



## Second Ministerial Videoconference:

# Impact of COVID 19 on the agricultural sector in the Western Balkans and possible joint actions

22 April 2020

## VIDEOCONFERENCE SUMMARY

COVID-19 pandemic has impacted the agricultural sector in the Western Balkans through border closures, disruptions in the production, food supply chain, trade and market. To address the current situation, SWG is organizing a series of videoconferences of the Ministers of Agriculture of the countries/territories of the Western Balkans. The second Ministerial Videoconference was attended by Ministers and high-level representatives of the Ministries of Agriculture of the Western Balkans, DG AGRI and DG NEAR discussing: free movement of the agricultural products in the region; levels of production and reserves, surpluses and deficits of ag products; issues in trade with the EU countries; need for flexibility of IPARD and other EU programs intended for support of the agricultural sector in the Western Balkans.

### Conclusions:

- There are **no major problems in trade** among the countries/territories of the Western Balkans. Green lanes function properly and in general, there is some decrease in the export volume and prices for some products and increase in import prices. Consequently, there are **surpluses** of some agricultural products in some of the countries/territories (cabbage and lamb in North Macedonia, pork and beef meat in the Republic of Srpska) for which additional/alternative markets are sought. The countries are trying to align their subsidy schemes to support farmers and agricultural producers in difficulties. Serbia removed the ban for export of wheat and flour and general conclusion is that **CEFTA** (Central European Free Trade Agreement) should be respected and free trade fully enabled.
- When it comes to the **trade with the EU** there is a **persistent problem at the Bulgarian border** where subjects from the Western Balkan countries, being treated as third countries, are **imposed additional procedures and charges** (350 LEV  $\approx$  170 EUR) related to checks of harmful organisms - Corona virus. Due to the fact that the Western Balkans countries are in a process of integration with the EU and that the Western Balkan region is surrounded by the EU external borders, **EU should consider not imposing additional procedures and charges** to entities from the Western Balkan countries.
- **IPARD** should be more focused on the primary producers and increased production of primary and value-added products. Due to the pandemic some of the IPARD calls had to be frozen or delayed, while OTSC were postponed, so that in some of the IPARD countries

there will be delays in the implementation. The interest of the target IPARD beneficiaries is high so that **national and current IPARD funds will not be sufficient** to meet the demand. There is high interest for investments also in the countries/territories that are not yet IPARD users, which is seen through the record number of applications for support through the national rural development programs. The national funds will not be sufficient to fund all eligible applications.

- **Continuous communication, coordination and solidarity** among the ministries (on bilateral and multilateral level) proves to be an effective approach to counteract the negative impact of the COVID-19 pandemic on agriculture and rural development in the region, and address common issues, in general. Following the positive results in the agricultural sector the regional cooperation has expanded in other spheres, such as among ministries of foreign affairs. Nevertheless, technical issues – lack of quality equipment for videoconferences in all WB countries – has been noted as a problem limiting efficient communication channels.

### **Future steps:**

Mr. Mario Milouchev, Director of Rural Development I and Pre-accession Assistance at DG AGRI, provided an overview on different EU support schemes provided to WB countries, namely, 38 MEUR for production of medical equipment, allocation of more than 300 MEUR to support businesses and social protection under IPA, more than 450 MEUR to provide support with EU financial organisation.

He informed about a proposal for short-term actions elaborated by IPARD Unit of DG AGRI in cooperation with colleagues from legal, audit, budget units of DG AGRI and colleagues working on IPA in DG NEAR. The list of actions is currently being finalized with the Director General and could be sent out by 24 April. The list is expected to include:

- 1) Actions within the competence of the national authorities, and subject to their immediate decision (for ex.: using alternative means for the on-the-spot verification, such as photos, videos from the applicant; introducing e-signature or using registered mail instead of receiving potential recipients in person to sign documents; extending deadlines for projects implementation, modifying call-related deadlines or freezing calls etc.);
- 2) Actions for which DG AGRI's consultation will be needed (for ex: extending the list of eligible expenditures to include those related to the pandemic - masks, disinfectants, transportation vehicles, maintenance costs of investment; temporarily adjusting the "4 eyes principle" for the on-the-spot verification to a single controller making photo or video of the visit, being verified by a second controller);
- 3) Innovations on the EC side to introduce the possibility of paying higher advances of support granted to recipients.

The next video communication round will separate the political from technical dialogue. Thus, the videoconference focusing on IPARD is tentatively scheduled for **6 May** and will include Managing Authorities and Paying Agencies from the Western Balkans countries that are IPARD users, with open possibility for Bosnia and Herzegovina and Kosovo\* to join. The next videoconference on a ministerial level is tentatively scheduled for **27 May**.

It is, tentatively, proposed to have annual workshop on IPARD organized in mid-July, while the first research workshop could take place in mid-September 2020.

**Videoconference participants on behalf of the invited ministries:**

- **Mr. Trajan Dimkovski, Minister / Mr. Zivko Brajkovski, Head of Managing Authority** - Ministry of Agriculture, Forestry and Water Economy, Republic of North Macedonia
- **Mr. Bledi Cuci, Minister / Mr. Grigor Gjeci, Head of Managing Authority** - Ministry of Agriculture and Rural Development, Republic of Albania
- **Mr. Dusan Neskovic, Assistant Minister** - Ministry of Foreign Trade and Economic Relations, Bosnia and Herzegovina
- **Ms. Gordana Rokvic, Assistant Minister** - Ministry of Agriculture, Forestry and Water Management, Republic of Srpska, Bosnia and Herzegovina
- **Mr. Husnija Kudic, Advisor to Minister** - Federal Ministry of Agriculture, Water Management and Forestry, Federation of Bosnia and Herzegovina, Bosnia and Herzegovina
- **Mr. Besian Mustafa, Minister** - Ministry of Agriculture, Forestry and Rural Development, Kosovo\*
- **Mr. Darko Konjevic, Director / Head of Managing Authority** - Ministry of Agriculture and Rural Development, Montenegro
- **Mr. Željko Radošević, State Secretary / Ms. Jasmina Miljkovic, Head of Managing Authority** - Ministry of Agriculture, Forestry and Water Economy, Republic of Serbia

**DG AGRI:**

- **Mr. Mario Milouchev**, Director of Rural Development I and Pre-accession Assistance
- **Mr. Liam Breslin**, Head of Pre-accession Assistance Unit
- **Mr. Marius Lazdinis**, Deputy Head of Pre-accession Assistance Unit
- **Mr. Zigo Rutkovskis**, Program Manager for IPARD II in Albania and North Macedonia

**DG NEAR:**

- **Mr. Max Philipp LEHNE**, Chapter desk for Agriculture and rural development

**Moderator**, on behalf of SWG

- **Mr. Boban Ilic**, Secretary General

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*\*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence*