

DCF members active in the sector in 2021	EU, Italy / AICS, Czech Republic, UN, EBRD
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 2021 by DCF members	<p>Total allocated € 3.50 million in a form of grant</p> <p>Total disbursed € 9.03 million – out of which € 9.01 million in a form of grant and € 0.01 million in a form of loan.</p> <p>Out of total ODA in 2021, 1% was allocated and disbursed in the sector.</p>
Legal framework and sector strategies adopted in 2021	<p>The Law on Changes to the Law on Agriculture (FBiH Off. Gazette No. 82 /21); The Law on Anti-Hail Protection (RS Off. Gazette No.15 /21); The Law on Changes and Amendments to the Law on the Livestock (RS Off. Gazette No. 63/21); The Law on Amendments to the Law on the Seeds of Agricultural Plants (RS Off. Gazette No. 90/21); The Law on Changes and Amendments to the Law on Fisheries (RS Off. Gazette No. 112/21); The Law on Changes and Amendments to the Law on Incentives in Agricultural Production (BD BiH Off. Gazette No.04/21); The Law on Changes and Amendments to the Law on Hunting (BD BiH Off. Gazette No. 26/21).</p> <p>Strategy for Agriculture and Rural Areas Development of the RS for the period 2021-2027</p> <p>Previously adopted legal framework and sector strategies are available on www.donormapping.ba</p>
Coordination with and among development partners	<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 Development partners and institutions of BiH in this sector, through regular meetings and preparation of annual reports adopted by the CoM of BiH.</p> <p>Development partners active in the sector and BiH Institutions from all levels of government regularly attended Development Partners 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> <p>Due to the outbreak of the COVID-19 pandemic and accompanying epidemiological measures, DCF meetings were not held in 2021.</p>

Overview of activities in 2021

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. The Ministry of Finance and Treasury of BiH has retained the IPA II classification in the Development Partners Mapping Report 2021, and in the next period the project is planned to upgrade the database that will enable the use of IPA III classification for the period 2021-2027.

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.

Agriculture is one of the most important components in the overall economic structure of Bosnia and Herzegovina, and its importance is reflected in the economic, social and environmental aspects, as well as formal and informal employment, particularly in rural areas. The potentials of the Agriculture sector of Bosnia and Herzegovina reflect in favorable climate conditions, quality agricultural land, cultivation of a large number of agricultural crops, production tradition, knowledge and effort of agricultural producers. In the forthcoming period, the authorities in Bosnia and Herzegovina need to make additional efforts to mitigate the effects of the Covid-19 virus pandemic, further modernize the Agriculture sector and align policies with the principles of the Common Agricultural Policy of the European Union.

In the course of 2021, competent institutions from the Agriculture sector in Bosnia and Herzegovina carried out the activities on implementation of the Strategic Plan for Rural Development of Bosnia and Herzegovina for the period 2018-2021 as well as the activities were launched to draft a strategic document for the coming period. In addition, the implementation of the program "EU support to Agriculture and Rural Development, Food Safety, Veterinary and Phytosanitary Standards - EU4AGRI" has continued, which aims to modernize the agri-food sector, create new and retain the existing jobs, and support the recovery from crises caused by the Covid-19 virus pandemic. During 2021, public calls were announced for allocation of the grant funds for investments in the improvement and development of rural / local market infrastructure, investments in processing capacities and marketing of agri-food products, support measures for primary agricultural production and support for development of the rural tourism. Also, providing technical assistance has continued to institutions from the Agriculture sector in Bosnia and Herzegovina.

In June 2021, the fifth meeting of the Subcommittee on Agriculture and Fisheries between Bosnia and Herzegovina and the European Union was held to discuss the implementation of the Strategic Plan for Rural Development of BiH 2018-2021 as well as on preparations for drafting of the new strategic document for the period 2021-2027. The European Commission called for harmonization of the support measures for agricultural producers at all levels of government in Bosnia and Herzegovina, as well as for creation of conditions for implementation of the 2021 – 2023 Agricultural Census. It was concluded at the meeting that Bosnia and Herzegovina has made progress in establishing of the system of reference laboratories needed for hygienic, veterinary and phytosanitary controls of food

and food products, which will significantly facilitate the export of agricultural products from Bosnia and Herzegovina to the European Union.

Throughout 2021, activities were undertaken to meet the conditions for export of the red meat and table eggs from Bosnia and Herzegovina to the European Union market. In the coming period, Bosnia and Herzegovina should make additional efforts to meet the European Union requirements in the field of public and animal health, and strengthen the official control systems for registration of farms and identification of animals, establish the laboratory network and improve the control system of communicable animal diseases.

In mid-2021, the United States Agency for International Development (USAID) and Sweden multi-annual project for assistance to the agricultural production FARMA II was completed, which provided support to domestic agricultural producers in adopting of the EU and other international agricultural and food standards as well as to modernization of the production. FARMA II project focused on the development of five agricultural sectors - dairy, poultry, fruits and vegetables, medicinal and aromatic plants and honey.

The Government of Republika Srpska, at its 139th session held on September 30th, 2021, adopted the Strategy for Agriculture and Rural Areas Development of Republika Srpska for the period 2021-2027, whose goal is to define and determine the development trends of agricultural production in Republika Srpska. The Strategy defines five strategic goals related to the increasing volume and productivity of agricultural production, increasing the competitiveness and development of the value chains in the domestic agri-food sector, nature protection and sustainable use of natural resources, revitalization of rural areas and improving the institutional and legislative environment for the development of agriculture.

In 2021, in Republika Srpska, Federation of BiH and Brcko District, rulebooks were adopted on the conditions and the manner of realization of incentives in agricultural production, which will contribute to increased competitiveness of farms and better linking of primary agricultural producers with the market. In addition, support for investment projects in the Agriculture sector has been extended to support the construction and equipping of the facilities for primary agricultural production, as well as facilities for processing of the primary agricultural products, support for legalization of facilities on farms, and their expansion and adaptation in order to meet the environmental standards. Earlier grants were retained related to the purchase of machinery and equipment on farms, raising of perennial crops as well as certification of the organic production.

In 2021, the Food Safety Agency of BiH implemented the activities on introduction of the modern integrated food safety system in Bosnia and Herzegovina, primarily through harmonization of the food regulations with the EU directives, all in order to protect the consumers and placing domestic producers on an equal footing with the producers from the European Union and neighbouring countries.

The Council of Ministers of BiH, at the proposal of the Food Safety Agency of BiH, in 2021 adopted the Rulebook on the Maximum Residue Levels of Pesticide in and on the Food and Feed of Plant and Animal Origin (Official Gazette of BiH, No. 48/21) and the Rulebook on Amendments to the Rulebook on Fruit Jams, Jellies, Jams, Marmalades and Sweetened Chestnut Puree (Official Gazette of BiH, No. 35/21), which are in line with the EU *acquis*. In cooperation with the competent authorities of Bosnia and Herzegovina and the entities, in 2021 the Food Safety Agency of BiH prepared and implemented

the Program for Monitoring of Pesticide Residues in and on the Food of Plant and Animal Origin for 2021.

The Food Safety Agency of BiH continued its activities on implementation of numerous projects with development partners in Bosnia and Herzegovina, which will contribute to harmonization of the food safety standards with the European directives, strengthening the system of official controls and strengthening the capacities of laboratories. As part of the project "Development of Sustainable Tourism in BiH", the Agency has drafted to all engaged in the preparation and serving of food a "Guide to safe handling of food in the hospitality and adventure tourism sector" with the recommendations and examples of good hygiene practice with the basic principles of the food hygiene.

Throughout 2021 the implementation of the project has continued "EU Support to Capacity Building and Gradual Alignment to the EU *acquis* in the Food Safety Sector in BiH ", which, in addition to harmonization of regulations with the European legislation, aims to improve the capacities of the authorities in the food business and support the establishing of the registration systems of food products with the designations of origin, geographical origin and traditional specialties guaranteed.

In the field of *phytosanitary policy*, in 2021 activities have continued on harmonization of the phytosanitary control system of Bosnia and Herzegovina with the European directives. In 2021, the Administration of Bosnia and Herzegovina for Plant Health Protection adopted the by-law acts that will contribute to further establishing of the functional and efficient phytosanitary system in Bosnia and Herzegovina. The Administration, together with other competent institutions from Bosnia and Herzegovina, participated in implementation of the EU4FITO project, which aims to harmonize the work of the phytosanitary laboratories from Bosnia and Herzegovina with controls anticipated by the new European Union phytosanitary regime.

In the field of *veterinary medicine*, activities were undertaken in 2021 on adoption of numerous by-law acts intended for more effective implementation of the veterinary policy, its harmonization with the EU legislation and standards, health control of animal products and improving conditions for the export from Bosnia and Herzegovina. In addition, a series of trainings were held in the reporting year for veterinary inspectors who certify goods for export to the European Union, so they can be informed with the new EU regulations in this area, that will be in force from January 2022.

In Republika Srpska and the Federation of BiH, a number of by-law acts were adopted in 2021 that will enable better control of communicable animal diseases, particularly through monitoring and marking of animals, as a prerequisite for implementation of all measures related to the animal health care.

In the field of *fisheries*, during 2021, institutions at all levels of government in Bosnia and Herzegovina harmonized the legislation with the European directives, and undertook activities to draft the entity development programs for fisheries and aquaculture and documents for Brcko District, which will be incorporated in the Program for the Development of Fisheries and Aquaculture of Bosnia and Herzegovina. The adoption of these programs will define the main courses of development in the fisheries sector and also create the conditions for Bosnia and Herzegovina to start using IPA funds in this area.

In the Federation of BiH, the new Law on the Freshwater Fishing was drafted in 2021, which should ensure the sustainable use and professional management of the fish stocks, establish functional and sustainable fishing areas and zones, and enable faster development, increase production and strengthen the competitiveness of the aquaculture of Bosnia and Herzegovina at the world market.

In the field of *forestry*, in the Federation of BiH, key documents in this area are currently in the adoption procedure such as the Law on the Forests of the Federation, the Forestry Program of the Federation of BiH and the Law on Reproductive Material of the Forest and Ornamental Trees and Shrubs. With the adoption of these documents, the conditions will be met for implementation of the reforms in the forestry sector in the Federation of BiH.

Investments of DCF members in 2021

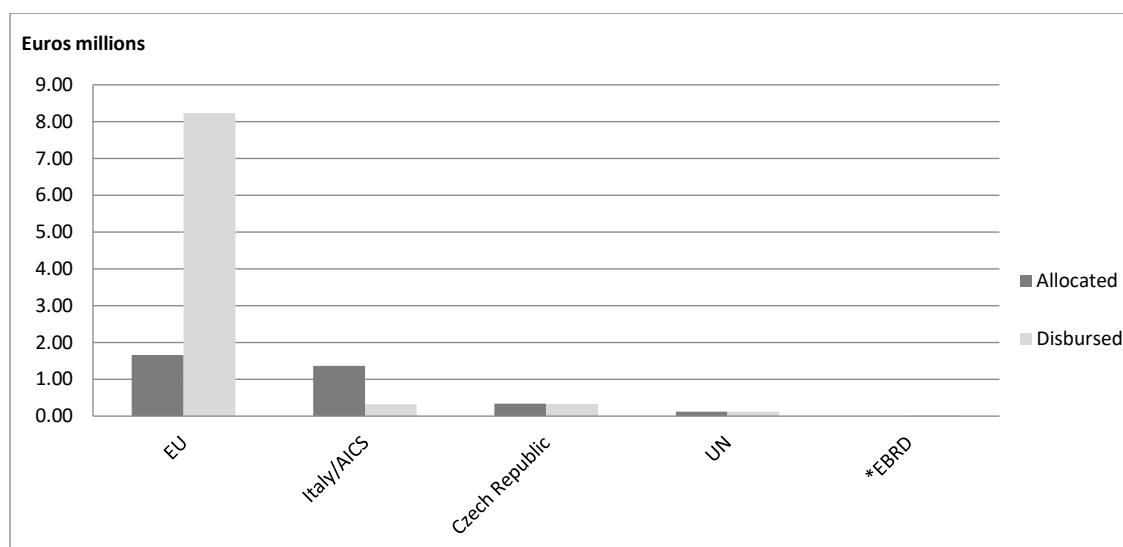
DCF members active in the Agriculture and rural development sector 2021 EU, Italy/AICS, Czech Republic, UN and EBRD.

Total allocations of DCF members to the Sector in 2021 amounted to € 3.50 million in the form of grants.

Total disbursements of DCF members to the Sector in 2021 amounted to € 9.03 million, out of which € 9.01 million in the form of grants and € 0.01 million in the form of loan, from the creditor European Bank for Reconstruction and Development.

Figure 8.1. compares grants allocated and disbursed per development partners, according to the amount of invested funds as well as allocated and disbursed loan funds from European Bank for Reconstruction and Development. Development partners who allocated i.e. disbursed largest amounts were EU and Italy / AICS.

Figure 8.1. Allocated and disbursed grant funds per development partners in 2021



EBRD loan

*Note:

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

Total allocated funds in 2021 were allocated to 4 sub-sectors: Food safety, veterinary and phytosanitary policy (64.4%), Capacity for Common Agricultural Policy (29.9%), Rural development (4.1%) and Forestry (1.5%).

Figure 8.2. Total allocated funds per sub-sectors in 2021

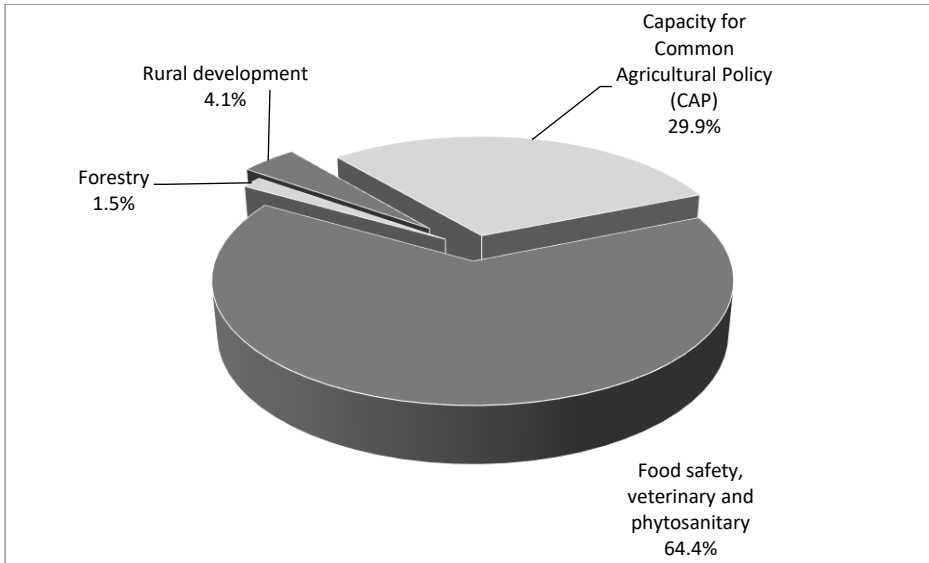
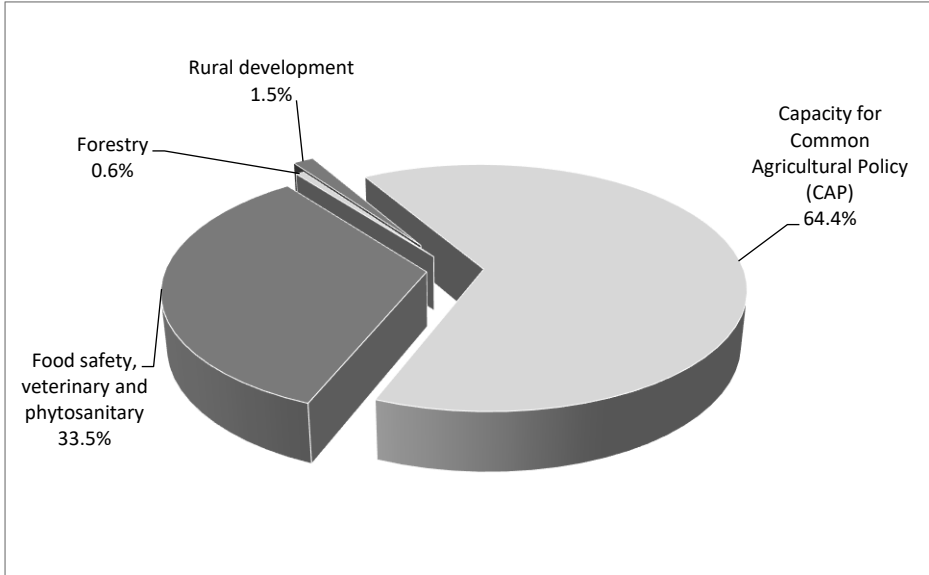


Figure 8.3. presents the structure of total disbursed funds in 2021 per sub-sectors.

Total disbursed funds in 2021, were disbursed to 4 sub-sectors: Capacity for Common Agricultural Policy (64.4%) , Food safety, veterinary and phytosanitary policy (33.5%), and Rural development (1.5%) and Forestry (0.6%).

Figure 8.3. Total disbursed funds per sub-sectors in 2021



Ten major projects in the sector that allocated or disbursed funds in 2021, are listed below:

PROJECT TITLE	Development partner	Total project value (EUR mil)
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(EU4AGRI) - European Union Support to Agriculture Competitiveness and Rural Development in Bosnia and Herzegovina and European Union Support to Covid-19 Recovery and (EU4AGRI-Recovery) - Resilience of Agriculture and Rural Development in Bosnia and Herzegovina	Czech Republic	24.13
EU Support to Agriculture Competitiveness and Rural Development in Bosnia and Herzegovina (EU4AGRI)	EU	20.00
EU support to capacity building and gradual acquis alignment in the veterinary sector of Bosnia and Herzegovina	EU	3.00
Economic sustainable development and environmental protection in Areas with Natural Constraints in Bosnia and Herzegovina	Italy/AICS	2.40
EU Support to supply and distribution of rabies vaccination baits for spring 2020, autumn 2020 and spring 2021 campaigns in Bosnia and Herzegovina	EU	2.17
EU support to capacity building and gradual Union acquis alignment in the Food safety sector in Bosnia and Herzegovina	EU	1.50
New Actions to support the Phytosanitary Sector in Bosnia Herzegovina for the Adaptation to European Standards	Italy/AICS	1.20
EU Support in provision of ICT equipment for improving Veterinary, Food safety and Phytosanitary capacities in Bosnia and Herzegovina - Lot 1	EU	0.70
Sustainable production of traditional Livno cheese	Czech Republic	0.68
EU Support in provision of vehicles for control and monitoring services of Veterinary, Food safety and Phytosanitary sectors in Bosnia and Herzegovina - Lot 2	EU	0.47

All projects are available in the Development Partners 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 Bosnia and Herzegovina, 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, as well as the recommendations of the European Commission, further efforts should be made in the following period:

- develop and adopt the new strategic framework for the Agriculture sector of Bosnia and Herzegovina
- implement the recommendations from the European Commission Opinion on the application of Bosnia and Herzegovina for the membership in the European Union and the Analytical Report in the part related to the agriculture, food safety and fisheries;
- increase the competitiveness of agricultural producers and the food industry by supporting investments in the infrastructure for production and processing of agricultural products;
- continue implementation of activities within the EU4AGRI project, as well as other projects financed by the development partners;
- support the establishing of the registration system of food products with the designations of origin, geographical origin and traditional specialty guaranteed;
- draft and adopt the Law on Agriculture of the Federation of BiH and the Strategy of Agriculture and Rural Development of the Federation BiH until 2027;
- continue activities aimed at protecting human health through implementation of animal health measures, the measures that ensure the production of the safe food of animal origin and veterinary environmental protection;
- continue with activities on drafting regulations proposals necessary for harmonization of the veterinary legislation in BiH with the *acquis*;
- strengthen the export capacities of Bosnia and Herzegovina through the assessment of the veterinary system by the competent bodies of the European Union;
- improve the capacities of the competent institutions and entities in the food business for implementation of the EU legislation and standards in the field of food safety;
- adopt the Law on the Forests of the Federation of BiH, the Forestry Program of the Federation of BiH and the Law on the Reproductive Material of the Forest and Ornamental Trees and Shrubs;
- adopt the strategic documents in the field of fisheries at all levels of government in BiH.