

DCF members active in the sector in 2017	The World Bank, UN, EU, Czech Republic, Germany, Italy/Italian Agency for Development Cooperation (AICS), Croatia, Netherlands.
Other key international organizations	International Fund for Agricultural Development; OPEC Fund for International Development/OFID; European Food Safety Authority; European Center for Disease Prevention and Control.
Key government partners	BiH CoM; FBiH Government; RS Government; BD BiH Government, Ministry of Foreign Trade and Economic Relations of BiH; Veterinary Office of BiH, Administration for Plant Health Protection of BiH; Food Safety Agency of BiH; Directorate for European Integration; Federal Ministry of Agriculture, Water Management and Forestry; Ministry of Agriculture, Forestry and Water Management of RS; Department for Agriculture, Forestry and Water Management of Brcko District.
Total allocation / disbursement to the sector in 2017 by DCF members	<p>Total allocated €11.82 million – €5.82 million in a form of grants and €6.00 million in a form of loans</p> <p>Total disbursed €11.37 million – €5.36 million in a form of grants and €6.00 million in a form of loans</p> <p>Out of total ODA in 2017, 3% was allocated and 3% was disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2017	<p>The Veterinary Law of RS (RS Off. Gazette no. 75/17); The Law on Amendments to the Veterinary-Medicinal Products (RS Off. Gazette no. 75/17); The Food Law (RS Off. Gazette no. 19/17).</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among donors	<p>Working Group of the Ministry of Foreign Trade and Economic Relations of BiH for planning and coordination of international aid in the Sector for agriculture, food and rural development is active in coordination of donors and institutions of BiH in this sector, through regular meetings and preparation of annual reports adopted by the Council of Ministers of BiH.</p> <p>Donors active in the sector and BiH Institutions from all levels of government regularly attended Donor Coordination Forum meetings (DCF meetings) hosted by BiH Ministry of Finance and Treasury/Sector for Financial Planning of Development and Coordination of International Economic Aid.</p>

Overview of activities in 2017

Agriculture and rural development sector presented in this Report is based on the sector-based reporting methodology defined in the IPA II regulation, for period 2014 – 2020.

Agriculture and rural development sector consists of five sub-sectors:

- Rural development,
- Capacity for Common Agricultural Policy (CAP),
- Food safety, veterinary and phytosanitary,
- Fisheries and
- Forestry.

Bosnia and Herzegovina possesses outstanding climate and other conditions for the development of agricultural production, significant capacities for the development of the food industry and good preconditions for the development of organic production. Also, large percentage of the population is engaged in agriculture in a formal and an informal way, thereby the agriculture and food industry is the important branch of the economy that contributes to the economy, employment and the overall socio-economic development of the country.

In 2017, numerous activities were conducted for improvement of this sector, in order to establish the sustainable system of agriculture and rural development, which will be competitive, enable employment, social inclusion and a better living standard to farmers and rural population. Special focus is placed on the implementation of reforms in the context of the EU integration, the adoption of legislation as well as the strengthening of competitiveness in the international market.

During 2017, activities were undertaken on the preparation and development of the document Strategic Plan of Rural Development for BiH 2018-2021, which was sent in the adoption procedure to the Council of Ministers of BiH at the end of the year. Strategic Plan represents the framework for development of the Agriculture and rural development sector, through strengthening of the competitiveness of agriculture, forestry and rural areas and promoting innovation as well as harmonizing the legal framework in the area of agriculture and rural development at all levels of government with the EU legislation. Strategic Plan of Rural Development in BiH 2018-2021 was adopted at the 128th session of the BiH CoM held on January 4, 2018, which enabled the use of the EU pre-accession funds and it will positively reflect on further development of the sector in the forthcoming period.

Strategic Plan for the Development of Agriculture and Rural Areas in Republika Srpska 2016 -2020 is in implementation and includes investment in farms, marketing for food processing, human resources development, development of micro, small and medium size enterprises (MSMEs) in rural areas, rural tourism and strengthening of rural development institutions.

Medium Term Strategy for the Development of Agricultural Sector for the period 2015 – 2019 is in implementation in the Federation of BiH. During 2017, activities were carried out on preparation of the document Rural Development Program and the Action Plan for Implementation of the Rural Development Program of the Federation of BiH for the period 2018-2021, which will be adopted after being aligned with the Strategic Plan for Rural Development in Bosnia and Herzegovina (2018-2021).

In Brcko District, activities have been initiated on the preparation of the text of the Strategy for the Development of Agriculture and Rural Areas of Brcko District.

During 2017, the process of harmonization of the domestic agricultural policy was actively pursued, and accordingly the activities were undertaken to update the document "Plan of harmonization of rural development measures and general services in the agriculture of Bosnia and Herzegovina". The draft plan has been referred for consultations to the competent entity ministries and the Department for Agriculture of Brcko District and after the comments and opinions are obtained, it will be sent to the adoption procedure.

In October 2017, the second meeting of the Sub-Committee on agriculture and fisheries between the BiH and the European Union was held, where the implementation of the SAA was discussed and harmonization of regulations with the EU *acquis* in the field of agriculture and fisheries, including food safety, veterinary and phytosanitary issues. It was concluded that Bosnia and Herzegovina must continue to strengthen the institutional capacities, adopt a set of state laws on food safety and veterinary medicine and adopt the Strategic Plan of Rural Development. It is also necessary to harmonize the policies in the area of fisheries across the country and align them with the EU *acquis*.

During 2017, the activities were implemented on securing of the new markets and the export of products of plant and animal origin to the European Union market. In cooperation with the Directorate for Health and Food Audits and Analysis of the European Commission, it was negotiated to authorize Bosnia and Herzegovina to export poultry meat and poultry meat products as well as milk and fresh dairy products to the European Union market.

In BiH, the control, prevention and eradication of infectious animal diseases has been improved as well as the export potential of live animals and products of animal origin. New operational programs have been developed for the control and eradication of rabies and brucellosis for the period 2017-2021.

In 2017, the Law on Veterinary (Official Gazette of RS, no. 75/17) was adopted in Republika Srpska, thereby introducing the contemporary control measures for animal diseases. Also, Veterinary Information System of RS has been created and put into operation.

In the area of the food safety, progress has been made in implementing of recommendations from the Action Plan for the production and processing of milk and dairy products and export to the EU market, as well with the adoption of the Action Plan for the export of poultry meat and poultry meat products.

During 2017, Food Safety Agency of BiH prepared several regulations in accordance with the regulations in the European Union, which will contribute to the introduction of a modern integrated food safety system for the purpose to protect consumers and place domestic producers in an equal position with producers from the EU and regional countries (Official Gazettes of BiH, no. 62/17, 62/17, 66/17 and 92/17). In order to improve the control programs, the Agency also implemented the Program for monitoring of the pesticide residues in and on the food of plant origin, the Quality research of salt at the BiH market and Monitoring of the honey quality at the BiH market.

In February 2017, Bosnia and Herzegovina was authorized to transport fresh cattle meat through the territory of the European Union, thus enabling BiH exporters to use commercially more favourable possibilities for meat transport, mostly to Turkey and EU non-member countries.

The phytosanitary sector includes the health of plants, seeds and planting material and the protection of new sorts and products for protection of plants. Since the EU adopted the new law on plants health, this has resulted in significant changes in the sector, primarily in the field of accreditation of laboratories as well as the official controls. In the course of 2017, six new test laboratories were accredited in Bosnia and Herzegovina, out of which three laboratories are for testing of products of plant and animal origin.

In May 2017, Bosnia and Herzegovina ratified the International Convention for the Protection of New Varieties of Plants - UPOV Convention (Official Gazette of BiH - MU, no. 4/17). The ratification of this Convention fulfilled the last multilateral obligation of Bosnia and Herzegovina in the Legislative Action Plan for the Accession to the World Trade Organization (WTO).

Bosnia and Herzegovina was the partner country at the 84th International Agricultural Fair in Novi Sad in May 2017, where 60 countries presented their products and services. BiH was represented through organization of the joint performance of producers from the country, organization of conferences, round tables and business meetings. This manifestation presents strong incentive for domestic companies when entering new markets and strengthening their position within the regional and the European market.

In November 2017, an Agreement on Agriculture Cooperation was signed with the NR China. The agreement envisages the exchange of information and close cooperation between the competent institutions and the business community of the two countries in the area of agriculture and rural development, phytosanitary, veterinary and food safety issues, as well as joint promotion of the "16 + 1" cooperation in the field of agriculture.

Pursuant to the conclusions of the Council of Ministers of BiH, adopted at the 30th extraordinary session held in March 2017, activities were undertaken on urgency procedure for amending the Rulebook on Registration of Varieties in the Sort List and the Rulebook on Recognition of Agricultural Plant Varieties in Bosnia and Herzegovina, as well as for the adoption of the Rulebook on the Work of the Joint Commission for Varieties. During 2017, the process was carried out of registration of varieties, and by the end of the year, a total of 272 varieties were registered in the Sort list of Bosnia and Herzegovina.

Also, significant cooperation and coordination was achieved on the international scale within the activities related to the IPPC (International Plant Protection Convention) and the EPPO (European and Mediterranean Plant Protection Organization), as well as with the CVPO (Community Plant Variety Office). Also, good cooperation was continued with the phytosanitary services of the countries in the region.

In the course of 2017, set of bylaws was adopted within the phytosanitary area (Official Gazettes of BiH, no. 06/17, 36/17), phyto-pharmaceutical sector (Official Gazettes of BiH, no. 19/17, 48/17, 53 / 17, 80/17, 87/17), mineral fertilizers (Official Gazette of BiH, no. 54/17) and registration of varieties in the Sort list of BiH (Official Gazette of BiH, no. 29/17).

The Report on implementation of the special control program of quarantine harmful organisms on potatoes in BiH for 2016, was adopted at the 115th session of the BiH Council of Ministers held on September 18, 2017, and the Report on implementation of the Rotterdam Convention in BiH has also been considered and adopted at the 116th session of the Council of Ministers of BiH, held on September 26, 2017.

In early 2018, Bosnia and Herzegovina is expected to sign the *Malta MedFish4Ever* declaration, a multilateral strategy proposed by the European Union, with a view to achieve the sustainable use of fish resources and protection of marine environment. The declaration envisages joint activities aimed at restoring fisheries to the sustainable level, ensuring jobs in this sub-sector and developing fisheries across the Mediterranean, which was signed by the countries of the northern and the southern coasts of the Mediterranean Sea.

Investments of DCF members in 2017

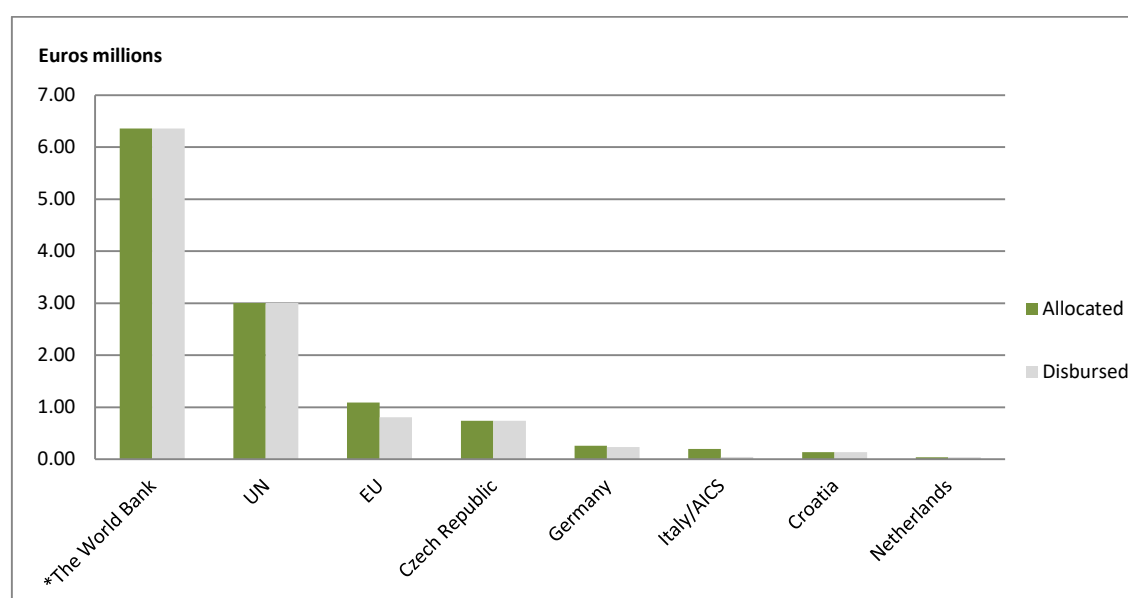
DCF members active in the Agriculture and rural development sector 2017 were EU, Croatia, Germany, Czech Republic, Netherlands, Italy/Italian Agency for Development Cooperation (AICS), UN and The World Bank.

Total allocations of DCF members to the Democracy and governance sector in 2017 amounted to €11.82 million, out of which €5.82 million in the form of grants and €6.00 million in the form of loans, from the creditor The World Bank.

Total disbursements of DCF members to the sector in 2017 amounted to €11.37 million, out of which €5.36 million in the form of grants and €6.00 million in the form of loan, from the creditor The World Bank.

Figure 8.1. compares grants allocated and disbursed per donors, according to the amount of invested funds, as well as allocated and disbursed loan funds from The World Bank. Leading donors who allocated i.e. disbursed largest amounts was UN, followed by the EU and Czech Republic.

Figure 8.1. Allocated and disbursed funds per donors/creditor in 2017



*Note: The World Bank – loan

Agriculture and rural development sector consists of 5 sub-sectors. Figure 8.2. presents the structure of total allocated funds per sub-sectors.

Out of total allocated funds in 2017, 95.8% was allocated to two sub-sectors: Rural development 83.1% and Food safety, veterinary and phytosanitary 12.8%, while total of 4.2% funds was allocated to other sub-sectors.

Figure 8.2. Total allocated funds per sub-sectors in 2017

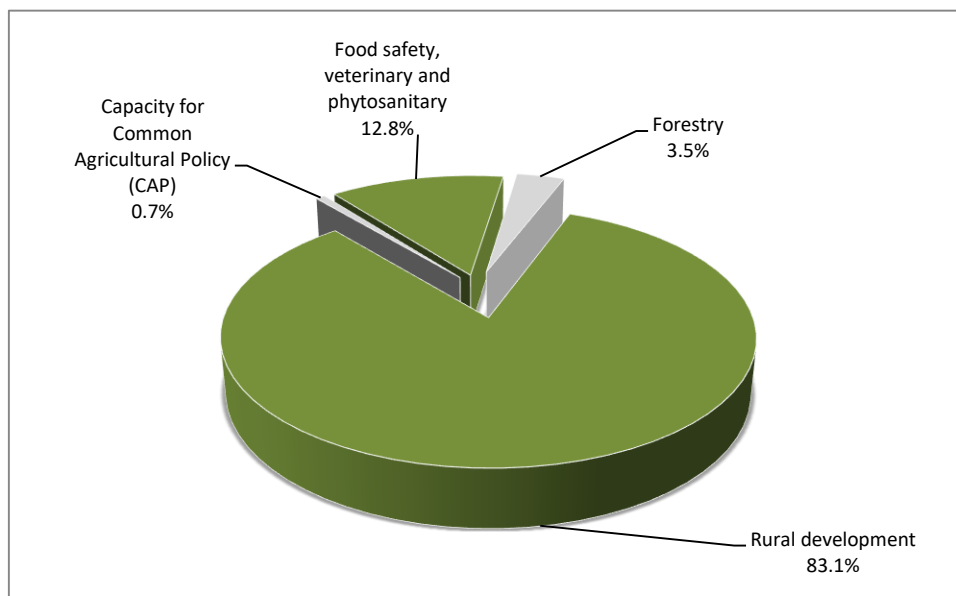
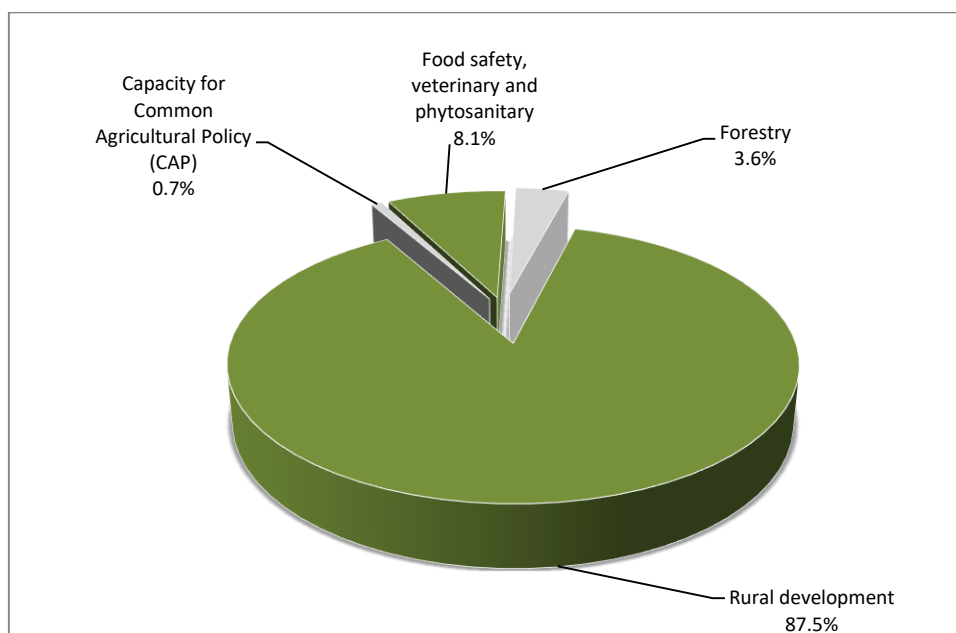


Figure 8.3. presents the structure of total disbursed funds per sub-sectors in 2017.

Out of total disbursed funds in 2017, the largest disbursements were recorded in the sub-sector Rural development 87.5%.

Figure 8.3. Total disbursed funds per sub-sectors in 2017



Ten major projects in the sector that allocated or disbursed funds in 2017, are listed below:

PROJECT TITLE	Donor/Creditor	Total Project Value (Euros millions)
Irrigation Development Project	The World Bank	28.62
Local Integrated Development Project	UN	7.47
Srebrenica Regional Recovery for Economic Development (SRRP) IV	UN, Netherlands	6.86
Global Environmental Facility (GEF) Sustainable Forest and Landscape management	The World Bank	4.01
High-quality, GMO-free soya from the Danube region	Germany	1.37
EU support to supply and distribution of rabies vaccination baits for autumn 2017 and spring 2018 campaigns in Bosnia and Herzegovina	EU	1.09
Development of Environmental logging and forest management in Bosnia and Herzegovina	Czech Republic	0.74
Development of a System for Breeding Beef Cattle in Bosnia and Herzegovina	Czech Republic	0.72
Technical assistance in coordination of animal disease control and eradication program in BiH – Phase III	EU	0.59
Institutional Support for Certification and Control of Plant Material	Czech Republic	0.50

All projects are available in the Donor Coordination Forum Database, via the following link:

<http://dmd.donormapping.ba/dmd/faces/dmdPublicStart>

Future activities

In the forthcoming period, activities should be continued on improving of the rural development and creating an efficient, sustainable and innovative agricultural and food sector in BiH, which will be competitive at the international market, which will ensure employment and a better living standard for agricultural producers. Based on the responses gathered from BiH Institutions from all levels of government as well as members of DCF that participated in the preparation of this Report, further efforts should be made in the following period:

- adopt the Strategic Plan for Rural Development of BiH and open the possibility of using the EU pre-accession funds for agriculture and rural development;
- strengthen the competitiveness of agriculture, forestry and rural areas by increasing the level of investments and improving the transfer of knowledge and the promotion of innovation;
- improve the quality of life in rural areas through the creation of new sources of income and the improvement of physical infrastructure;
- improve the institutional system and capacities in the sector of agriculture, food safety, veterinary and phytosanitary policy;
- harmonize the legal framework in the agriculture, food safety, veterinary and phytosanitary policy with the European Union legal framework;
- strengthen advisory services to farmers in Bosnia and Herzegovina;

- improve agricultural statistics and the information system;
- upgrade inspection and control services and laboratories through adoption of standardized procedures and methods of accreditation.
- develop and adopt the Strategic Plan for Rural Development in BiH and agree to establish the national structure for obtaining pre-accession assistance in the agricultural sector through the Instrument for Pre-Accession Assistance for rural development;
- further harmonize BiH systems of official veterinary and phytosanitary controls with the European standards;
- additionally upgrade BiH administrative capacities, in particular inspection services and laboratories.

