

## Report

### Thirty-Seventh Session of the Regional Rural Development Standing Working Group (SWG) of SEE Countries

**Date:** 06<sup>th</sup> – 07<sup>th</sup> December, 2016  
**Location:** Budapest, Hungary  
**Organizer:** SWG Head Office/Secretariat

**Report Prepared by:** SWG Head Office/Secretariat



December 2016

## **I. Purpose of the session:**

The 37<sup>th</sup> session of the Regional Rural Development Standing Working Group (SWG) in SEE was organized under the joint auspices of the SWG and the Hungarian Ministry of Agriculture and was held in the period 06<sup>th</sup> – 07<sup>th</sup> December, 2016 in Budapest, Hungary. The organization of the 37<sup>th</sup> Session of the SWG Assembly has been financially supported by the Ministry of Agriculture of Hungary and under the framework of the European Union funded project “Fostering regional cooperation and balanced territorial development of Western Balkan countries in the process towards EU integration”.

The 37<sup>th</sup> Meeting of the SWG Assembly served the purpose of annual planning for the regional activities and initiatives in the period of 2017. The aim of the session was to discuss the retrospective of the accomplishments in the period September - December 2016, to discuss and agree upon the operational plan for 2017, the financial framework and SWG internal operational structures.

All SWG delegates from the eight SWG member institutions, and the eight SWG observer institutions were officially invited to participate on the 37<sup>th</sup> SWG session.

Representatives from six out of eight SWG member institutions, participated on the session, discussed, gave recommendations and have taken the decisions listed below. Representatives of the Ministry of Agriculture and Rural Development of Hungary participated on the session as an observer.

Representatives from the SWG partner institutions and international organizations – German International Cooperation (GIZ); Regional economic development agency for Sumadija and Pomoravlje and Europa Reinsurance Facility Ltd. Switzerland also participated on the session.

## **II. PARTICIPANTS ON THE 37<sup>TH</sup> SESSION OF THE SWG ASSEMBLY:**

### **SWG Delegates/ Ministry representatives present from:**

- Ministry of Agriculture, Rural Development and Water Administration – Republic of Albania (Mr. Grigor Gjerci; Mr. Teuta Topi);
- Ministry of Foreign Trade and Economic Relations - Bosnia and Herzegovina (Mr. Dusan Neskovic, Mr. Hamdija Civic);
- Ministry of Agriculture, Forestry and Rural Development – Kosovo\* (Mr. Bekim Hoxha, Ms. Jehona Shyti);
- Ministry of Agriculture, Forestry and Water Economy – Republic of Macedonia (Mr. Gorgi Bozinov);
- Ministry of Agriculture and Rural Development – Montenegro (Mr. Darko Konjevic);
- Ministry of Agriculture and Environmental Protection (Mr. Zoran Janjatovic);

### **Ministry representatives of the SWG observer institutions present from:**

- Ministry of Agriculture - Hungary (Ms. Katalin Toth, Ms. Gabriella Gr nner, Ms. Lilla Egri, Ms. Agnes Portik)

### **Other representatives present at the session were:**

---

\* 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.

- German International Cooperation GIZ (Mr. Benjamin Mohr, Ms. Elena Gavrilova, Ms. Emilija Milunovic);
- Regional economic development agency for Sumadija and Pomoravlje (Mr. Nenad Popovic; Ms. Jasminka Lukovic Jaglicic)
- Europa Reinsurance Facility Ltd. Switzerland (Ms. Nadica Jovanovska Boshkovska)

*List of Participants from the meeting - Annex I.*

### **III. Topics discussed at the 37<sup>th</sup> Session of the SWG Assembly:**

The main topics of the session which were discussed are the following:

#### **I. SWG Session with participation of SWG partner institutions and organizations**

- Presentation of the APF Tirana Agenda 2016 and Conclusions of the 10th Annual Working Meeting of the Ministers of Agriculture from SEE;
- Discussions on the cooperation with partner organizations (GIZ, EC, JRC).
- Discussion related to the Concept Note for creation of “Balkan Network on Wine”
- Overview of the activities of Europa reinsurance Facility Ltd.

#### **II. Internal Session of the SWG Assembly**

- Retrospective of the accomplishment in 2016;
- Discussions and decisions regarding the future functioning of the SWG operational structures;
- Presentation of the SWG Financial Report for September 2015 – October 2016;
- Discussion related to SWG internal operational issues.

*Meeting programme is presented in Annex II.*

### **DISCUSSIONS:**

Mr. Darko Konjevic, President of the SWG Assembly, welcomed the participants and opened the 37<sup>th</sup> SWG Assembly Session.

The 37<sup>th</sup> Session of the SWG Assembly has been co-chaired by the President of the SWG Assembly and Mr. Boban Ilic, SWG Secretary General.

On behalf of the host institution, the 37<sup>th</sup> SWG Assembly Session, the Deputy State Secretary for International Affairs Ms. Katalin Toth welcomed the SWG Assembly and expressed the gratitude and fruitful work achieved in the past period on behalf of the SWG. Ms. Toth underlined that Hungary is fully committed to assist the development of this region and SWG could effectively contribute to the development of rural areas throughout SEE. Hungary is proud to contribute to the work of such an organization theoretically and practically alike. It was highlighted that such a cooperation in SEE is essential for the development of the whole Western Balkan region. Although Hungary has only an observer status within the SWG, such a joint cooperation could lead to higher added value for all concerned parties.

The presence of the assigned SWG delegates on this Assembly Session provided a qualified quorum of majority of member institutions with voting right. All the decisions on the 37<sup>th</sup> SWG Assembly Session were reached with a consensus (see below in the section Conclusions/Decisions made).

### III.1 SWG Session (Open Meeting)

The 37<sup>th</sup> SWG Assembly Session begun as an open meeting.

#### III.1.1 Presentation on the outcomes of the Agricultural Policy Forum 2016 and 10<sup>th</sup> Annual Working Meeting of the Ministers of Agriculture from SEE

Ms. Spasovska and Ms. Gjorshoska from the SWG Secretariat presented the outcomes from the Agricultural Policy Forum 2016 and the 10<sup>th</sup> Annual Working Meeting of the Ministers of Agriculture from SEE to the SWG Assembly.

The Tirana Agenda 2016 of the Agricultural Policy Forum 2016 and the Conclusions of the 10<sup>th</sup> Annual Working Meeting of the Ministers of Agriculture from SEE can be found as Annex III and IV.

The SWG delegates had a short discussion regarding the participation of the Ministers at the Annual Working Meeting of the Ministers of Agriculture from SEE. The SWG delegates need to ensure the highest possible political representation (Ministries) at this important gathering in the years ahead in order to discuss the future steps on regional cooperation and EU integration in the SEE region with solid political background.

Mr. Ilic explicated the initiatives which have been initiated and presented during the Ministerial meeting 2016.

- It referred to the establishment of the procedure to use an “institute” of a referent laboratory in respect to the trade disputes among the WB countries. Hypothetically this could find a way for resolving the regional trade disputes and disagreements based on the signed multilateral agreement between our countries/territories. The proposal has been made on behalf of the Minister of Agriculture, Rural Development and Water Administration of Albania, and the process should start next year including the Phytosanitary and Veterinary authorities as well as Food Safety Agencies.
- Furthermore, based on the conclusions of the Ministers Meeting held in Visegrad for establishing Drina Commission along Drina delta including Bosnia and Herzegovina, Montenegro and Serbia it was elaborated the importance of the matter and to review the process of the regional cooperation in the given fields (environment, agriculture and rural development, energy and economic cooperation in general). The process will continue with expected participation of Montenegrin relevant authorities. The SWG is ready to facilitate the process within its capacities and mandate.
- The SWG Secretary General informed the Assembly that the SWG Secretariat is in a discussion process along with Donau Soya Initiative for organization of an informal exposure visit to Austria of the Western Balkan Ministers, based on the willingness of the Federal Ministry of Agriculture, Forestry, Environment and Water Management of Austria (Lebensministerium) to host the visit with the two main topics on the agenda – use and production GMO Free protein in the Western Balkans, as well as presentation of good practices of the application of rural development policy in Austria. The preliminary results of this trilateral initiative are expected by the end of January 2017.

As follows, the floor was open for discussion and contribution related to the plan and measures which should be undertaken for implementation of the Conclusions from the 10<sup>th</sup> Annual Ministers Meeting.

#### Montenegro

- There are existing mechanisms with which our countries can deal with the lab testing of various products. The idea of establishing a regional reference laboratory for the region would be time consuming and expensive.

- The inclusion and strengthening of the civil society sector is essential in the further regional, as well as national development framework of the SEE countries.

#### Bosnia and Herzegovina

- The country experiences trade problems in respect to CEFTA, generally the matter is addressed towards the heavy administration structure and public institutions that the country has for its given size.
- For the reference laboratory Bosnia and Herzegovina agrees with Montenegro, that there are many ways to deal with the laboratory issues, which could result in trade disputes. Establishment of a regional laboratory is expensive and raises the question how effective it would be. Yet again, the delegates believe that the question should be addressed among the Ministers.
- Bosnia and Herzegovina calls upon the conclusions of the Bilateral Meeting on waste management in Visegrad organized between Serbia and Bosnia and Herzegovina and invites Montenegro to consider the importance of the matter and join to the initiative for further trilateral cooperation.

#### Serbia

- In respect to the reference laboratory, this is something that Serbia is working strongly and will complete the issue until the end of the next year. Currently the country is in the process of setting up the IPARD structures and food safety laboratories. The foreseen time frame is to have this finalized by the end of next year.
- Serbia is strongly cooperating with Montenegro. A discussion on various issues is initiated among the IPARD agencies. Montenegro can assist Serbia with a foundation of various registries (Farm registry, Beneficiary registry, etc.).
- Serbia strongly supports the initiative which came out as a result of the bilateral meeting held in Visegrad, Bosnia and Herzegovina and believes that further steps need to be undertaken as soon as possible.

#### Kosovo\*

- The participation of the Ministers at the Annual Ministerial Meetings of SWG is of a concern for Kosovo\* since there is lesser high political representation each year;
- Regarding the establishment of regional reference laboratory, the countries have the opportunity to decide to use laboratories in EU because lab results testing from SEE countries (if different) are causing trade conflicts and blocking products export/import.
- For the ABDA programme, the Ministry is supporting the approach in the Sharra region and will support the proposed cooperation in the Bjesket e Nemuna - Prokletije region.
- For the upcoming period the main development focus of the Government will be agriculture and rural development translated into a growth of the budgetary support for the sector.

#### Albania

- In respect to the initiative to use the coordination mechanism and independent reference laboratory was initiated on behalf of Albania due to the current trade problems with some of the counties in the region. It is best believed for the Ministers to further discuss the matter and decide on future steps. The SWG should pursue and support the initiative presented by Albania.
- On national level, there are positive developments within the Managing Authority.
- In order to start with IPARD implementation, the country is currently having the second audit mission to improve the guidelines for beneficiaries. Currently there is introduction to a new aspects in the foreseen implementation, reflecting the differences between IPARD I and IPARD II.

#### Macedonia

- The country is implementing measures to reduce the out-migration from rural areas.
- IPARD II has started.

- Furthermore, among other development matters, Macedonia is currently in the process of designing new type of policies to support regional development.

### **III.1.2 Review of the realized activities within the SWG in the period January - December 2016**

Overall review of the implemented SWG operational plan for 2016 was reported. The SWG Secretary General and the staff of the SWG Head Office/Secretariat elaborated the executed activities laid down in the operational plan 2016, containing activities related to the SWG core functions and actions/projects implemented in cooperation with GIZ, EC, JRC and other partner organizations.

Based on the agreed and adopted operational plan for 2016 by the SWG Assembly, major part of the activities have been executed in 2016 by the SWG implementing structures and some of the defined activities have been postponed for execution in the year 2017.

The Assembly endorsed the report on the executed Operational Plan for 2016.

*More details regarding the SWG Operational Plan 2016 in Annex V.*

### **III.1.3 Elaboration and update on the cooperation with the European Commission**

*SWG – EC: “Fostering regional cooperation and balanced territorial development of Western Balkan countries in the process towards EU integration - Support to the Regional Rural Development Standing Working Group (SWG) in South-East Europe”*

Mr. Ilic presented in greater details the activities performed in the period September - December 2016 and future activities within the action in respect to the Area Based Development program through the project on "*Fostering regional cooperation and balanced territorial development of Western Balkan countries in the process towards EU integration - Support to the Regional Rural Development Standing Working Group (SWG) in South-East Europe*". High level working meetings, conferences and forums organized and activities facilitated, during this period (2 (two) political statements and 4 (four) policy documents were prepared). The activities focused on - organization of the meetings of stakeholder groups in all four cross-border regions; support to organization of P2P activities; support to preparation of quality project proposals on various Open Calls for proposals in the cross-border regions and support to political and policy discussions on agriculture and rural development issues.

The PMUs assisted the preparation and submission of 35 project proposals under different Open Calls in the cross-border regions. (Average 8-9 per region).

Baseline analyses for the additional three cross-border regions: Pcinja-Krajshte, Prokletije – Bjeshket e Nemuna, Neretva – Krs are finalized.

*More details in Annex VI.*

*SWG – JRC IPTS: “National Policy Instruments and EU Approximation and EU approximation process: Effects on farm holdings in the Western Balkan Countries (EUEWB)”*

In respect to the EU funded project: “National policy instruments and EU approximation process: Effects on farm holdings in the Western Balkan countries”, Mr. Ilic reported the progress made in respect to the Statistical and APM data bases including data on direct support schemes in the WB countries which have been up-dated. Country reports on agriculture and rural development policy have been finalized and are subject of revision by JRC. Synthesis report on direct support schemes of the WB countries and assessment of farm level data availability and quality have been prepared. The topics for farm level analysis as alternative of FADN have been also presented. The

current situation on accessing FADN data is problematic, thus some of the countries have already FADN data and some of them do not have. Preliminary results consisted of two parts have been presented during the Agricultural Policy Forum 2016 and on the Ministerial Meeting in November 2016. Next meeting of the REAWG is scheduled for February 2017 in Skopje, Macedonia. Final results of the REAWG work are foreseen to be accomplished by March 2017.

*More details in Annex VII.*

#### **III.1.4 Elaboration and update on the cooperation with GIZ**

Mr. Ilic and Mr. Benjamin Mohr, Team Leader of the Programme for Rural Development through Integrated Forest and Water Resources Management in Southeast Europe (LEIWW) provided short update and review the progress of the Programme LEIWW.

An overview to the preparation of a study and support to the process of provision of policy recommendations on characterization and mapping of areas with natural constrains in the SEE countries, compatible with the EU methodology and standards was elaborated.

In the course of the Agricultural Policy Forum (APF), held in Tirana, Albania, on 12 – 13 October, 2016, as well as during the Ministerial Meeting (MM), held in Becici, Montenegro, on 25<sup>th</sup> November, 2016, the preliminary results of the study were presented. Follow up meeting of the REAWG on ANC will be in February 2017.

*More details in Annex VIII.*

A reflection to the evidence-based policy papers on addressing the current situation and provision of policy recommendations in respect to rural development and natural resource management in compliance with the EU policies was reported to the Assembly.

The methodology has been finalized and detailed working plan related to the content of the assessment has been developed. Furthermore, an assessment of the current situation on the national level of the natural resource management in SEE has been prepared. In the future ahead it is expected for the regional synthesis report and regional policy recommendations to be developed. The overall responsibility for coordination of the REAWG on NRM was transferred from GIZ to the SWG.

*More details in Annex IX.*

Mr. Mohr, in respect to the development of expert assessments and the policy recommendations in regard to LEADER / CLLD approaches in SEE, announced preparation of a study/regional assessment, foreseen for the beginning of 2017.

Follow up of the ABD Grant Scheme in respect to the value chains, business partnerships and collective actions will follow and external evaluation of LEIWW and development of LEIWW phase II (2018 – 2020) will follow as well.

*More details in Annex X.*

#### **III.1.5 Presentation of Concept Note for creation of Balkan Network of Wine Associations**

Mr. Popovic from the Regional economic development agency for Sumadija and Pomoravlje – REDASP presented to the Assembly the idea for creation of network, which could gather associations of wine growers and wine producers and development organizations, recognized in the territory covered by the network (Serbia, Kosovo\*, Bosnia and Herzegovina, Macedonia, Montenegro, Albania). The general goal of the project idea is contribution to the coherence and stability of the Balkan territory through economic cooperation. The project concept has been

presented, including the proposed activities for implementation of the results, which should come out of the project.

The Assembly generally agreed on the proposed concept. SWG REAWG on vine and viticulture will discuss future actions jointly with the initiators. The next steps should be taken by the end of December 2016, in order to define the details regarding the design of the project proposal and establishment of the Network. The REAWG will have a joint session with the wine associations in the course of February 2017.

*More details in Annex XI.*

### **III.1.6 Overview of the activities of Europa Reinsurance Facility**

Ms. Jovanovska - Boskovska gave overview of the operations of Europa Re. Europa Reinsurance Facility is a Swiss-based property catastrophe reinsurance company that provides a web based underwriting platform with integrated insurance technology applications that include automated pricing and underwriting, innovative claims management services, financial and regulatory reporting and risk management, as well as reinsurance capacity to accredited insurance partners in SEE. Europa Re is based in Switzerland with offices in Macedonia, Albania and Serbia owned by the Governments of the Macedonia, Albania and Serbia.

Europa Re supports the following insurance products:

- Catastrophe insurance coverage for damages caused to property and contents by earthquake (and fire following an earthquake) and flood;
- Agriculture yield index insurance coverage, designed to protect farmers from the loss of crop yields due to adverse weather events and biological risks.

*More details in Annex XII.*

### **III.2 Closed SWG Assembly Session – for SWG Delegates only**

*Internal discussions - for SWG Delegates only*

#### **Field trip visit on rural development in Galgahéviz region, Hungary**

In organization of the Ministry of Agriculture of Hungary, the SWG Assembly Session participants attended second half of the day on 07.12.2016 a study visit on rural development sites in Galgahéviz region, Hungary.

The SWG Assembly was hosted by the Mayor's Office in Galgahéviz region and then proceed with the visit of the eco village and the fishing pond

The Galgahéviz region have implemented successful projects which were funded by EU funds in the previous programming period. These are the market place includes covered stalls and a stage, the church's facade and the playground for children which can be found in the school yard but accessible to every child living in the village. These EU funds were and still are extremely important because they help to build, not only the infrastructure, but the community of the village as well.



## Conclusions/Decisions Made:

- The proposal for establishment of the procedure to use an “institute” of a referent laboratory in respect to the trade disputes among the WB countries which could find a way for resolving the regional trade disputes and disagreements based on the signed multilateral agreement between our countries/territories have been discussed;
- Possible organization of informal exposure visit to Austria of the Western Balkan Ministers, based on the willingness of the Federal Ministry of Agriculture, Forestry, Environment and Water Management of Austria with regards to use and production GMO Free protein in the Western Balkans, as well as presentation of good practices of the application of rural development policy in Austria have been addressed;
- The PMUs assisted the preparation and submission of 35 project proposals under different Open Calls in the cross-border regions. (Average 8-9 per region).
- Report of the SWG - JRC IPTS: “National Policy Instruments and EU Approximation and EU approximation process: Effects on farm holdings in the Western Balkan Countries (EUEWB)” consisted of two parts prepared and subject of revision of JRC; Next meeting scheduled for February 2017;
- Concept Note for creation of Balkan Network of Wine Associations presented and generally agreed among the Assembly correlated to the Regional Expert Advisory Group on Wine consisted of experts on vine and viticulture as a basis to initiate and discuss the future actions taken in the region of SEE;
- Details regarding the cooperation among SWG with EC, JRC, RCC, CIHEAM and GIZ were presented and discussed.

*The organization of the 37<sup>th</sup> SWG Assembly Session was co-financed in the framework of the European Union funded project “Fostering regional cooperation and balanced territorial development of Western Balkan countries in the process towards EU integration”. The contents of this report are sole responsibility of the Regional Rural Development Standing Working Group (SWG) in South-East Europe and can in no way be taken to reflect the views of the European Union.*

