

### **Third Ministerial Videoconference:**

## **Impact of COVID 19 on the agricultural sector in the Western Balkans and possible joint actions**

**27 May 2020**

### **VIDEOCONFERENCE SUMMARY**

COVID-19 pandemic has impacted the agricultural sector in the Western Balkans through border closures, disruptions in the food supply chain, trade and market. To address the current situation, SWG is organizing a series of videoconferences of the Ministers of Agriculture of the countries/territories of the Western Balkans. The third Ministerial Videoconference was attended by Ministers and high-level representatives of the Ministries of Agriculture of the Western Balkans and neighboring countries, as well as the European Commission (DG AGRI and DG NEAR), the Food and Agriculture Organization (FAO) and the Regional Cooperation Council (RCC) discussing: levels of production and reserves, surpluses, deficits, free movement of ag products in the region and with EU and opportunities for future development.

#### **Conclusions:**

- The situation with the COVID-19 epidemic is **gradually improving**. Slovenia is the first EU and Montenegro the first WB country to be proclaimed as corona-free. Still all countries continue implementing the measures to mitigate the impact of the crisis on the agriculture and rural development.
- There are **no major problems in production and trade** for the countries/territories of the Western Balkans. That was achieved in a short timeframe due to the **close coordination and cooperation** of the countries/territories of the Western Balkans. In addition, new markets are being penetrated for sale of the **surpluses** of some agricultural products (such as Jordan for North Macedonia, Turkey for Republic of Srpska).
- The **close-down of the HoReCa** (Hotel/Restaurant/Café) segment of the market is having **substantial implications** on the agri-food sector. Although new sales channels were activated (online ordering, home delivery) they managed to achieve only a small portion of the pre-corona sales. It has resulted in reduced sales of wine, meat, vegetables etc. A big number of smallholders have established short-supply chains with restaurants, agritourism and hotels and are directly affected. The gradual re-opening of the segment following strictly prescribed protocols of operation is not expected to fully compensate for the lost sales and to reach the pre-corona levels in the near future.
- Tourism in general, including rural tourism, has been the economic activity which suffers the most as a result of the pandemic. While mass tourism will certainly mark substantial

decline in volume and value, the situation could provide an **opportunity for rural development in general and rural tourism development in particular**. The latest increase of the demand of the real estate in the rural areas also suggests that. For that purpose, appropriate measures should be created to support rural tourism operators in enhancing their offers in a sustainable way and to promote the attractions of the rural areas.

- **IPARD II** implementation has continued throughout the region and partners have started applying the temporary measures proposed by DG AGRI in reaction to the COVID restrictions. Preparations started for IPARD III and it will reach out to the partner countries soon. Already now there is an opportunity to work on national sector analysis and agricultural strategies.
- In the future policy creation, the WB countries/territories should consider **the latest EU policy developments** as part of the **European Green Deal**. The **Farm to Fork Strategy** aims to redesign the food systems to be fair, healthy and environmentally-friendly in order to achieve resilience to crises, such as COVID-19 pandemic. In the post-COVID context, the **Biodiversity Strategy** aims to build resilience to future threats such as climate change impacts, forest fires, food insecurity or disease outbreaks, including by protecting wildlife and fighting illegal wildlife trade.
- RCC works together with DG NEAR on the Green Agenda for the Western Balkans and its **biodiversity** task force includes DG NEAR, concerned ministries, stakeholders and CSOs. To tackle the specific importance of **agrobiodiversity**, as part of the wide area of biodiversity, SWG together with the ministries of agriculture of the Western Balkans conducted agrobiodiversity policy assessment and in the future will continue its work on: proposing agrobiodiversity policies and legislation in compliance with the EU; conducting inventory on national and regional level; analyzing the economic value of agrobiodiversity; education and training of farmers for adding value, increasing competitiveness and marketing of local varieties and breeds and their products.
- There are opportunities for **cooperation with FAO** in the areas of:
  - **Trade**, as very important in ensuring food security. Agricultural trade could be improved by determining and resolving the bottlenecks through mutual cooperation;
  - **Policy formulation**, through improved policy coordination and identifying policy trends to inform the debate at national and regional level;
  - **Social protection**, through rural development (rural tourism, biodiversity conservation etc.).
- Considering the great impact of the crisis on the smallholders, and the opportunities for future development, **regional initiatives from international organizations** to support smallholders are welcome, in addition to **IPARD** and the national measures from each of the countries.
- **Continuous communication, coordination and solidarity** among the ministries (on bilateral and multilateral level) proves to be an effective approach to counteract the negative impact of the COVID-19 pandemic and address common issues. For that purpose and as a reaction to the Conclusions from the Second Ministerial Videoconference, the Ministry of Agriculture, Forestry and Food of the Republic of Slovenia presented an **initiative to the EC for assessing the digital capacities and providing adequate ICT equipment** to the WB ministries. The initiative is currently being reviewed.

- **SWG Secretariat**, as a regional policy dialogue platform, should keep active communication with the ministries and **organize meetings upon demand**, if/when issues of common interest and urgency are presented for the attention of Ministers. In the upcoming Annual Meeting of Ministers (on 18 November 2020) the Ministers will consider **common protocols** for dealing with future crises. In the meantime the Regional Expert Advisory Working Groups on: Impact of COVID-19; Wine and Viticulture; IPARD; LEADER Approach; Monitoring of Agricultural Policy Developments in WB; Agricultural Research in WB; Short Value Chains; Agrobiodiversity; will resume their regular work and will continue providing policy advice and recommendations to the authorities of the WB in the respective fields.

#### **Videoconference participants on behalf of the invited ministries:**

- **Mr. Darko Konjevic, Director General** – Directorate for Rural Development, Ministry of Agriculture and Rural Development, Montenegro
- **Mr. Trajan Dimkovski, Minister and Tomo Mojsovski, Advisor to the Minister** - Ministry of Agriculture, Forestry and Water Economy, Republic of North Macedonia
- **Mr. Besian Mustafa, Minister** - Ministry of Agriculture, Forestry and Rural Development, Kosovo\*
- **Mr. Dusan Neskovic, Assistant Minister** - Ministry of Foreign Trade and Economic Relations, Bosnia and Herzegovina
- **Ms. Gordana Rokvic, Assistant Minister** - Ministry of Agriculture, Forestry and Water Management, Republic of Srpska, Bosnia and Herzegovina
- **Ms. Lorena Pullumbi, Chief of Staff and Mr. Grigor Gjeci, Head of Managing Authority** - Ministry of Agriculture and Rural Development, Republic of Albania
- **Dr. Bojan Pahor, Director General for food and fisheries**, Ministry of Agriculture, Forestry and Food, Republic of Slovenia
- **Mr. Zsolt Belánszky-Demkó, Deputy State Secretary** - Ministry of Agriculture, Hungary
- **Mr. Tugomir Majdak, State Secretary**, Ministry of Agriculture, Republic of Croatia

#### **DG AGRI:**

- **Mr. Liam Breslin**, Head of Pre-accession Assistance Unit
- **Mr. Marius Lazdinis**, Deputy Head of Pre-accession Assistance Unit
- **Mr. Zigo Rutkovskis**, Program Manager for IPARD II in Albania and North Macedonia

#### **DG NEAR:**

- **Mr. Max Philipp LEHNE**, Chapter desk for Agriculture and rural development

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*\*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence*



**FAO:**

- **Mr. Vladimir Rakhmanin**, Assistant Director General/Regional Representative
- **Mr. Raimund Jehle**, Regional Programme Leader and FAO Representative for ALB
- **Mr. Nabil Gangi**, Deputy Regional Representative and head of MCD, BIH, SRB, MNE
- **Ms. Gordana Kozhuharova**, Programme Specialist for MCD, BIH, SRB, MNE
- **Mr. Goran Stavrik**, Senior Field Programme Officer a.i. and Regional TCP Programme Officer

**Moderator**, on behalf of SWG

- **Mr. Boban Ilic**, Secretary General