

THE MINISTRY OF FOREIGN TRADE AND ECONOMIC RELATIONS OF BOSNIA
AND HERZEGOVINA STATEMENT

for
Tenth Annual Working Meeting of Ministers of Agriculture 2016
25th November 2016, Bečići, Montenegro

Honourable Ministers, Head of delegations,
Dear members and observes of SWG Countries,
Representatives of European Commission, FAO and GIZ,
Distinguished guests,
Ladies and Gentlemen,

On behalf of the Council of Ministers of the Bosnia and Herzegovina and Minister of the Ministry of Foreign trade and Economic Relations, H.E. Mirko Šarović, I would like to express congratulations and greetings for organization of jubilee Tenth Annual Working Meeting of Ministers of Agriculture from South Easter Europe, and wish a fruitful work.

Bosnia and Herzegovina is a relatively small, open transitional economy with strong food import needs. Despite that, the agriculture sector remains economically significant, representing an integral part of economy, creating an important source of employment for rural population. GDP in agriculture, forestry and fisheries sector in 2015 accounted for 7% of total GDP. The share of agricultural activities in total employment in 2016 was approximately 18 %.

Bosnia and Herzegovina is still a potential candidate for EU membership. The Stabilisation and Association Agreement between Bosnia and Herzegovina and the EU was ratified in 2011 and 2015 entered into force. In the framework of the SAA structures. Bosnia and Herzegovina accepted and in July 2016 paraphed additional protocol for the technical adaptation of the SAA, to take into account its bilateral traditional trade with Croatia.

The priorities in the agriculture area are closely related to the EU accession process, including institutional capacity building, EU legislative transposition and establishment the implementing structures that has to contribute to development of agricultural sector and improvement of its competitiveness. EU provides guidance to the country's authorities on reform priorities, but sometime without response and quite well follow-up from the B&H institutional side, due to a complex political structure. The country adopted a Reform Agenda aimed at tackling the difficult socio-economic situation and advancing the rule of law and public administration reforms. Coordination mechanism on EU matters was adopted by the Council of Ministers in August while the strategic programme for the country's legal approximation with the EU acquis yet to be adopted. In September 2016, the EU Council invited the European Commission to submit its opinion on the EU membership application of Bosnia and Herzegovina, submitted in February.

The European Commission report for Bosnia and Herzegovina distributed in November 2016 refer that the preparations in agriculture and fisheries are at an early stage. Some progress was achieved on food safety, veterinary and phytosanitary policies. Nevertheless, in the coming year, Bosnia and Herzegovina should in particular:

- design and adopt a countrywide strategic plan for rural development and agree to establish the national structures for obtaining pre-accession assistance to the agricultural sector through the Instrument for Pre-accession Assistance for Rural Development;
- further align its official veterinary and phytosanitary control systems with European standards;
- further upgrade its administrative capacity, in particular inspection services and laboratories

In the area of agriculture and rural development policy, Bosnia and Herzegovina has yet to prepare a state-level strategic plan for rural development. An updated state-level harmonisation programme for agriculture, food and rural development still needs to be adopted. State-level legislation on wine and on organic production has yet to be adopted. An agreement to establish the institutional structures that would enable the country to benefit from the Instrument for Pre-accession Assistance for Rural Development is still pending. The administrative capacity and coordination within the agriculture and rural development sector still need to be improved. The effectiveness and EU compliance of support measures remain insufficient to increase the sector's productivity and competitiveness. There is still no agreement on the legal framework for conducting an agricultural census. Agricultural statistics and the agricultural information system are yet to be established and consolidated country-wide. The national agricultural information strategy is not yet adopted. The land registration systems are yet to be harmonised throughout the country, and the land management requires strengthening.

Regional cooperation and good neighbourly relations is an essential part of Bosnia and Herzegovina's process of moving towards the EU. The country will support and participate in regional initiatives, including the Standing Working Group for Rural Development contribution and participation. We can now proudly say that after more than a decade SWG represents very good tool and excellent concept for cooperation. It provides a well-designed and managed platform for linking of different types of initiatives and stakeholders in the field of agriculture and rural development in the Western Balkan countries. Through realized projects and activities in the region, SWG made respect of the founding institutions, but also constructed its reputation in the EU institutions and organizations. Recently accomplished results of joint activities in rural development, water and forestry management, organic production, wine production, prove that there are many common goals and interests which we can reach much easier with joint forces and fruitful cooperation.

When we talking about regional cooperation I have to use this opportunity to congratulate on results of the joint project with EC on arrangements for Area Based Development Approach (ABD). This innovative approach showed that it can be used to contribute to sustainable growth, suitable for targeting defined geographical areas in cross-border regions in the Western Balkans, characterised by specific and complex development problems. The ABD activities in a given region and the presence of a local stakeholder structure and a local development strategy will generate a higher local interest in the development of the area and confidence in their ability to successfully participate in those instruments and preservation and use of natural resources for the purpose of rural and economic development of the regions. It could be used as a local framework not only for the interventions under the Regional and Territorial Cooperation policy area of IPA, but also for the presence of the other donors.

Once more I wish to underline that the European Union integration process Bosnia and Herzegovina is top priority. The commitment in aligning the agricultural and the rural

development policies in the country towards the EU CAP policy is stated from all responsible institutions and interested parties in Bosnia and Herzegovina.

Agriculture is the most important sector for the countries in the CEE region and modernization of this sector requires involvement of enormous efforts, dedication and commitments. But we need not to forget that this development requires strong regional collaboration. Development of the Bosnia and Herzegovina's agriculture depends on the policies and measures implemented by countries in the region, but especially of those implemented by its neighbours. This ministerial meeting is an excellent opportunity for discussion and the experience exchange.

I wish to use the opportunity to extend sincere congratulations to the Montenegrin Ministry of Agriculture for their annual SWG presidency, but also the Governments representatives present at the Ministers meeting for their evident support to the regional cooperation in the agriculture and rural development sector in SEE

Once more I wish to thank to our host, the Ministry of Agriculture and Rural development of Montenegro for an excellent organization, and successful meeting.

Thank you for your attention.