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MINUTES FROM THE MEETING OF IPARD II MONITORING COMMITTEE
 Meeting number 9
 Minutes from the ninth meeting of the IPARD II monitoring committee
 08 December 2022/ Hotel Hilton, Bulevar Svetog Petra Cetinjskog br 2, Podgorica 81000

I. List of participants (attached to Minutes):

The meeting was attended by the IPARD II monitoring committee members, as well as representatives of the European Commission and the Delegation of the European Union to Montenegro (the meeting was not attended by members, representatives of the Ministry of Economic Development and Tourism - Directorate for Normative Affairs, the Ministry of Human and Minority Rights, Environmental Movement "Ozon", Association of Plant Producers in Protected Areas, Faculty of Food Technology, Food Safety and Ecology - University of Donja Gorica, Biotechnical Faculty - University of Montenegro, National Association of Winemakers and Montenegrin winegrowers, Network for Rural Development, Center for Agro Development "Bijelo Polje", Montenegro Business Alliance and the Ministry of Agriculture, Forestry and Water Management - Directorate of Fisheries).


Result:

Quorum was fulfilled, so the meeting could be held and decisions can be taken (16 members or their substitutes with voting rights were present from 27 members with voting rights).

Attachment: Apart from the short list of the participants explained in Minutes, attached is the list of participants divided as:

1. Voting members (concluding with number 27)
2. Non-voting members (from number 1 to 6 second table)
3. Observers (from 1 to 3 the third table)

II. Agenda

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Agenda of the meeting


Date: Thursday 8 December 2022

Time: 10:00


Place: Hotel Hilton , Bulevar Svetog Petra Cetinjskog br 2, Podgorica 81000

AGENDA
Ninth IPARD II monitoring committee meeting


No. items	Provisional time	Content	Informative /Need agreement /Need approval /Need opinion of the IMC members	Responsibility
1.	10:00-10:10	Opening of the meeting; Approval of the Agenda and check of list of members/representatives (attached to the agenda)	Need approval	Mr Budimir Mugoša, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson
2.	10:10-10:15	Adoption of the minutes of the previous IPARD monitoring committee (MC) meeting (attached to the agenda) and information on the implementation of decisions taken at the previous IPARD II monitoring committee meeting	Need approval	Mr Budimir Mugoša, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson

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3.	10:15-10:25 (10 min.)	Speech European Commission (DG AGRI)	Informative	Mr Frank Bollen, Head of Unit - Neighbourhood, enlargement and pre- accession assistance DG AGRI.G4.
4.	10:25-10:40 (15 min.)	Information on IPARD II implementation	Informative	Mr Vladislav Bojović, Director General of the Payments Directorate, Head of the IPARD Agency
5.	10:40-10:50 (10 min.)	Information on the audit carried out by the auditors of the Commission (DG AGRI) from 15/11/2022 – 18/11/2022	Informative	Ms Mila Kasalica, State Secretary of the Ministry of Finance, NAO
6.	10:50-11:00 (10 min.)	General info about implementation of the IPARD II programme cut of date 31. October, 2022 + Presentation about Action plan for decommitment	Informative	Ms Andrijana Rakočević, Head of the Managing Authority/Director General of the Directorate for Rural Development Mr Vladislav Bojović, Director General of the Payments Directorate, Head of the IPARD Agency Managing Authority/ IPARD Agency Ms Andrijana Rakočević, Head of the Managing Authority/Director General of the Directorate for Rural Development Managing Authority
7.	11:00-11:05 (5 min.)	IPARD II programme modification	Informative	

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8.	11:05-11:15 (10 min.)	<p>Information about the communication activities linked to the 'plan of visibility and communication activities for IPARD II programme' for the period from previous IMC meeting (8 June 2022)</p> <p>Approval of the 'Plan of visibility and communication activities - Annual List of Actions – 2023'</p>	Need approval	Ms Nina Jakić, Advisor for Coordination and Public Relations (PR) of Rural Development,
	11.15-11.30	Coffee break		
9.	11:30-11:45 (15 min.)	Presentation analysis of rejected projects	Informative	Mr Zoran Irić, Head of Department for monitoring and evaluation of IPARD, coordination and public relations of rural development
10	11:45-11:55 (10 min.)	Information: Changes of Decree of the implementation of the procedure of using funds from the IPA (IPARD II programme)	Informative	<ul style="list-style-type: none"> Miloš Kusovac, Head of the Directorate for Programming Managing Authority
11.	11:55-12:05 (10 min.)	Information about activities of VAT exemption	Informative	Mr Vladislav Bojović, Director General of the Payments Directorate, Head of the IPARD Agency

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12.	12:05-12:15 (10 min.)	Information about activities credit guarantee scheme	Informative	Ms Andrijana Rakočević, Head of the Managing Authority/Director General of the Directorate for Rural Development
13.	12:15-12:30 (15 min.)	Presentation of some of the members of the IPARD II monitoring committee	Informative	<ul style="list-style-type: none"> • Ms Biljana Blečić, Assistant Director – Department for Veterinary of the Authority for food safety, veterinary and phytosanitary affairs, • Ms Jasmina Janković Mišnić, graduate biologist at the Environmental Protection Agency
14.	12:30-12:40 (10 min.)	Information on preparation for IPARD III		Ms Andrijana Rakočević, Head of the Managing Authority/Director General of the Directorate for Rural Development
15.	12:40-12:50	AOB		
16.	5 min.	Proposals for a date and the agenda of the next meeting	Informative	

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III. Result of the IPARD II meeting

In accordance with the point 1 of the Agenda: Opening of the meeting; Adoption of the Agenda and checklist of members/representatives

- **Budimir Mugoša**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD II monitoring committee, opened the meeting and presented the Agenda, to which there were no objections.

Decision no.1

- Minutes from the previous meeting of IPARD II MC were approved.
- All 16 members with voting rights voted YES for adoption.

In accordance with point 2 of the Agenda: Adoption of the Minutes from the previous meeting of the IPARD II monitoring committee (annex to the Agenda) and the report on the follow-up of the decisions made at the previous meeting of the IPARD II monitoring committee


- **Budimir Mugoša**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD II monitoring committee stated that the Minutes were sent to all members of the IPARD II monitoring committee within the stipulated period and that there were no comments on the Minutes in question.

Decision no.2

- Minutes from the previous meeting of IPARD II MC were approved.
- All 16 members with voting rights voted YES for adoption.


In accordance with the point 3 of the Agenda: Introduction European Commission (DG AGRI)

- **Frank Bollen**, Head of the Pre-Accession Unit for Neighbourhoods, Enlargement and Pre-Accession Assistance/European Commission, welcomed the present members of the committee and expressing his belief that the active role and constructive contribution of the members of the committee will bring productive conclusions. At the very beginning, Mr. Bollen referred to the positive impression by the visit to agricultural farms the previous day, whose owners are recipients of IPARD funds, and said that the interest of agricultural producers for projects financed through the IPARD program is obvious. He also thanked everyone who participated in the organization of these visits, and that it was very interesting to see the situation in the agricultural sector in the northern part of Montenegro. Mr.

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Bollen emphasized that a critical review of the IPARD program must be made and that implementation must be accelerated, because it is obvious that agricultural producers need support. He also pointed out that according to the reports received by the European Commission, the utilization of funds was at a low level, only 30%, *"Even though we still haven't received the spending for the last three months, I don't think it will significantly change the situation, where it is clear that for the second year in a row Montenegro loses certain funds. I emphasize that the European Commission has allowed additional time, i.e. approved the absorption of 22.9 million euros by the end of 2023. of the remaining funds, which was the request of Montenegro and it is the fourth year in a row that we have received such a request. At yesterday's meeting with Minister Joković, I informed him that the European Commission will give a positive response to this request, but with a clear message that this is the last time we are giving you additional time to spend the funds. Which means that by the end of next year you have to finish the implementation of the IPARD II program. That is why we want to encourage the competent authorities, but also you as members of the IPARD II monitoring committee to do everything in your power and make additional efforts to complete the investments and send the payment requests as soon as possible."* Also, Mr. Bollen spoke about IPARD III program, which was adopted in July of this year, and it is known that for this new program period 2021-2027, a larger amount of funds is planned, more precisely 62% more compared to the previous program period, i.e. an additional 63 million euros.

As Mr. Bollen emphasized, *"This is good news for you as representatives of certain sectors and potential users, but there is also the "other side of the coin" and we need to improve the current situation, i.e. finish the implementation of IPARD II and start implementing the funds that are intended for the IPARD III program. It is important to carry out full accreditation of all the measures that you implement through the IPARD II program, because it will be possible for the measures that are currently accredited to continue in the next program, and this will only be possible if you have fully accredited measures such as measures 1 and 3, and I think that you will also have full accreditation of measure 7 at the beginning of next year. Before you start implementing the new program, we must complete all the formalities, and as I have been informed, today Minister Joković is signing the Sectoral Agreement, which must be ratified at the session of the Parliament of Montenegro."* At the very end, he pointed out that it is expected that *" Very soon you will be able to announce the first public call from the IPARD III program, but this is also a signal to all of you that you must act quickly, because the end of 2025 is the deadline when the first funds must be paid. to user accounts. There is no time to waste, you must be ready, there are great opportunities that we will only take advantage of if we all do our best here. In the*

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end, I wish you a fruitful discussion and invite you to ask questions and comments and actively participate in the work of this committee".


Mr Mugosa thanked the EC for the N+4 extension and assured that a good starting position will be taken for IPARD III.

In accordance with the point 4 of the Agenda: Information on IPARD II implementation

- **Vladislav Bojović**, acting of the director general of the Directorate for Payments, the Head of the IPARD Agency presented the results of the implementation of the IPARD II program through the previous public calls for measures 1, 3 and 7. Through four published calls for Measure 1 - "Investments in physical assets of agricultural holdings", a total of 259 requests with a total support value of 9.52 mil. EUR were paid. Through four published calls for Measure 3 "Investments in physical assets concerning processing and marketing of agricultural and fishery products", a total of 26 requests for payment were paid. The total amount of support paid is 5.71 million. EUR. In the end, Mr. Bojović referred to the first public call for Measure 7 "Farm diversification and business development", which is possible to contract 24 projects. The requested investment amount for these 24 projects is EUR 3,032,142.85 (with VAT), EUR 2,505,903.18 (without VAT), and the potential support is EUR 1,628,837.07.

In accordance with the point 5 of the Agenda: Information on the audit carried out by the auditors of the Commission (DG AGRI) from 15/11/2022 – 18/11/2022

- **Mila Kasalica**, State Secretary of the Ministry of Finance, NAO, in her introductory speech, welcomed all those present, and pointed out that after a year of various aggravating circumstances in the agriculture sector, especially in the food production sector, globally, and especially at the level of the European Union, she emphasized that it is necessary to invest in the following year additional energy in order to spend the funds in the best way for our agricultural producers. During the last year, the IPARD Agency reorganized its structure in order to provide its maximum and provide ongoing employment. Also, as Ms. Kasalica informed those present, in the period from 2023 to 2024, the budget plans to employ a total of 22 people. All this is aimed at preserving a well-educated and experienced staff that has an institutional memory.
Mrs. Kasalica pointed out that the entire IPARD structure was controlled by the audit body after the implemented legal procedure, which strengthened this structure in its sustainability, she thanked Mrs. Simonović that the auditors in the


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previous period done a huge part of the work. In her further presentation, Mrs. Kasalica spoke about the audit mission in mid-November, regarding which we expect an official note in mid-January, when we also expect positive results that will enable us to fully accredit the measures.

"Measure 7 is in the final stage of accreditation and we expect to have full accreditation approved in mid-January. After comprehensive analyzes of procedures, public calls, applications, and contracts, we need to find mechanisms and withdraw available remaining funds in the amount of 22.9 million. EUR, considering that we now have the capacity to implement these activities. Every euro invested in the agricultural sector improves its competitiveness and brings it closer to EU standards." Also, Mrs. Kasalica referred to the statement that the documentation is extensive and that the procedures are complicated, and pointed about that she does not agree with that, because every piece of paper is proof that the money was used in the public interest and in accordance with EU procedures. *"The task is challenging for the IPARD management structure in the coming period, and we should not limit ourselves and use the money that is available. If this government gives its full support to the IPARD management structure, we hope that next year at this time Mr. Bollen will give more positive messages than today."*

In accordance with the point 6 of the Agenda: General info about implementation of the IPARD II programme cut of date 31. October, 2022 + Presentation about Action plan for decommitment


- **Andrijana Rakočević**, Director General of the Directorate for Rural Development/Head of the Managing Authority, at the very beginning of the presentation, she thanked the participants and wished for a fruitful discussion. In her presentation, gave an overview of the technical changes from IPARD II 1.3 version to IPARD II 1.4 version, with accompanying Annex 2 - Matrix of changes to the IPARD II program, which was previously sent to all members by email and there are no comments. Mrs. Rakočević recalled the presentation of Mr. Bollen, who spoke about the extension of the deadline for next year due to the use of the remaining 22.9 million. EUR, on the basis of which we developed the Action Plan for n+4. Also, as she pointed out, procedures are underway and an accreditation package for Measure 9 has been prepared, which will be submitted to the EU Commission for adoption by the end of this year, possibly at the beginning of next year. In her presentation, she pointed out that this measure is of great help and that it will allow us to make better use of the remaining measures in the upcoming program period. Also, as already presented by Mrs. Kasalica, *"last month we had an audit in the Managing Authority and the IPARD Agency and we expect positive findings, based on which we will have full accreditation of Measure 7 at the beginning of next year"*. Mrs.

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Rakočević informed the present members of the committee about pre-financing mechanisms for the realization of investments through the IPARD program, where we have already held meetings with the IRF in order to find the best way to form and implement a credit fund/mechanism. Also, in her presentation, she recalled the last meeting when there was talk of market instability caused by a change in prices, so we are already in contact with MONSTAT to find a solution to the so-called the development of a mechanism for price indexation, which should be a mechanism for monitoring such changes that in the previous period had a significant impact on the period from the contracted prices to the moment of payment, i.e. the realization of the investment through the IPARD II program.

- Vladislav Bojović**, acting of the director general of the Directorate for Payments, the Head of the IPARD Agency, in the presentation, presented experiences with public calls from the IPARD II program. As Mr. Bojović pointed out, the problem of excessive documentation that must be prepared during the application was recorded, and that a decision was made that all documentation that can be obtained through official means by the official will be submitted in the future. Also, he expressed that he expects stronger cooperation and connection of institutions in order to simplify the procedure and facilitate the implementation of the IPARD III program. When we talk about simplifying the procedure, we must always keep in mind that there are certain criteria that we must respect and that there are certain obligations towards the EU that we must fulfill. Mr. Bojović informed the members of the committee that the revision of the base of reference prices is in progress, *"also, although the remediation of the consequences of the cyber attack is still ongoing, we can boast that we managed to save our resources in time and that we did not lose data thanks to the protection standards that the IPARD Agency normally has to fulfill. As Mr. Bojović pointed out: we suffered certain blockages in our work due to the non-functioning of e-mail and the official website of IPARD, so we could not publish tenders, but we reacted quickly and eliminated these problems"*. He also spoke about the next steps, and highlighted as the most important *"issue of hiring people who will enable the use of full capacities when managing funds, and by the end of this year we plan to complete the employment cycle."* Also, we managed to overcome the problem of hiring IT personnel, and in this way round off the whole necessary for the full accreditation of Measure 7".

Overview of the main conclusions of the discussion:


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- **Vanja Starovlah**, Assistant Secretary General of the Union of Municipalities for International Cooperation and European Integration, on behalf of the Union of Municipalities of Montenegro, informed the audience that at the end of last year they received the findings of the Committee of the EU Commission for European Integration of the Parliament of Montenegro to sublimate the main problems and recommendations at the level of local self-governments regarding the implementation of the IPARD program. As Ms. Starovlah pointed out, today she recognized a lot of those recommendations, and she is glad to see that there was talk about it here, and especially that it is seen that it is necessary to form a pre-financing mechanism. Also, she spoke about the previous period when the Association of Municipalities, together with the MAFWM, prepared an amendment to the article of the law concerning urban planning and technical conditions, specifically for Measure 7, where this was recognized as the main barrier. Mrs. Starovlah, invited those present, since they are aware that a new law is being prepared, to once again go through together and adapt this amendment to the new law. Ms. Starovlah suggested at the end that it is necessary to provide as specific training as possible for users of IPARD funds, and that the Community of Municipalities is available for the joint preparation and implementation of trainings that will be needed for local governments and their use of the IPARD funds available to them. or it is necessary to provide some new types of different training.
- **Budimir Mugoša**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD II monitoring committee, stated that it is very important that local communities at all levels are involved in making these decisions, and said „We agree with you and support the initiative to have in the next programming period amendments recognized in the law to simplify these issues“.
- **Andrijana Rakočević**, Director General of the Directorate for Rural Development/Head of the Managing Authority, referred to the part of the issue concerning the organization of special workshops and trainings, and explained that in the second quarter of 2023, the first public calls for all three measures are planned to be published through IPARD III of the program and before the announcement of public calls, it is planned to organize the first workshops with consultants and interested parties in order to provide the first information belt for potential users.
- **Vladislav Bojović**, acting of the director general of the Directorate for Payments, the Head of the IPARD Agency, emphasized how important it was to recognize the same problems together with colleagues from local self-governments, because it encourages the agency, and we are especially happy that other institutions are also in the process, which he says are in contact with potential users. As Mr. Bojović

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pointed out, the list of main problems is very well stated, and at the moment we are really working on removing these barriers, and one of those barriers is the VAT refund that we talked about, and that is a nice message for our agricultural producers, because this is also a signal for them that we are really listening to their needs. Also, as Mr. Bojović pointed out, the guide for Measure 7 is being written in cooperation with the relevant ministries, which will also be of great benefit to future users. Previously, on this issue, we organized a working meeting attended by representatives of the Secretariat responsible for planning, spatial planning and urban planning within local governments, where we talked about finding a common solution for obtaining permits for the construction of facilities intended for rural tourism in rural areas.


- **Milko Živković**, the president of the Union of Cattle Breeders of the North of Montenegro - pointed out that he wants to draw attention to the fact that it is necessary to identify some other issues, specifically the municipality of Pljevlja can be divided into three regions, one of which is closer to the city and we have one region where there are mineral deposits, which are completely unusable for agricultural purposes and these are really large areas and we cannot have the same access in every region. *"More precisely, I come from a region where there are a couple of young people who are returning to their ancestral estates, who cannot be recipients of IPARD funds because of the local self-government administration that has stopped any construction in these localities, so this is a problem that can easily be solved can address and about which one should sit down, discuss and find a way to overcome".*
- **Mila Kasalica**, State Secretary in the Ministry of Finance, NAO, in her presentation replied on Mr. Bojović's presentation and noted that there is no retroactive method of payment, but that VAT refund subsidies will be granted for natural persons recipients of the IPARD II program. As Ms. Kasalica informed those present, the training of the procedure that will enable the use of this measure is underway. Also, in the next phase of using 63 million euros from the IPARD III program, we must have a better structure for the use of these funds, in this sense, with the cooperation of the Ministry of Finance and the MAFWM, we are working on a model of finding or preparing information on the formation of a fund that concerns the pre-financing of IPARD recipients. Mrs. Kasalica shared the information that the Central Bank was contacted last month and informed of the need to find a model for the formation of a fund that would provide potential users of these funds with a source of financing. As stated by Mrs. Kasalica, it is now the task of the Government of Montenegro to involve credit institutions in order to find the best model and to use the IPARD III funds in the best possible way.

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- **Milko Živković**, president of the Union of Cattle Breeders of the North of Montenegro, addressed a question to Ms. Kasalica, secretary; *"What can I convey to agricultural producers regarding the subsidies related to the VAT refund when it can be expected, and regarding the pre-financing conditions, as far as I know, there was a double increase in the interest rate at the IRF, so that the additional pre-financed source is necessary in order to make the best possible use of these funds?"*
- **Mila Kasalica**, State Secretary in the Ministry of Finance, NAO, replied to Mr. Živković that the relevant ministries have prepared information on VAT subsidies for IPARD users, natural persons from the previous period - 2019, 2020 and 2021, and the amount required to pay off. Mrs. Kasalica explained that the Government will allow the payment of subsidies for VAT from the national budget, and based on the database of the IPARD Agency, where approximately 1.3 million euros are needed for 4 years, and advised them to contact the IPARD Agency at the beginning of January in order to get information about VAT subsidies and payment dynamics.
- **Spasoje Vujošević**, coordinator of the Credit and Guarantee Service at the IRF, spoke about the competences and experiences of the IRF since the implementation of IPARD, and earlier through IPARD like and MIDAS. Through the support of the IPARD programme, from the end of 2018 to the end of November 2022, a total of 17.2 million EUR was approved through 179 supported projects. Specifically, for the current year, 2022 - until the end of November, EUR 5.7 million was approved through 29 supported projects. Mr. Vujošević emphasized that this speaks of the need for pre-financing, but he also pointed out that what was happening on the global banking market also had an effect on our market, that is, on the IRF as a credit state institution. He also pointed out that the IRF is mostly the only institution that lends to IPARD program beneficiaries and suggested that commercial banks should be stimulated to become more actively involved in order to jointly support as many IPARD beneficiaries as possible within the deadlines given for the implementation of the program.

In accordance with item 8 of the Agenda:


- **Andrijana Rakočević**, Director General of the Directorate for Rural Development/Head of the Managing Authority, spoke about the main reasons for initiating the change of IPARD II program 1.3, i.e. the decommitment in the amount of EUR 759,662.60, which represents the funds provided for the financial year 2017, which were not spent. As Ms. Rakočević emphasized, the change was made in the financial tables in chapter 7, as well as individually in each of the measures. Also, in each of the measures, the indicators were corrected in accordance with the financial changes for each measure individually, and changes were made in the part

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of Measure 1, when it comes to renting land in the coastal part of Montenegro. In the further presentation, there was also talk about the initiative to form a credit mechanism for the needs of realizing investments through the IPARD II program and about the last change related to the harmonization of contact information of the bodies responsible for the implementation of IPA support.

In accordance with item 8 of the Agenda: Information on communication activities related to the Visibility Plan and communication activities related to the IPARD II program for the period from the previous meeting (June 8, 2021) Adoption of the Annual List of Activities - 2023 "Visibility and Communication Activities Plan"

- **Nina Jakić**, Advisor for coordination and public relations (PR) of rural development, reminded the attendees of the presentation from the last board meeting where we started the year with the creation of the IPARD III program, when a consultative process was held in two cycles. Also, in the current year, we had a number of the most significant promotional activities on the occasion of information campaigns held during the promotion of public calls for Measures 1 and 3 in almost all Montenegrin municipalities, with the practice that this promotion takes place before the publication of public calls, in order to give potential users additional time to timely application preparation. For the purpose of promoting these measures, 4 roll-ups were prepared, and brochures were posted on IPARD <https://ipard.gov.me/> that were made for both public calls in over 1,200 copies, which were distributed during the presentations themselves and subsequently delivered to the municipal services for agriculture for further distribution. Also, these brochures were distributed at the exhibition stand held by our representatives on the occasion of the EU Projects Fair. Mrs. Jakić emphasized that in July we had an official conference on the occasion of the adoption of the IPARD III program, which was organized at the agricultural holding of the recipients of IPARD funds, where the opening speeches were given by Minister Joković and EU Ambassador Oana Kristina Popa. All these activities were promoted by all media and on the official IPARD page on the social networks Facebook and Instagram under the name "IPARD FOR YOU" in order to increase the visibility of public information about the IPARD program. At the end, Mrs. Jakić presented the actions planned in the Visibility and Communication Activities Plan for 2023, where it was emphasized that good practice from previous years will be maintained, and that in addition, the plan is to produce TV spots about IPARD, newsletters, IPARD open doors, workshops for consultants, etc.

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Decision no.3


- Annual list of activities for 2023 - Plan of visibility and communication activities was adopted.
- All 16 members with voting rights voted YES for adoption.

- **Dick Van Dijk**, "desk officer" for Montenegro in the pre-accession unit of DG AGRI, in his presentation reviewed the guidelines given in the new guide for communication, publicity and visibility for projects financed under the IPARD III program. Mr. Van Dijk emphasized that all beneficiary countries are obliged to provide information about the support within the IPARD III program, and to provide visual information about the received EU support: in the form of posters, placards, temporary and permanent billboards depending on the type and value of the investment. He also pointed out that all activities should be implemented in accordance with the annual action plan, which was developed by the Managing Authority and which was approved by the Monitoring Committee and the EU Commission, including the activities provided for by the Technical Assistance measure. At the end of the presentation, there was talk about the rules for using the new IPARD visual element.

In accordance with point 9 of the Agenda: Presentation of the analysis of rejected projects

- **Zoran Irić**, Head of Department for monitoring and evaluation of IPARD, coordination and public relations of rural development, thanked and reviewed the number of projects through Measure 1 and 3 that were rejected and the reasons why they received such a status. Mr. Irić pointed out that through Measure 1, the total number of applications received was 773, while 224 applications were rejected, which is about 30% of the total number of applications. Also, in his presentation, he reviewed the percentage of the regional structure of rejected projects for Measure 1, where it is clearly noticeable that through this measure, the largest number of rejected projects is in the northern region. In his further presentation, Mr. Irić reviewed Measure 3, where the number of received applications was 167, while the number of rejected applications for all four public calls was 58. As Mr. Irić pointed out in his further presentation, the most common reasons for rejecting projects are of an administrative nature, of which in most cases documentation, non-submission of requested documentation supplements or its late submission, etc.

An overview of the main conclusions of the discussion:

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- **Dick Van Dijk**, "desk officer" for Montenegro in the pre-accession unit of DG AGRI, referred to Mr. Irić's analysis and emphasized that it is clear that the cooperation of all of us is needed because these rejected projects represent wasted energy and time employees of the Managing Authority, the IPARD Agency, all of us and the applicant. As Mr. Van Dijk pointed out, we saw that 60% of projects were rejected, and he said that it would be appropriate to bring this percentage of rejected projects to 20%, and that we should all make additional efforts to overcome the barriers that caused projects to be rejected.

In accordance with item 10 of the Agenda: Information: Amendments to the Regulation on the procedure and manner of implementing funds from the IPA (IPARD II program)


- **Miloš Kusovac**, Head of the Directorate for Programming, spoke about the changes to the regulation implementing the IPARD II program at the end of the previous year, which primarily related to the introduction of the possibility of advance payment and interim payment, this year the Regulation was changed. In his further presentation, Mr. Kusovac spoke about changes related to: closer determination of support criteria for young agricultural producers; extension of the deadline for submission of requests for advance payment; the reason for possible rejection of the request for payment and amendment of the article that refers to situations in which the refund of paid funds is made.

In accordance with item 11 of the Agenda: Information on VAT exemption activities

- **Budimir Mugoša**, State Secretary in the Ministry of Agriculture, Forestry and Water Management, the chairperson, stated that this point was discussed in previous presentations and that everything that was foreseen had already been said regarding point 12 of the Agenda: Information on the credit guarantee scheme, and invited those present to get involved if anyone else has comments, and suggested that we move on to the next item on the Agenda;


In accordance with point 13 of the Agenda: Representation of part of the members of the IPARD II monitoring board

- In front of the Administration for Food Safety, Veterinary and Phytosanitary Affairs, **Biljana Blečić**, Assistant Director - Veterinary Department of the Administration for Food Safety, Veterinary and Phytosanitary Affairs, introduced the attendees to the scope of work performed under the authority of the Administration established

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by laws in the field of food safety, food for animals and other products of animal origin, and talked about the organization of work in accordance with the powers established by law. Mrs. Blečić gave the floor to her colleagues who spoke about the cooperation with the Ministry of Education, Culture and Sports, which began during the implementation of the IPARD like and MIDAS projects.


- **Ljilja Milovanović**, Head of the Department for registration, approval and monitoring of facilities for the production, processing and distribution of food, animal feed and other products of animal origin, presented the scope of her department's work in the form of monitoring facilities for the production, processing and distribution of food, feed for animals and other products of animal origin, where she had experience during the implementation of public calls through Measure 3 and related to risk management and the implementation of measures aimed at protecting human health and determining the fulfillment of requirements in terms of infrastructure, equipment, documentation and issuing authorizations for the performance of activities in object; determining the fulfillment of the conditions for registration and entry in the register of objects; establishment and management of the Central Register of approved and registered facilities. Also, Mrs. Milovanović stated that it is necessary to conclude a new Memorandum on cooperation between the Ministry of Internal Affairs and Communications and the Administration as a technical body, which would define better conditions for cooperation. As Ms. Vesna Radusinović, advisor at Department for Veterinary of the Authority for food safety, veterinary and phytosanitary affairs, stated in her presentation, their task is to establish and maintain registers and records, prepare reports, analyses, information and other documents, as well as issue expert opinions, interpretations, participate in the preparation and implementation of IPARD projects.
- **Dick Van Dijk**, "desk officer" for Montenegro in the pre-accession unit of DG AGRI, asked representatives of the Administration what is the most difficult standard for Montenegro, and what is the solution for it.
- In her answer, Ms. Milovanović referred to the problems in the form of paperwork and recalled the series of meetings we had already had with the aim of overcoming this problem, and that mechanisms had already been found to deliver certain documentation according to a simplified procedure. Also, as for the standard that is the most difficult to achieve, it is food safety, that is, the HACCP standard, because we have a very small number of people who are trained in this sector.
- Also, Mrs. Blečić emphasized that the biggest problem is the insufficient number of professionally trained personnel working in these jobs, especially in the veterinary sector, and appealed to the decision makers to recognize mechanisms to train and employ such personnel.

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- Ms. Blečić also spoke about the problem of introducing a new specific type of enriched cages for poultry, which will be problematic for small agricultural producers; about the current capacities where 22 veterinarians and 7-8 technologists will not be enough for all the controls that need to be performed, she also recalled the external evaluation of the drawings for the facilities. Mrs. Blečić mentioned that the salary coefficient of the employees of the AFSVPA is lower than the salary coefficient of the employees in the ministry, which can also be demotivating and not encouraging, especially for people who do additional work related to the IPARD program, considering that in the coming period, the outflow of a part is expected personnel due to retirement. Also, colleagues from the IPARD agency agreed that a significant part of the work performed by AFSVPA is aimed at implementing the IPARD program.
- Mr. Budimir Mugoša, during the discussion, announced that models are being considered in order to provide scholarships for veterinary students, who are recognized as insufficient staff.
- **Jasmina Janković Mišnić**, Graduate biologist at the Environmental Protection Agency, informed the attendees about tasks related to organizing, planning and participating in environmental monitoring, that is, about ensuring the application and execution of environmental protection regulations. In her further presentation, Mrs. Janković Mišnić talked about giving expert opinions in the field of environmental protection and cooperation and communication with the management structure of the IPARD program.

In accordance with item 14 of the Agenda: Information on the preparation of the IPARD III program

- **Andrijana Rakočević**, Director General of the Directorate for Rural Development/Head of the Managing Authority, informed the attendees about the preparations necessary for the implementation of the IPARD III program for next year and what now follows is the accreditation for Measures 7 and 9. Also, in her presentation, she gave a short review of the audit visit, as well as the "rollover" of entrustment for Measures 1, 3, 7 and 9. Also, next year we will have a pilot project for Measure 4, and we plan to prepare an accreditation package for this measure in 2023. By the end of next year, we also plan to prepare the accreditation package for Measure 6. So we are planning greater activity regarding this measure with local governments, where we plan to organize more workshops and meetings, because we see this as an excellent chance to spend a large part of the available funds from the IPARD III program. As Ms. Rakočević stated in her further presentation, the

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accreditation of Measure 9 is very important, thanks to which we will be able to technically support these activities of all measures, which is its main purpose.


An overview of the main conclusions of the discussion:

- **Željko Macanović**, President of the Association "Healthy grain", at the very end said that people are leaving the villages, the place Glibači in Pljevlja has a large number of organic producers, but the people who stayed in the villages are an older population and additional efforts need to be made in order to retain and brought young people to live in the countryside.
- **Milko Živković**, President of the Union of Cattle Breeders of the North of Montenegro, at the very end, made a review of yesterday's meeting at the farm of Mr. Vučko Pešić with representatives of the EU Commission, where we had the opportunity to talk about many topics, and I am glad that a number of topics were raised here as well. I am glad that the need to check and submit most of the already too extensive documentation in a shortened way has been recognized. Also, Mr. Živković welcomed the initiative that more professional staff are needed who will also give the best inputs to potential users of IPARD funds at the advisory level.

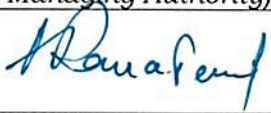
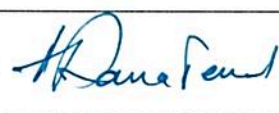
In accordance with point 15 of the Agenda: There were no further requests to discuss any issues.

In accordance with item 16 of the Agenda: Proposals for the date and Agenda for the next meeting

- **Budimir Mugoša**, State Secretary in the Ministry of Agriculture, Forestry and Water Management, chairperson, proposed that the date for the next meeting be organized after consultation with the Governing Body, about which members of the IPARD II Monitoring Committee will be informed in a timely manner.

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Signatures:

CHAIRMAN of the IPARD II monitoring committee:	FOR THE SECRETARIAT:
<i>Mrs. Andrijana Rakočević</i>	<i>Mrs. Andrijana Rakočević</i>
<i>Position: general director of the Directorate for Rural Development, Head of the Managing authority (deputy Andrijana Rakočević, Director General of the Directorate for Rural Development – Head of the Managing Authority);</i>	<i>Position: general director of the Directorate for Rural Development, Head of the Managing authority</i>
Signature: 	Signature: 
Date: 26.01.2023.	Date: 26.01.2023.

ATTACHMENT: List of participants

