

## **MINUTES OF MEETING**

of Sector Working Group for Agriculture and Rural Development meeting (extended with donors and NGO) on 23.04.2018

held at the Ministry of Agriculture, Forestry and Water Economy

of the Republic of Macedonia

Moderator of this meeting was Mrs. Maja Lazareska Joveska, Head of Department for European Union.

The meeting was opened by the Minister for Agriculture, Forestry and Water Economy Ljupcho Nikolovski, who expressed congratulations and sincere greetings for organization of the roundtable meetings together with the Delegation of the European Union, regarding Priorities in the Agriculture and Rural Development Sector and support from the International Community and the IPA 2 Instrument.

The approach of the Sector Working Group (SWG) once more will serve as a platform for dialogue on policy settings and perspectives of common interest to agricultural policy makers and relevant stakeholders in the Agriculture and Rural Development Sector. It will address the need for adjusting the agricultural policy in the country, based on relevant in-depth analyses of the situation while at the same time having in consideration the adaptations necessary due to the EU approximation process.

Mr. Nicola Bertolini, Head of Cooperation in the Delegation of the European Union stressed out that their support deeply depend on the clear discussions of this SWG meetings. He congratulated this Sector Working Group, as a best of three SW Groups focusing on IPA 2019. He pointed out that received and shared comments, specifically from civil society and other donors on this meeting, have a big role in identification of key issues from which will arise the concrete ideas and significant priorities. He said that discussion should be the focus of methodology on this meeting.

Mrs. Maja Lazareska Joveska stressed out the big importance of this meeting as a result of the round meetings held in the previous period, from 16-26 of March, from which the significant conclusions and key issues in the relevant areas within the Agriculture Sector, came.

### **Land consolidation**

Mr. Bertolini pointed that the ongoing Land consolidation activities financed by EU and implemented by FAO will provide the base for further investment. Only two projects of Land consolidation will be implemented at only 2 areas, because EU wants to support other areas as well, to open the possibility for more investments. He said that the focus of the program is on the nationwide interventions as well as regional focus interventions. According to the available statistic data, 3 regions are going to be pre-identified as more underdeveloped comparing to country average. Regions above the country average are (Skopje, Vardar, South-East) at the

average (Pelagonia) and below the country average (North-East, South-West, Polog and some parts of East). This region focus will apply not only to the program Agriculture, but to the program competitiveness, and social policies. The combination of education, labor, Agriculture, development, competitiveness will promote development.. Trying to find wide region not the same municipality as irrigation scheme aware and to combine effects. Pre-feasibility study of 12 areas, 4 regions will have financed to the end of this FAO projects.

Mrs. Natasha Ljubeckij said that 2 projects that are initiated as a pilot projects will be finalized in this project lifetime from old one, and 4 new are envisaged by the end of the project. In total, 6 projects consequently by activities of these projects.

Mr. Jurant Dika asks about the policy within the Law on forest how to create opportunity for Land consolidation of forest land. The goal of this project is on Agriculture land but are there prepositions for implementing the forest land with this project?

Mr. Perica Ivanoski answered that this is the important topic in Europe and the World, especially in the country that have forests, but in our country now the focus is given on the Agriculture land as a priority, because in the initial period the process should be introduced and capacity should be build. The Agriculture land is relatively bigger then forestry which is only 10 % on private parcels forestry land. But the Law on consolidation of Agriculture land has listed another idea in the future, and will spread in future like treating agro-environment projects, protection, public investments and forestry.

Some changes and new proposal were made in Rural development program with 10 million € for consolidation.

The money is predicted for the process of the registration of the property right, and after this land consolidation proofs the process to be legal. That is linked with the new law on Land consolidation which is in final phase of the adoption by Parliament. The process after enacted the new Law on Land consolidation will be half year, so it's too early to speak about this, there is a risk that money might not be used by the end of the year, all depends on the implementation of the field activities, legal competition process. The activities will be under monitoring and the money will be reallocated on other priorities which will not be finalized.

Mr. Trajan Dimkovski was not sure whether the money could be spent and is there a need for regulating with a by-law, or everything is clearly stated in the Law.

Mr. Perica Ivanoski, said that this is already regulated within a bylaw level and that is the best way how to be implemented in Rural Development Program. It is most appropriate just amending the new Rural Development bylaws measures to be done.

Mrs. Margarita Deleva, pointed out that on the last Steering Committee meeting, they agreed that the project has a package of support in designing the Land consolidation measures which will carry out the farmers and mitigate the costs within the Ministry, during the land consolidation when the farmers will be out of production for one year.

## **Rural development**

### **Extension services (Advisory Services)**

Introducing completely new Law of farm advisory system in common agriculture policy (CAP) and combining this issues with package with all advisory services. This Law formulates all the major issues, which are the public and private conditions of advisory services and the way how this process will go on.

Legislative approval, introducing the new law, support of cross-compliance are sector challenges. The current Law will formalize implementation, delivery of the services combined with home budget. There will be public list for advisory services, and the farmers will choose.

There will be private providers (regulated in the law) on the web list who must be selected by the farmers. The new law is published on ENER (for 20 days - 7 days are left for comments). Until now there are no comments. Public debate is planned, before putting the law in governmental procedure.

USAID expressed the willingness to support, together with their activities (for bylaws there are no funds until now).

FAO initiative for financial support. There is a need for support of stakeholders, building the capacities, trainings (from IPA 2019). FFRM were not present to present their experience and needs from field.

The question about extension services in forestry predicted in the new Law, was raised. There will be a three-year Programme (list of activities must be defined). In the Law is clearly stated that forestry is eligible. Including Forestry and Forestry faculty should be the part of the regulation. If the forestry is on the list of the Programme, then they can be put in advisory services.

Mr. Bertolini asked about the number of offices and advisors.

Mr. Perica Ivanoski answered that NEA is state funded advisory agency with 33 regional offices and 60-80 advisors on the field were established.

Private advisors are giving advices on a private level, directly paid by the private funds.

SDC/IME Programme representative Mrs. Gabriela Micevska said that USAID and Epicentar together will help in the part of advisory services, and SDC (Swiss contact) can help together with them on bylaw connected with organic agriculture.

Mrs. Lidija Chadikovska from MAFWE mentioned that FAO had consultation with the Ministry, mentioning that FAO can fill the gap with specific technical expertise, with limited funds, substation support (training of advisors at early stage). FAO will give the plan for support (it was a conclusion from consultation meeting held in October 2017).

CNVP representative mentioned forestry topic as never financed and in context of advisory, knowledge is beyond zero.

DEU representative Dimitar Malinovski mentioned that advisory is transferring knowledge and advisory services should be considered inside the Programmes, because Programmes have concrete goals. Strong coordination between Ministry departments is needed. Money should be spent efficiently.

**Cooperatives** – at the time being there is an ongoing project, and so far is enough, we must see the outcome, and then to think about additional support.

Trajan Dimkovski from MAFWE regarding this issue mentioned that the new Strategy must be done as soon as possible, then the issue with Agroberza (farmers to put their products, to find a way of stopping the grey economy). Digital agriculture in Sofia can be taken as an example and maybe to think about this digitalization in agriculture from IPA 2019 (demo plots and science).

Dimitar from Delegation of EU mentioned that in this kind of research Universities and institutes (science) must be included.

**Water Management** – currently there is ongoing project from IPA 2013, and will continue with new project IPA 2015. The necessity of Strategy that was mentioned will be included in FAO's New country programming.

### **Marketing and quality of agriculture products (CMOs)**

Regarding the CMO, the Ministry will start a certain Project for fruits and vegetables. Further alignment with the Common Market measures for enhancement of the sector competitiveness, in accordance with Progress report, is still needed. It is disputable whether the financing will be covered, with the funds from IPA 2019 or IPA 3.

The explanation from DEU was that at this moment there is a launching of a service contract for CMO for fruits and vegetables. So, it might be more suitable to wait the outcome of the project and then to reconsider the next financial Framework for support.

### **AFSARD – IPARD**

There is one project for upgrade of the IACS regarding the direct payments. The need for the integrated administrative system for IPARD with the electronic applications will include whole system for better implementation of IPARD Agency and better absorption of IPARD funds. There is a need of upgrading the regional offices.

The explanation from DEU was that there is not an extra support for Paying Agency. The country should discuss with European Commission about the next financial perspective and give fewer funds to DG AGRI and more funds to DG NEAR.

## **Food and veterinary**

The Food and Veterinary Agency needs to be supported by construction of Rendering Plant for the animals with products as a priority for whole country requested by the European Commission. The rendering plant will include appropriate equipment for processing ABP, establishment of regional centers for collection of ABP and transport of the unprocessed ABP. There is an existing feasibility study which has been done 2 years ago. The current situation is that the amount of the funds is very big and there is processing revision of the study by DEU. The need of some new costs for the operation and extra study to be done will identify the total cost of Rendering Plant.

On several consultations of FVA with all the involved institutions that should be a part of this Rendering Plant (Ministry of transport, Ministry of finance, Ministry of environment and Government) and on several meetings with municipalities held for defining of the location of construction, it was a general conclusion that Lozovo corresponded to all technical requirements

Svetlana said that this will be a part of EU Integration facility project. The feasibility study about the exact costs for construction and supply of equipment will be done by the technical expertise of the project.

The request for the EU Integration facility project is already sent to the EU Delegation. It is to be expected that the reply will be sent until September. Dividing of the process in two phases, as two projects should be a good idea.

Fabio Drago stressed out that the best, simplest and the cheapest way must be selected for this process. Proper technology and sort of energy should be used in this process to be cheaper.

This will be one Rendering Plant for the whole country and as planned they will do the transport services and storage. There is an idea the primary producers to get subsidies to use the rendering Plant. In Kumanovo land parcel proposed for Rendering Plant was small, and there was no interest in Veles.

At this moment "Drisla" is in phase of purchasing the incinerator for medicine waste.

Swine fever plan is not supported by IPA 2019. At the moment the FVA has Action plan and several ongoing activities, by national financing and doesn't need additional support for this activity.

## **Phyto sanitary, Seed**

Mrs. Nadica Dzerkovska informed about two meetings that were held and about the third which is planned to be held in the beginning of May, with all the competitive authority in order not to overlap and duplicate with the implemented and planed activities. There was an interest shown for some activities by the donors, as FAO which is going to give support in the phyto-sanitary part and UNDP which is going to estimate the cost for study for plant health system on a whole territory of the country including the procurement for agro meteorological station. Next year is going to EU adoption of the new plant regime, which is going to be introduced in national

legislation. She emphasizes the next activities as early warning system, strengthening the capacity for phytosanitary control, pest signing system and residues, which are very important. "Epicentar" is going to cover 6 of secondary legislation according to the new plant protection law, preparing the study relating to the plant health status in a country and further approximation with phytosanitary information system. She informed that the Law for plant protection is sent for adoption in the Government. Part of forestry relating to the forest protection should be involved. She emphasizes that is necessary phytosanitary system to be involved in project relating to the advisory system, to the cooperatives, to be involved all university in order to further development.

Mr. Dimitar Malinovski from DEU mentioned that on the Working Group meetings, 2 important priorities were defined, regarding phyto-sanitary: first one for plant health control, radiation harmful organisms and the second for introduction of the integrated pest management (monitoring network). His question was what FAO would cover, because as far as he understood new Programme of FAO would have small technical cooperation project, but more resources would be needed, because this was a complicated system which included hardware, software

The representative from FAO stressed out that FAO will cover the technical support in establishing the system but not the whole, like small technical cooperation from FAO.

Maja Lazareska Joveska from EU department in MAFWE mentioned that GEN bank plant and Animal GEN bank should be part of some action plan document and would be prioritized.

## **Forestry**

Setting the priorities within programming IPA 2015, project proposal for support of forestry was sent to NIPAC, DEU and to Brussels, but it was rejected with the information that forestry isn't in the Chapter 11 but in Chapter 27.

Jurant Dika raised a question about how to design appropriate rural development measures in forestry. In 2018 according to the Government there was approximation on 3 Law, hunting, forestry and reproducing materials for forestry species (some of them are in Chapter 11, some of them in Chapter 27 and some of them for national needs). Sector forestry need technical support for adoption of this Laws.

He informed about preparing TAIEX for study visit to get experience from other countries (Bulgarian colleagues offered help by sharing experience and expertise is expected from other countries as well). There is a willingness for transforming, but first the sector needs to start from revision of the current system. In IPA 2019 are planned 1mil -1.5 mil euros for sustainable forest management, but the support will come to the end of 2020. The years in between need to be covered with funds from donors. The sector needs immediate help, expertise in preparing the legal approximation. Some approach in immediate support measures from professors and expertise.

Mr Bertolini said that has extra priority in supporting the Agriculture production directly, as they have scheme to support small and mediate enterprises in the other sectors, probably will find

something to do with cooperatives in order to support their trade, should be find something concrete and the support will be 1-3 million euro for that, still to analyze.

**Conclusions from the meeting:**

Land consolidation – additional small funding for specific projects in some target regions (0.3 – 0.5 million euros)

Advisory services – might need additional funding for capacity building, trainings of advisors (0,5 – 0,7 million euros)

Water Management – small scale irrigation systems – additional 3 – 3,5 million euros

Rendering Plant (veterinary) (5 - 9 million euros or less) depends on the new study which will be done very soon

Veterinary and food – (1 - 1,5 million euros)

Phyto-sanitary, Seed – (1–1,5 million euros) – other donors to cover until EU funds are approved

Forestry (1 – 1,5 million euros) for concrete projects in the regions

Cooperatives, associations (1 - 2 million euros, more or less)

Approximately MAFWE needs in total 19.2 million euros from IPA 2019.

Around 15 million euros would be available from IPA 2019

These priorities must be supported, then further to be elaborated in small groups.