

The regular Annual Report on International Assistance for the Agriculture, Food and Rural Development Sectors 2017 in Bosnia and Herzegovina is 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.

The 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.

This 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 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.

1. INSTITUTIONAL FRAMEWORK FOR 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 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.¹

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

¹ The Law on Ministries and Other Bodies of Administration of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, 5/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09 and 103/09)

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 support of 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 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: 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 are given to the **Ministry of Agriculture, Water Management and Forestry of the Federation of BiH (FMoWMF)**, **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 agriculture, veterinary, forestry and water management issues.

Competence of the Entity ministries in the field of agriculture refers to the 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).

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 of Bosnia and Herzegovina² 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.

2. 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, 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 membership into the European Union (the EU, the Community) 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 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 EU approximation. EU institutions have closely cooperated in identifying priority measures in a way that the objectives are closely linked with

² The Law on Agriculture, Food and Rural Development in Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina, 50/08)

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 of Bosnia and Herzegovina was adopted at the 19th 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, their roles and connections, monitoring and evaluation mechanisms, and administrative and inspection supervision. In addition, the implementation of this regulation should facilitate progress towards European integrations in terms of the coordination of preparation activities to create conditions and opportunities to use the pre-accession assistance.

2.1. General objectives

According 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 exists 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 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 A

Gradual harmonization of policies and implementation mechanism of agricultural policies within BiH 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 1234/2007.

By establishing a coordination mechanism³ institutional and operational systems and the way of coordination of institutions in Bosnia and Herzegovina on the implementation of activities related to Bosnia and Herzegovina's integration process into the European Union, joint bodies within the coordination system, their composition, responsibilities and mutual relations are defined. This creates the conditions for the management of pre-accession preparations of the harmonization and gradual take over and adoption of the *acquis communautaire* in the field of agriculture.

Joint framework of priority areas and measures ⁴

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:

- To establish functional institutional capacity, coordination and implementation mechanisms at all levels
- To raise the quality and safety of domestic products with competitive advantage in production, processing and trade
- To 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

³ The Decision on the coordination system of the European integration process in Bosnia and Herzegovina Decision on the coordination system of the European integration process in BiH. (Official Gazette of BiH, 8/16)

⁴ Strategic plan of Bosnia and Herzegovina for the harmonisation of agriculture, food and rural development (2008-2011)

- 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.

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

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 MTF'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, i.e. 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, 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 (the Working Group) 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 Effectiveness⁵, 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, the Food Safety Agency BiH, BiH Plant Health Protection Administration, BiH Veterinary Office, the Office for Harmonization and Coordination of Payment System, the Directorate for European Integration and Foreign Investment Promotion Agency BiH, and representatives of unions of cooperatives 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 2017, the Working group has held two meetings, organized by the Ministry. The tenth Information meeting for donors in the sector of agriculture, food and rural development was held on April 27, 2017.

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 report on donor assistance of the sector concerned.

The Report on International Assistance for Agriculture, Food and Rural Development Sector in BiH for 2016 has been considered and adopted by the Council of Ministers at its 106th meeting held on June 22, 2017.

4. ACTIVE DONORS IN AGRICULTURE, FOOD AND RURAL DEVELOPMENT SECTOR IN BOSNIA AND HERZEGOVINA IN 2017

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

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

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 2017.

4.1. European Union - The mid-term revision of the Indicative Strategic Document for BiH (ISP) for Instruments for Pre-Accession Assistance II (IPA II) is in progress, and the next draft is expected from the European Commission in the second half of 2018. According to information obtained 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 funds of IPA II instruments will not be withdrawable in the fields of energy, environmental protection, agriculture and 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.

From the experience gained during the previous IPA II programming, it has been noted that the European Commission is ready to support each IPA II sector, as soon as it meets the preconditions. From this, it is clearly visible to the beneficiary country how it is necessary to work on fulfilling the prerequisites for obtaining assistance.

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 solution(s) 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.

The European Commission continued to donate lumpy skin diseases vaccine in 2017.

In the first half of 2017, the implementation of the IPA 2012 Twinning Project "Further strengthening the phytosanitary sector capacities in the field of plant protection products, plant health, seeds and planting material" was completed and its direct beneficiary was the Plant Health Protection Administration of Bosnia and Herzegovina 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.

During 2017, implementation of the project "Our Fields without Borders": The European perspective of BiH agriculture was continued. It was launched by the Office of the Special Representative of the European Union in Bosnia and Herzegovina (EUSR) at the end of 2016. The project encourages public dialogue with farmers and rural population, with a view to promoting 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 throughout the country: Travnik, Livno, Prijedor, Bihać, Brčko, Bijeljina, Banja Luka, Gradačac, Doboj and Trebinje. The forums were attended by farmers, representatives of business entities, development and agricultural associations, co-operatives, experts, or agronomy engineers, veterinarians, local authorities, including agriculture and rural development departments, and other relevant stakeholders from the targeted areas.

In May 2017, the project "Preparing for the Implementation of the Area Based Development in the Western Balkans - Phase II" funded by the EC through the multi-beneficiary IPA program was completed. Through this project, the EC supported the activities of the South East Regional Rural Development Standing Working Group (SWG RRD) as the implementer of this project, which aimed at fostering regional cooperation between institutions and actors in agriculture and food as well as facilitating the process of balanced territorial development of the Western Balkan countries in the progress towards EU integration in pilot-cross-border areas.

After the situation in which, by the end of 2017, the adoption of the Integrated Strategic Document for Agriculture and Rural Development became very certain, the European Commission initiated, through the Directorate for European Integration (DEI), the IPA II programming process for the agriculture sector, which includes rural development, food safety, as well as the veterinary and phytosanitary domain. At the meeting held at the end of October 2017, representatives of the European Commission announced that, if a comprehensive strategic document is adopted, this sector will be enabled to use funds up to EUR 30 million for the IPA 2018 program.

Subsequently, the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, as a coordinating institution, and according to the request of DEI, formed a Sectoral Working Group composed of representatives of the relevant institutions which started preparing Sector Planning Document 2018 -2020 for IPA II. At the end of December 2017, members of the Sectoral Working Group were trained to prepare the Sector Planning Document 2018 - 2020 (SPD) for the use of IPA II, which is a comprehensive document for a period of three years analysing, assessing and describing the sector. SPD is the basis for the preparation of Action Documents, i.e. programs and projects for the use of IPA II.

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 2017, 12 TAIEX workshops, 9 expert missions and 5 study visits 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).

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

Also, Bosnia and Herzegovina, among other countries, Also, 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:

- Ensuring and maintaining a high level of consumer protection and of animal health, animal welfare and plant health;
- Promote harmonized approach to the functioning of the EU system and national controls;
- Create the conditions for a level playing field for food businesses
- Promote safety food trade;
- 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 Administration and the Veterinary Office of BiH are shown in Table 2.

4.2. 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: (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 the 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.

The Government of Japan granted 66,762 EUR (130,576 KM) to the Veterinary Faculty, University of Sarajevo under the Grant Assistance for Cultural Grassroots Project Scheme (GACGP), for the rehabilitation of microbiology and chemistry laboratories.

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 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-peak 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.

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 the Kingdom of Sweden, has continued in 2017.

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 2017, the Czech Republic has funded three projects in Bosnia and Herzegovina related to agriculture, namely: Increasing the quality and quantity of milk in Brcko District, Increasing the income of vulnerable families through intensive horticulture in the municipality of Tešanj and Supporting the traditional production of Livno cheese.

By the end of 2017, the implementation of a small local project was completed in cooperation with the Agricultural Cooperative Tarevci. Within the framework of this project, the Czech Republic financed the procurement of equipment for the drying of fruits and vegetables, medicinal and aromatic plants and secondary forest products with a total amount of 31,000 KM.

During 2017, cooperation between the Czech Development Agency and the Plant Health Protection Administration of BiH continued on the project "Institutional Support for Control and Certification of Planting Material".

By the end of 2017, the Czech Development Agency, in co-operation with the Plant Health Protection Administration of BiH and the Veterinary Office of BiH, starts the implementation of another project worth EUR 1 million, programmed for veterinary and phytosanitary areas.

4.6. 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), the second (2016) and the

third 82017) Academy of Enlargement, implemented in the regions of the Republic of Poland, which had the greatest success in using funds from EU funds.

4.7. 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 2017, 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 of the Project "Non-GMO soybeans quality of the Danube region - Bosnia and Herzegovina and Serbia" was completed in 2017. This project was provided 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.

4.8. United States of America/USAID Strategic document is: 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), 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.

In the second year of the realization 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, at the beginning of 2017, the institutions of Bosnia and Herzegovina, led by the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, as a coordinating institution, with the support of the USAID / Sweden FARMA II project, started the drafting of the Strategic Plan for Rural Development of BiH for the period 2018-2021.

The USAID / Sweden FARMA II project also includes a grant program 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 granted

grants 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 one grantee.

4.9. **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

Implementation of the "**Irrigation Development Project**" (IDP) whose development goal is to improve the performance of irrigation systems and support institutions that support agricultural producers in project areas is underway. During 2017, 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.

In 2017, the implementation of "**Emerging Flood Recovery Project**" (FERP), which was created and approved after the catastrophic floods in May 2014, continued, and in its financial construction agriculture participates with about 25%. Projects are implemented at entity level through Project Implementation Units (PCU and APCU).

4.10. **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.

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 continued in 2017.

In 2017, activities on the implementation of the FAO project "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" were finalized.

During 2017, the FAO in Bosnia and Herzegovina implements the projects: TCP/BIH/3602/C2 "Production and processing of immortelle (*Helichrysum italicum*), export perspectives and investment opportunities" and TCP/BIH/3603/C3 "Support to the Strategy for Agriculture and Rural Development in the Brcko District".

4.10.1. FAO General Fisheries Commission for the Mediterranean - GFCM

During 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.

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 conducted the proceedings for concluding a project agreement.

4.11. International Fund for Agricultural Development - IFAD Strategies: 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 Rural Livelihoods Development Project – RLDP was concluded in 2017.

The implementation of the sixth IFAD Rural Business Development Project (RBDP) continued in 2017 where realization runs according to the plan in all four components of the project, namely.

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

- a) Credit placements for farms and enterprises through commercial banks
- b) Credit placements through microcredit organizations

Component 3: The Rural Market Infrastructure

Component 4: Coordination and project management by entity units for project implementation (PCU and APCU).

The seventh IFAD project entitled The 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.

During the year 2017, a new, eighth project, will be funded by IFAD's credit facility called Rural Enterprise and Agricultural Development Project (READP).

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

5. RECOMMENDATIONS AND OBSERVATIONS

5.1. The European Commission Recommendations

As the Report for Bosnia and Herzegovina for the year 2017 has been left out, recommendations from the Report on Bosnia and Herzegovina for 2016 prepared by the European Commission are mentioned on this occasion, stating 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 following year, i.e. 2017, Bosnia and Herzegovina 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.

In addition, the recommendations and operational conclusions of the EC from the Second Sub-Committee on Agriculture and Fisheries under the SAA between the EU and BiH, held in Sarajevo on 25 October 2017, are related to facilitating access to IPA II funds, and it is stated that: Bosnia and Herzegovina should urgently adopt a state-wide strategy for rural development, carry out a list of agriculture following the Census Law of BiH, adopt the Wine Law aligned with the EU acquis, and that the entity's wine laws must be aligned with the state law. Also, BiH should complete the process of adopting the Rule Book on Geographical Indications, to adopt the state law on organic production and to harmonize agricultural information systems throughout the country.

Recommendations related to Chapter 12 of the acquis are as follows: BiH needs to adopt a package of state food and veterinary safety laws; to strengthen institutional capacity in the food safety and veterinary sector and to consider participation in several upcoming regional workshops organized by TAIEX, which clarify new developments regarding the acquis in the field of veterinary and phytosanitary policy, and it is further underlined that the Strategic Rural Development Plan of BiH needs to be adopted in order to continue to receive IPA assistance in the field of food, veterinary and phytosanitary areas.

Recommendations related to Chapter 13 of the acquis read: BiH needs to adopt a strategy for the fisheries sector and to align its legislation with the EU acquis, BiH should sign the Malta MedFish4Ever Declaration and specify its requirements for future technical assistance aimed at supporting BiH harmonization fisheries legislation with the EU acquis in this area.

Concerning this, at the end of 2017, the procedure for signing the Ministerial Declaration on the Future of Fisheries in the Mediterranean was completed: Maltese MedFish4Ever Ministerial Declaration represents a strong political commitment to ensuring effective and co-ordinated national and regional initiatives in the European Union and as well as in Mediterranean non-EU countries.

This political Declaration, signed by Minister of Foreign Trade and Economic Relations of Bosnia and Herzegovina on behalf of Bosnia and Herzegovina, is voluntary and its adoption of the signatory states shows its willingness and interest in the protection and sustainable management of the aquaculture and fisheries of the Mediterranean.

5.2. Recommendation from Donor information gathering meeting 2017

At the tenth donor information gathering meeting in the agriculture, nutrition and rural development sector held on April 27, 2017, 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. Developing and adopting a state-wide strategic plan for rural development and reaching agreement on the establishment of a national structure for obtaining pre-accession aid in the agriculture sector through the Instrument for Pre-Accession Assistance for Rural Development;
2. Additional harmonization of official veterinarian and phytosanitary control systems with European standards;
3. Additional upgrading and strengthening of administrative capacity (personal and material), in particular inspection services, and strengthening of cooperation between relevant institutions of key importance for international trade, particularly in the field of standardization, accreditation, veterinary, plant protection, food safety, statistics and market surveillance;
4. Intensifying donor activities to provide assistance in accordance with the requirements of Bosnia and Herzegovina in order to easily overcome the potential negative consequences of the signing of the Protocol on the adaptation of the SAA;
5. Continuous maintaining contacts with donors and creditors in order to exchange information and coordinate activities to avoid duplication of aid projects and
6. Improvement of agricultural statistics through the development of Agricultural Information System.

5.3 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 2014-2020⁶. The 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 2015⁷, 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

⁶ 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.

⁷ Official Gazette of BiH, International Agreements No. 6/2015 of 20 August 2015

(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.

Although Bosnia and Herzegovina has been familiar with the criteria to be met for the use of the pre-accession funds in the field of agriculture and rural development, namely the request for the establishment of an IPARD operational structure, since 2008, there is no agreement on the establishment of these structures in BiH. That is why the EC suspended projects from IPA 2008 and IPA 2010 and further assistance in the area of agriculture and rural development.

Since, with the assistance of USAID / Sweden FARMA II project, it has been approached to the elaboration of a comprehensive rural development strategy, which is a key precondition for a country to be able to benefit from financial assistance under IPA II, the EC announced in October 2017 the possible financial support within the framework of IPA II (2018-2020) with a view to reforming and strengthening the competitiveness of this sector, including food safety, veterinary and phytosanitary sector up to EUR 30 million.

It was also announced that, following the adoption of the Integrated Strategic Rural Development Plan, the IPA II funds, on the one hand, would stimulate the growth of production and maintain the stability of producers' income, strengthen their competitiveness and carry out technical and technological improvements to meet the requirements of domestic and foreign markets, and on the other hand - would ensure the management of public policies in line with EU rules, which would also ensure the use of EU funds.

5.4. Observations

In the agricultural sector (given that the conditions for using support from the EU pre-accession funds were not fulfilled), the consequences of the lack of donor funds, especially those from the European Union, are still felt. 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.

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.

The very fact that an agreement has been reached within the country regarding the drafting of a state comprehensive strategic document on the agricultural and rural development sector, which opens the door to IPA II funds, gives hope that BiH will succeed in implementing reforms and adapting its agriculture to the requirements of the EU market in the coming period.

Having regard to the above, it is proposed to the Council of Ministers of Bosnia and Herzegovina, after considering the Report on International Assistance for Agriculture, Food and Rural Development Sector 2017 in Bosnia and Herzegovina, to adopt the following:

CONCLUSIONS

1. The Report on International Assistance for Agriculture, Food and Rural Development Sector 2017 in Bosnia and Herzegovina is 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.

TAIEX 2017 - BOSNIA AND HERZEGOVINA

During 2017, several activities within TAIEX instruments were held in Bosnia and Herzegovina. Thus, 9 expert missions and 12 workshops were held. In addition, representatives of Bosnia and Herzegovina participated in five study visits in the European Union countries.

Agriculture, Rural Development and Fisheries

1. TAIEX Expert Mission on Protected Designations of Origin (PDO) and Geographical Indications (GI) of Wine and Wine Labelling held in Banja Luka, Mostar and Sarajevo, Bosnia and Herzegovina from 15 to 19 May 2017
2. TAIEX Experts Mission on Harmonization of National Fisheries Legislation held in Mostar and Sarajevo BiH from 22 to 25 May 2017
3. TAIEX Workshop on Land Reform, held in Sarajevo from 14 to 15 June 2017
4. TAIEX Workshop on Quality Policy for Food Products held in Sarajevo on 17 July 2017
5. TAIEX Study Visit on the topic of the Land Parcel Identification System (LPIS) held in Florence and Rome from 19 to 23 June 2017
6. TAIEX Expert Mission on Appraisal of Laboratories and Certification Bodies for Agricultural Institutes held in Banja Luka, Mostar and Sarajevo from 04 to 07 September 2017
7. TAIEX Expert Mission on Sustainable Aquaculture held in Banja Luka, Jezero, Sarajevo and Šipovo from 04 to 08 September 2017
8. TAIEX Workshop on Customs Classification of Goods held in Sarajevo from 12 to 13 September 2017
9. TAIEX Workshop on Establishing a Register and Control System in the Wine Sector held in Banja Luka on 18 September 2017
10. TAIEX Workshop on Registration of New Varieties of Fruits and Grapes held in Mostar on 03 October 2017
11. TAIEX expert mission on EU legal regulation regarding the implementation and functioning of the FADN system held in Banja Luka, Brcko and Sarajevo during from 09 to 13 October 2017
12. TAIEX Workshop on Information Exchange in Agricultural Information System held in Sarajevo from 11 to 12 October 2017
13. TAIEX Workshop on the Classification of Beef, Pig and Sheep carcasses held in Sarajevo on 15 December 2017
14. TAIEX study visit on the topic of the control and registration system for grape and wine production, including geographical indications and protected designations of origin held in Ceneigliano, Rome, Tavarnelle Val di Pesa, Italy, from 20 to 24 November 2017

Food Safety and Phytosanitary Policy

15. TAIEX Regional Workshop on emerging risks held in Zaragoza, Spain, from 05 to 09 March 2017
16. TAIEX Workshop on the topic "Official Control of Genetically Modified Organisms" held on 27 April 2017 in Sarajevo.
17. TAIEX study visit on the topic of the development of a crisis management plan for food and livestock food held in Aberdeen and London, United Kingdom from 15 to 19 May 2017
18. TAIEX study visit on the integrated pest management system for pome fruit and stone fruit held in Brda, Ljubljana, Nova Gorica, Slovenia from 03 to 07 July 2017 – Plant protection products and mineral fertilizers

19. TAIEX Workshop on "Protection of the Designation of Origin, Geographical Indication and Traditional Specialties" held in Sarajevo on 17 July 2017
20. TAIEX Study Visit on the topic of Official Controls and Programs for Monitoring Water for Drinking and Natural Mineral Water held in Dublin, Limerick, Monaghan - Éire Ireland from 14 to 17 August 2017.
21. TAIEX Workshop on Animal Health Assessment of Harmful Organisms in Forests, held in Sarajevo on 24 October 2017 - Plant Health
22. TAIEX Expert Mission on the Sustainable Use of Pesticide, held in Banja Luka, Mostar and Sarajevo from 06 to 09 November 2017
23. TAIEX Expert Mission on Appraisal of Laboratories from 04 to 07 September 2017, Sarajevo - Mostar - Banja Luka - Seed and seedlings and protection of new varieties
24. TAIEX Workshop on Registration of Fruit and Grape Varieties, 31 October 2017, Mostar
25. TAIEX Expert Mission on the Sustainable Use of Pesticide from 06 to 09 November 2017, Sarajevo, Banja Luka, Plant protection products and mineral fertilizers
26. TAIEX Expert Mission on Implementation of the Hygiene Package, Mostar, from 20 to 24 November 2017

BTSF 2017 - BOSNIA AND HERZEGOVINA

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

Food Safety

1. HACCP, Valencia, Spain, from 23 to 27 January 2017; Budapest, Hungary (from 27 to 31 March 2017);
2. Antimicrobial Resistance, Athens, Greece (from 31 January to 03 February 2017);
3. Additives, Enzymes and Flavourings - Understanding EU Regulations and Guidelines on Food Improvement and Inspection Procedures, Trim, Ireland, (from 23 to 27 January 2017);
4. Organic Production, Bologna, Italy, (from 07 to 10 March 2017);
5. Audit of official controls - Auditing, Valencia, Spain, (from 06 to 10 March 2017);
6. Protected Designations Schemes - Market Control, Bucharest, Romania, (from 23 to 26 May 2017);
7. Protected Designations Schemes - Training on the Control of Geographical Indications in the Field of Strong Alcoholic Beverages, Tallinn, Estonia (from 13 to 16 June 2017);
8. Protected Designations Schemes - the Wine Sector, Turin, Italy (from 03 to 06 October 2017)

Veterinary

1. Non-commercial movement of dogs - Malaga, Spain (from 04 to 07 July 2017)
2. The Feed Law - Dusseldorf, Germany (from 30 October to 03 November 2017)
3. Rabies Control in Wild Animals - Belgrade, Serbia (from 8 to 10 November 2017)
4. Prevention, control and eradication of TSE - Lisbon, Portugal (from 21 to 24 November 2017)
5. Lumpy Skin Disease - Kiev, Ukraine (from 12 to 14 December 2017)

Phytosanitary

1. Application equipment for plant protection products and plant health: Training for the inspection and calibration of professional pesticide application equipment in Barcelona, Spain (from 25 to 28 April 2017), Ede - Wageningen, Netherlands (from 10 to 13 July 2017), Montpellier, France (from 03 to 06 October 2017).
2. Monitoring and Management of Epidemic Outbreaks - Forestry and the Environment - Vienna, Austria (from 05 to 09 June 2017)
3. Import Control of Plant Health - Phase II-London, England (from 22 to 25 May 2017)
4. Monitoring and Management of Epidemic Outbreaks in Agriculture and Horticulture, Bari, Italy (from 26 to 30 June 2017)
5. Training on plant health inspections - Munich, Germany (from 23 to 26 October 2017)

Table 3.

A list of projects in the field of agriculture, food and rural development in BiH in 2017

	Project name	Financing/Co-financing	Time period	Value (EUR)
1.	Rural Life Development Programme (RLDP)	IFAD, loan	2010-2017	18.702.347
2.	Rural Business Development Project (RBDP)	IFAD, loan	2015-2020	25.000.000
3.	Irrigation Development Project (IDP)	WB, loan	2013-2019	35.333.000
4.	Fast Relief Emergency Project (FERP)	WB, loan	2014-2018	88,327,000
5.	Technical Assistance in the Control of Animal By-products and Animal Wastes Management in BiH	European Commission IPA 2102	2016-2018	1.673 000
6.	Further strengthening of the phytosanitary sector capacities in the field of phyto-pharmaceutical products, plant health, seed and planting material	European Commission Twinning project IPA 2012	2015-2017	1.500.000
7.	Purchase of vaccines against Lumpy Skin Disease	Kingdom of Sweden	2016-2018	273.000
8.	Project Genetically Unmodified Soya from the Danube Region (Danube Soya)	Germany /GIZ; Austria/ADA	2014-2017	1.250.000
9.	USAID/Sweden FARMA II	USAID/Sweden	2016-2021	15.400.000
10.	Partnership for agribusiness development	USAID/private sector	2015-2020	5.370.021
11.	A project for building trust through rural development	Japan/JICA	2014-2022	700.000
12.	Improvement of the food safety system in Bosnia and Herzegovina with components a) Support for the establishment of a functional pesticide and fertilizer control system and integral plant protection (b) Support for the establishment of official Salmonella sampling system c) Support for the establishment of a pilot control system for food additives control	Czech Republic/CzDA	2017-2019	2.000.000
13.	Increasing income of endangered families through intensive horticulture in the municipality of Tešanj	Czech Republic /CzDA	2016 - 2018	398.922
14.	Support to the traditional production of Livno cheese	Czech Republic /CzDA	2015-2018	396.667
15.	Increasing the quality and quantity of milk in the Brčko District	Czech Republic /CzDA		487.733
16.	Development of organic cutting and forest management in BiH	Czech Republic /CzDA	2014-2017	722.222
17.	Development of BiH cattle breeding system	Czech Republic/CzDA	2013-2017	705.104
18.	Support to preparations for the planning and implementation of the pilot project of rural community development in Livno (Canton 10)	Government of Hungary /FAO	2016-2017	430.807
19.	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	FAO	2016-2017	485.000