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MINUTES FROM THE MEETING OF IPARD II MONITORING COMMITTEE
Minutes number 10
Minutes from the TENTH meeting of the IPARD III Monitoring Committee
1st of June 2023/ Hotel Voco, Oktoih br 2, Podgorica 81000 Podgorica

I. List of participants (attached to Minutes):

Meeting was attended by the IPARD II monitoring committee members, as well as the representatives of the European Commission and EU Delegation in Montenegro. Meeting was not attended by the representative of the Ministry of Economic development and Tourism, Association of Manufacturers of plants in greenhouses, Biotechnical Faculty - University of Montenegro, the Union of Municipalities of Montenegro, the National Association of Beekeepers of Montenegro, the Ecological movement „Ozon“, the National Association of viticulturist and wine producers of Montenegro, Montenegro Business Alliance, Regional Development Agency for Bjelasica, Komovi and Prokletije and the Ministry of Agriculture, Forestry and Water Management - Directorate for Fisheries.

Result:


Quorum was fulfilled, so the meeting could be held and decisions can be taken (15 members or their substitutes with voting rights was 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. Representatives of the European Commission with advisory role and observers (from number 1 to 3 third table)

This is necessary to show that sufficient number of members is present and the meeting can be organized.


II. Agenda

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	9:30 – 9:40	Opening of the meeting; Approval of the Agenda and check of list of members/representatives (attached to the agenda)	Need approval	Stevan Gajević, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson
1.	9:40 – 9:50	Short introduction by European Commission (DG AGRI)	Informative	Frank Bollen, Head of Unit G4 - Neighbourhood, enlargement and pre-accession assistance DG AGRI/European Commission
2.	9:50 – 9:55	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	Stevan Gajević, Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson
3.	9:55 – 10:10	State of play of the implementation of the IPARD II programme	Informative	Vladislav Bojović, acting Head of the IPARD Agency/Director General of Directorate for payments
4.	10:10 – 10:15	Information on the external audit carried out regarding Technical Assistance Measure	Informative	Representative of the NAO

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	No. items	Provisional time	Content	Informative /Need agreement /Need approval /Need opinion of the IMC members
5.	10:15-10:20	Annual Action Plan for Technical assistance for 2023	Need approval	Nina Jakić, Advisor for coordination and public relations of rural development
6.	10:20 – 10:30	IPARD II programme modification	Need approval	Miloš Kusovac, Head of Division for programming
7.	10:30 – 10:45	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 th December 2022.) Approval of the 'Plan of visibility and communication activities – Realization of Annual List of Actions – 2022'	Need approval	Nina Jakić, Advisor for coordination and public relations of rural development
8.	10:45 – 11:00	Presentation of the Annual implementation report 2022	Need approval	Enis Gjokaj, Advisor for M&E

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9.	11:00–11:10	AOB	Informative	
No. items	Provisional time	Content	Informative /Need agreement /Need approval /Need opinion of the IMC members	Responsibility
10.	11:10 – 11:30	Coffee break		

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III. Result of the IPARD II meeting

In accordance with point 1 of the Agenda: Opening of the meeting, Adoption of the Agenda and check of list of members/representatives

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

Decision number 1

- Agenda was adopted.
- All 15 members with voting rights voted YES for the adoption.


In accordance with point 2 of the Agenda: Short introduction by European Commission (DG AGRI)

- **Frank Bollen, Head of Unit G4 - Neighbourhood, enlargement and pre-accession assistance of DG AGRI/European Commission:**

He greeted the present members of the IPARD II monitoring committee, and at the very beginning of the presentation, he explained the status quo and the financial perspective of using funds from the IPARD II program. As Mr. Bollen pointed out that for the time being Montenegro permanently lost 1.7 million euros, and given that the program period is nearing its end, it is also at risk of losing additional funds. Namely, he reminded the audience that at the meeting in Brussels with the EU Commission, Minister Joković agreed on the spending of funds for another year, that is, the condition n+4 is allowed. He emphasized that everyone must be aware that these funds can be used under certain conditions, and that the use of these funds must not impact the start of the implementation of the IPARD III programme. At the very end, Mr. Bollen advised the attendees to use their time wisely, encouraging the authorities, agricultural producers as well as everyone present to do everything in their power so that this money could be used entirely. He also emphasized that the help of the European Commission can be fully counted on and invited all those present to use today's meeting for constructive dialogues and conclusions.

In accordance with point 3 of the Agenda: Adoption of the minutes of the previous IPARD monitoring committee (MC) meeting and information on the implementation of decisions taken at the previous IPARD II monitoring committee meeting

- **Stevan Gajević**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD III monitoring committee noted 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. Also, the chairman emphasized that this meeting is being audio-recorded, for the purpose of the minutes, to which all those present gave their consent.

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Decision number 2


- The minutes of the previous IPARD monitoring committee (MC) meeting was approved.
- All 15 members with voting rights voted YES for the adoption.

In accordance with point 4 of the Agenda: State of play of the implementation of the IPARD II programme

- **Vladislav Bojović**, the acting General Director of the Directorate for Payments, the head of the IPARD Agency, presented the results of the implementation of the IPARD II programme through the public calls for measures 1 and 3. In the tabular representation through four published calls for Measure 1 - "Investments in physical assets of agricultural holdings" and through four published calls for Measure 3 "Investments in physical assets concerning processing and marketing of agricultural and fishery products", 565 projects were contracted and 334 projects were paid. The total investment value for these projects is 89.9 million. EUR, of which potential support is 48.5 million. EUR. As Mr. Bojović informed, the support that has been paid so far amounts to EUR 21.6 million. Also, the processing of applications on the occasion of the fifth IPARD public call for Measure 3 is in progress, where the receipt of requests for the allocation of support for this Public Call was from February 6 to March 6, 2023. Within this call, 39 requests for support were submitted. The total value of the requested investments is 16.2 million. EUR (with VAT), i.e. 13.44 mil. EUR (without VAT), and the potential amount of support is 6.72 mil. EUR. Contracts are currently being finalized for 23 applicants, while 5 applicants have signed the contract. The fifth public call for Measure 1 lasts until June 15 and applications are being processed. At the end of the presentation, Mr. Bojović recalled the future steps that need to be taken in order to strengthen administrative capacities, pay out the remaining projects, and start the implementation of the IPARD III programme.

The overview of the main conclusion of the discussion:

- **Dick Van Dijk**, „desk officer“ for Montenegro in Pre-Accession Unit of DG AGRI G4/European Commission, based on the presentations delivered, analysed the situation and concluded that clearly Montenegro has large resources at its disposal but also very little time, in fact one more year to practically realize all of this. We see that you have a "full basket" of projects from all measures, but you must be aware not to break these deadlines.
- **Vladislav Bojović**, the acting General Director of the Directorate for Payments, the head of the IPARD Agency, emphasized that he is aware of this risk, but that there are things that cannot be influenced. As already emphasized, the main "bottlenecks" in the implementation of the IPARD programme are the provision of initial capital, the problem with suppliers and human capacity, but he expects that these issues will be on the high priority list of state authorities in the future.
- **Milko Živković**, president of the Union of livestock breeders of Northern part of Montenegro, asked the question: "How much money do we have available from the IPARD II programme?" I have information from the field that there is great interest from farmers, but I am afraid that we will not have enough money. And additionally, given that in December 2022 we received the green light for

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proposals for changes in certain procedures, I have a question for the representatives of the IPARD Agency - what has been done in this regard?"


- **Andrijana Rakočević**, Head of the IPARD Managing Authority/General director of Directorate for Rural Development, gave an explanation in the part of the question about the consumption of the funds, and clarified that most of these funds were contracted for more than two years and there is a high probability that these funds will not be withdrawn here. Precisely for this reason, a fifth public call for both measures was announced in order to additionally withdraw the remaining funds. Also, as Mrs. Rakočević pointed out, you heard that we have lost 1.7 million EUR so far and from the available 39 mil. We have spent a little more than EUR 16 million so far. EUR, so this difference is still available to us.
- **Velibor Damjanović**, Head of the Division for system monitoring /Ministry of Finance, followed up on the remaining part of Mr. Živković's question and explained that a detailed analysis of the procedural framework concerning the earlier proposals was done and changes were made to the procedures manual. A good part of these changes has already been integrated into the procedures and will influence the acceleration of the evaluation of the projects themselves and the contracting process. However, as he stated, we must be aware that these changes in procedures require a certain amount of time, but he certainly encouraged agricultural producers to always make suggestions for changes and improvement of these systems.

In accordance with point 5 of the Agenda: Information on the external audit carried out regarding Technical Assistance Measure

- **Velibor Damjanović**, Head of the Division for system monitoring /Ministry of Finance, referred to all activities for the full accreditation of Measure 9, noting that all procedural activities were completed on November 15, 2022. As pointed out by Mr. Damjanović, of the three companies that applied for an external audit, the appropriate audit firm was hired, with which the contract was signed on February 13, 2023. The final audit reports were received on May 9, after which the management and operational structure of the IPARD programme prepared the accreditation package for approval and submitted it to the EU Commission on May 22, 2023. At the end of the presentation, he pointed out that the entire procedure has been completed and that the package has been submitted for full accreditation and that we are now in a position to wait for the opinion of DG AGRI and the European Commission, but also that we can already start the procedures for the "rollover" of Measure 9 for the IPARD III programme.

In accordance with point 6 of Agenda: Annual Action Plan for Technical assistance for 2023

- **Nina Jakić**, advisor for coordination and public relations (PR) of rural development, presented the steps that need to be taken in connection with the adoption of the Annual Action Plan for Measure 9. After the accreditation of this measure, in accordance with the List of eligible expenditures for Measure 9, it is necessary to prepare and adopt the Annual Action Plan, which contains a list of activities whose realization is planned in the current calendar year with an indicative budget for all types of activities. The assessment of the value of purchases and services is based on market research

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or on the basis of previous experience. As Mrs. Jakić said, the IPARD II Monitoring Committee will adopt the Action Plan at the next, i.e. today's, session, or by written procedure as soon as the Annual Action Plan is prepared. If it is necessary to change the Annual Action Plan, it is done according to the same procedure as when creating a new (initial) action plan. At the very end, she reminded that when the Annual Action Plan is adopted, it must be published on the official website of the IPARD programme.

Decision number 3

- Annual Action Plan for 2023 for Measure 9 "Technical assistance" was approved.
- All 15 members with voting rights voted YES for the adoption.

In accordance with point 7 of Agenda: IPARD II programme modification


- **Miloš Kusovac**, Head of the Division for Programming, spoke about modifications in the IPARD II programme, and said that due to the return of funds (decommitment) of EUR 975,932.75, there were changes in the allocated financial funds. In his presentation, Mr. Kusovac presented the modifications made to Measure 1 and Measure 3, while there were no changes to the other Measures. As he said, these modifications led to the correction of indicators. After the end of the Fifth Public Call for Measure 1 and the approval of the terms of use of N+4 by the end of the year, other modifications to the IPARD II programme is expected.

Decision number 4

- IPARD II programme modification was approved.
- All 15 members with voting rights voted YES for the adoption.

In accordance with point 8 of the Agenda: 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 (8th December 2022.); Approval of the 'Plan of visibility and communication activities – Realization of Annual List of Actions – 2022'

- **Nina Jakić**, advisor for coordination and public relations (PR) of rural development presented the details of information campaigns for the FIFTH Public Call for Measure 1 and Measure 3, which were published since the previous IMC meeting. Both public calls were announced in a conference in the Europe House, where Minister Joković and a beneficiary of IPARD support spoke. Also, on the occasion of the conference of these public calls for Measure 1 with Minister Joković, Mr. Frank Bollen, Head of Unit G4 - Neighbourhood, enlargement and pre-accession assistance of DG AGRI/European Commission from Brussels, joined via the online platform and spoke, while on the occasion of the conference for Measure 3, the head of the Cooperation Section from EU Delegation to Montenegro Mr. Yngve Engstroem spoke. In order to promote the announcement of these public calls, 28 workshops were held, where a total of over 600 interested potential applicants attended. For the promotion of Public Calls, 500 leaflets and 1 roll up were printed per call. During the duration of the

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public call, Open Days were organized in the premises of the Directorate for Payments. Also, on the occasion of the promotion of the IPARD III programme, a meeting was held in February with representatives of local self-governments of all Montenegrin municipalities with the aim of timely planning and implementation of Measure 6 - Investments in rural public infrastructure of the IPARD III programme for the program period 2021 - 2027. In order to further implement the IPARD programme more successful, a workshop for consulting firms was organized on March 9, 2023, and the product of this meeting is a list of interested consultants that was posted on the IPARD website who attended this workshop. On March 31, "IPARD FOR YOU", the first newsletter about IPARD in Montenegro, was published. "IPARD FOR YOU" is a newsletter, which will initially be published quarterly and can be downloaded from the IPARD website. On May 9, on the occasion of Europe Day, a reception was organized at the Music Center of Montenegro in Podgorica, where IPARD recipients had stands with their products, and stories about all of them were recorded by the Europe House and will be published in the coming period. The IPARD website has been largely updated. The Ministry's VIBER community was also established, through which the Ministry will inform members about its activities. The goal of establishing the community is that all information reaches all interested producers as soon as possible. Numerous appearances by employees on state and local TV and radio stations resulted in a total of 319 announcements about the IPARD programme (41 newspaper announcements, 52 TV reports and 225 announcements on portals).


- **Stevan Gajević**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD III monitoring committee said that if there are no additional comments, we can proceed with the adoption of the 'Plan of visibility and communication activities – Realization of Annual List of Actions – 2022', which was presented at the last meeting of the IPARD monitoring committee and sent to all members via email.

Decision number 5

- 'Plan of visibility and communication activities – Realization of Annual List of Actions – 2022' was approved.
- All 15 members with voting rights voted YES for the adoption.

In accordance with point 9 of the Agenda: Presentation of the Annual implementation report 2022


- **Enis Gjokaj**, advisor for monitoring evaluation and reporting at the beginning of the presentation, reminded that one of the obligations of the Managing Authority is to submit the Annual Report on the implementation of the IPARD programme for the previous year to the European Commission by June 30 of the current year. As he reminded, this report was delivered to everyone by e-mail, and since the return of funds (decommitment) was already mentioned, the consumption was lower, so for Measure 1, the consumption was about 9.8 mil. EUR, while for Measure 3 it is about 7.4 mil. EUR. Also, requests for advance payment for Measure 1 were in the amount of EUR 570,346, and for Measure 3 in the amount of EUR 1,383,728. The total amount of the paid advance and projects

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amounts to EUR 18,798,934. In his further presentation, Mr. Gjokaj presented tabular and graphical representations of the spending of funds by year, sector and region for Measures 1 and 3.

The overview of the main conclusion of the discussion:

- **Dick Van Dijk**, „desk officer“ for Montenegro in Pre-Accession Unit of DG AGRI. G4 /European Commission, referred to the presented report and emphasized that he will send comments this week on the submitted draft by e-mail. He also pointed out that he had already noted certain errors. He emphasized that it is necessary to pay attention to certain changes, especially in Table 8 - performance assessment. It is necessary to improve the evaluation of the implementation of the Programme itself with this report. In a further comment, he suggested that it is necessary to carry out additional analyses, which would provide additional guidelines on the reasons why certain projects were rejected and how it can be used to eliminate "bottlenecks" in the IPARD III programme.
- **Andrijana Rakočević**, Head of the IPARD Managing Authority/General director of Directorate for Rural Development, pointed out that the biggest problem is incomplete documentation, and one of the steps to solve these problems was the formation of a list of consultants, who were trained at the workshop, so it is expected that they will also improve their services and that they will deliver future applications more complete.
- **Zoran Irić**, Head of Division for Monitoring and Evaluation, Coordination and PR of Rural Development, emphasized that the analysis of rejected projects was presented at the last committee meeting helped to find "bottlenecks", and pointed out that certain steps have been taken to have the bottlenecks removed, but that there is still space to reduce the number of rejected projects - either by reducing extensive documentation or by simplifying procedures in general.
- **Milko Živković**, president of the Union of livestock breeders of Northern part of Montenegro, reminded that the issue of the number of rejected projects is often repeated at these meetings, and this indicates that more should have been done and the man in the rural area should be reached in order to help him do this work, so his proposal was that offices are established in each municipality that will assist potential IPARD recipients.
- **Željko Macanović**, the president of the association "Zdravo zrno", said that he thinks that one month is a short time for the application for the currently announced public call for Measure 1, saying that it is not possible to agree with the supplier and get the model of equipment/ machine they are looking for in such a short time. Especially for tractors for which it is necessary to meet the condition of STAGE 5. His proposal is that the public calls are open and last all year round.
- **Andrijana Rakočević**, Head of the IPARD Managing Authority/General director of Directorate for Rural Development, referred to the second part of the question, and pointed out that the reason for the short duration of the public call is the intention to realize quick investments in a short period in order to withdraw as much funds as possible and reduce the return of EU funds. Mrs. Rakočević reminded that although the deadline is short - the information campaign was implemented before the announcement of public call, so that additional time was given to examine the market and prepare documentation.
- **Vladislav Bojović**, the acting General Director of the Directorate for Payments, the head of the IPARD Agency also answered part of Mr. Živković's question and explained that the establishment of

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Agricultural Houses (which will be playing the role of regional offices of the ministry of agriculture) is already underway, but that it is difficult to find certain locations that are suitable for these structures. As Mr. Bojović explained, the plan is for now to build these Agricultural houses in Berane and Pljevlja. He also pointed out that he agrees that there should be regional IPARD offices where services will be provided to potential IPARD recipients.

- **Stevan Gajević**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD III monitoring committee, referred to this point of the agenda and suggested that it is necessary to accept Mr. Van Dijk's suggestions and that we can start adopting the Annual Report after certain analyses that will make changes.

Decision number 6

- The annual implementation report (AIR) 2022 on the implementation of the IPARD II programme was adopted, with changes that need to be made and coordinated with the European Commission.
- All 15 members with voting rights voted YES for the adoption.

In accordance with point 10 of Agenda: AOB, there were no further requests for discussion on any issues.

- **Stevan Gajević**, State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson of the IPARD III monitoring committee pointed out, closing the meeting, that this point was already started together with the previous points, so the open discussion was finished.

Signatures

CHAIRPERSON OF IPARD II MC	FOR SECRETARIAT:
<i>Mr.</i> Stevan Gajević	<i>Mrs.</i> <i>Andrijana Rakočević</i>
<i>Position:</i> State Secretary of the Ministry of Agriculture, Forestry and Water Management, Chairperson	<i>Position:</i> Head of Managing Authority, General Director directorate for rural development,
Signature: 	Signature: 
Date: June 30 th 2023	Date: June 30 th 2023

Attachment: List of participants