

# **AGRARIAN POLICY IN THE EUROPEAN UNION AND FINANCIAL SUPPORT TO THE REPUBLIC OF SERBIA**

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# INTRODUCTION

## 1. Agrarian policy in the frame of EU



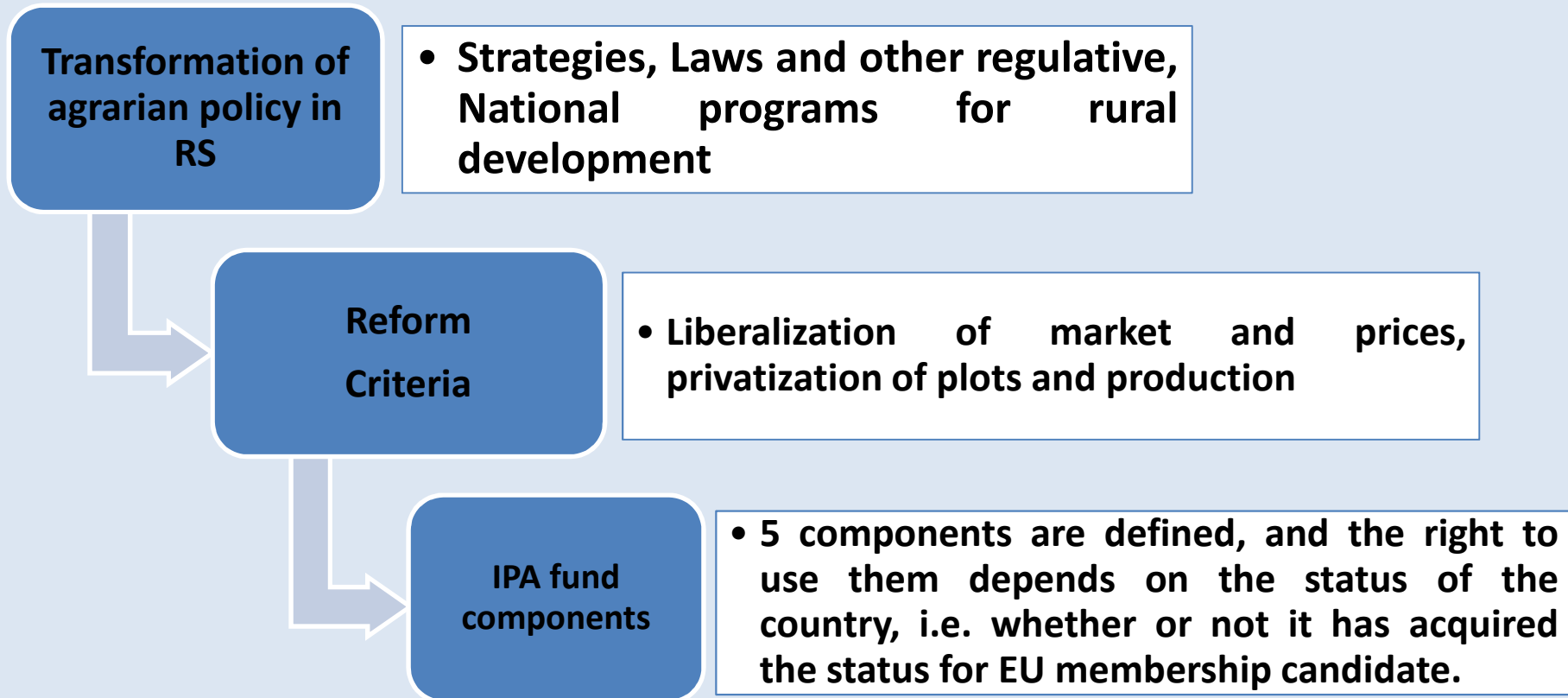
### 1.1. CAP Reforms

(1957 Treaty of Rome; 1968 Manholt's plan; 1988 Meccherie's reform; In 1992, the exact objectives of the Meccherie's Plan were adopted; 2000 Agenda)




### 1.2. EU funds for EU member states (EAGF and EAFRD)


## 2. EU agricultural policy towards Serbia




# Brief chronology of EU reforms:



1957 signed the "Treaty of Rome" in which is for the first time agriculture stand out as a priority branch of the economy (before the formation of the EEC);

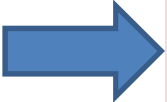


1968 the "Mancholt's Plan" was adopted, which advocated for the modernization of agricultural holdings and the training farmers in the frame of the EU;




1988 was carried out so-called "Meccherie's reform" that introduces direct payments to agrarian producers;

# Brief chronology of EU reforms:

 1992, EU member states adopted changes included in the “Meccherie’s reform”: price reduction, financial support to farmers' income;

 Since 2000, it has been implementing to “Agenda 2000” and covers the period 2000-2006;

 The last reform of the CAP was adopted in 2013 and relate to the period 2014-2020 It is realized through support for direct payments and rural development.



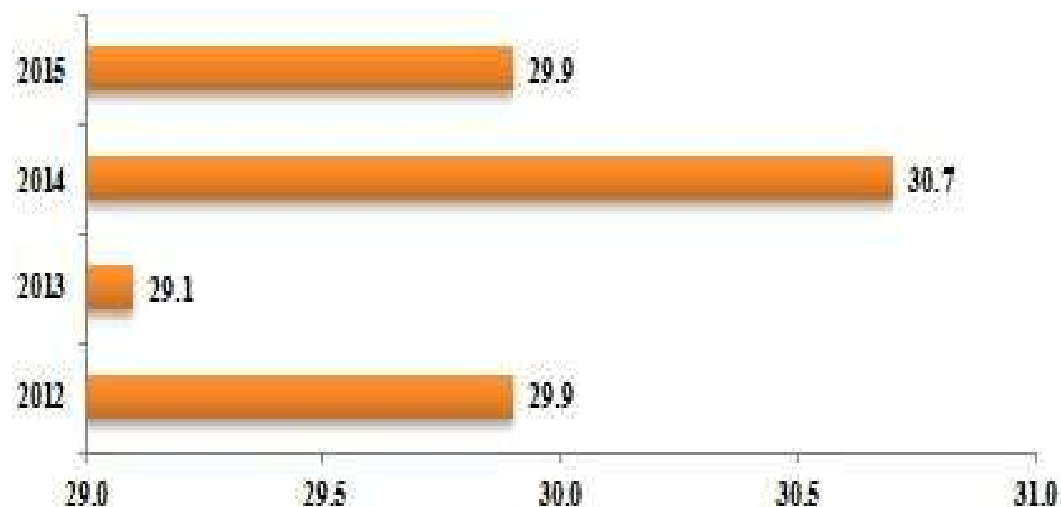
# CAP 2014-2020

- ✓ In the EU budget for the CAP for the period 2014-2020 was planned **EUR 408.3 bln** (current prices).
- ✓ Whether the budget of the CAP is expressed in current prices or on the basis of 2011 prices , support for direct payments is around **76.6%**, while rural development is about **23.4%**.

# EAGF 2012-2016

- EAGF → the distribution of funds in the framework of direct payments and the support of the market for agricultural products.
- Paid values in 2016 compared to 2012:
  - ✓ incentives for interventions in the agricultural market decreased by **17.6%**;
  - ✓ direct payments decreased by **2.6%**;
  - ✓ Total paid incentives decreased by **3.2%**.

Participation of  
the EAGF in the  
overall EU budget





# EAGF 2017-2020

- ✓ In 2020, compared to 2017, the planned EAGF budget for direct payments and market support will **increase by 78 mln EUR** (from EUR 44,859 mln to EUR 44,937 mln) and rural development **funds by EUR 1.7 mln** (from EUR 13,657.8 mln to EUR 13,659.5 mln).



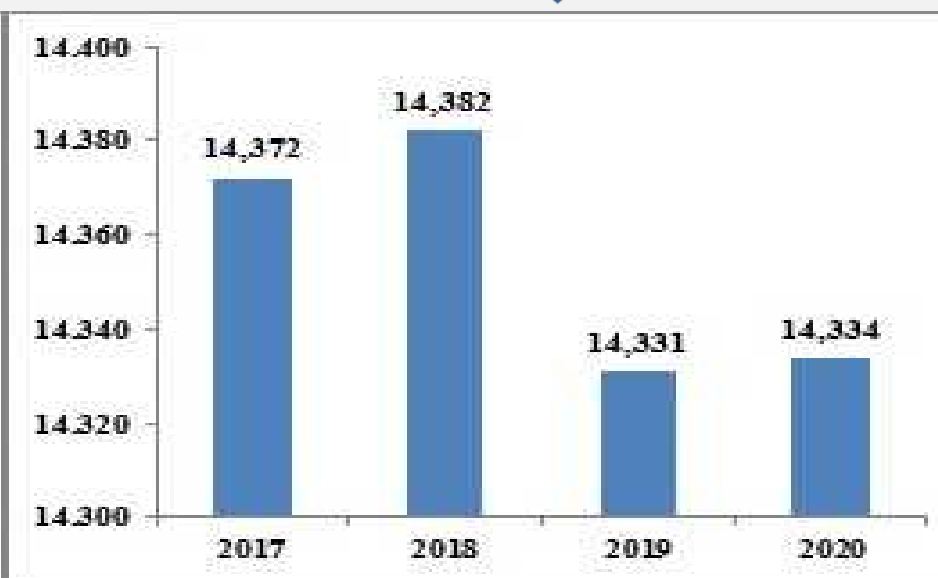
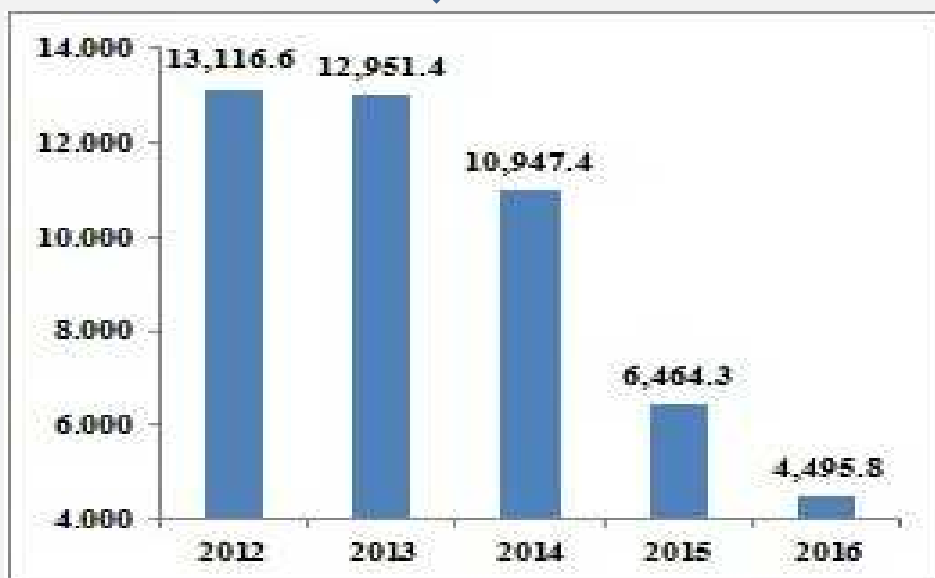
- ✓ The share of direct payments and market support is **74-75%**, while the remaining amount (**about 25%**) makes support for rural development.



# EAFRD 2012-2020

- EAFRD → Allocation of funds for rural development
- From 2012 to 2016, Rural Development Payments decreased by **65.7%**.
- The plan is to pay **3.2 times more** in 2017 than in 2016;
- By the end of 2020, EUR **38 mln** less than in 2017 will be paid.

## • Disbursed 2012-2016 (in mln EUR) Planned 2017-2020



# REFORMS IN RS

2005

- *Strategy for development agriculture of the Republic of Serbia*

2009

- *Law on Agriculture and Rural Development*

2010

- *National Program for Agriculture 2010 - 2013*

2014

- *Strategy for Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024.*

2014

- *The National Program for the Adoption of the Acquis (NPAA), a second revised Program 2016.*

2016

- *IPARD program 2014-2020*

# IPA FOND

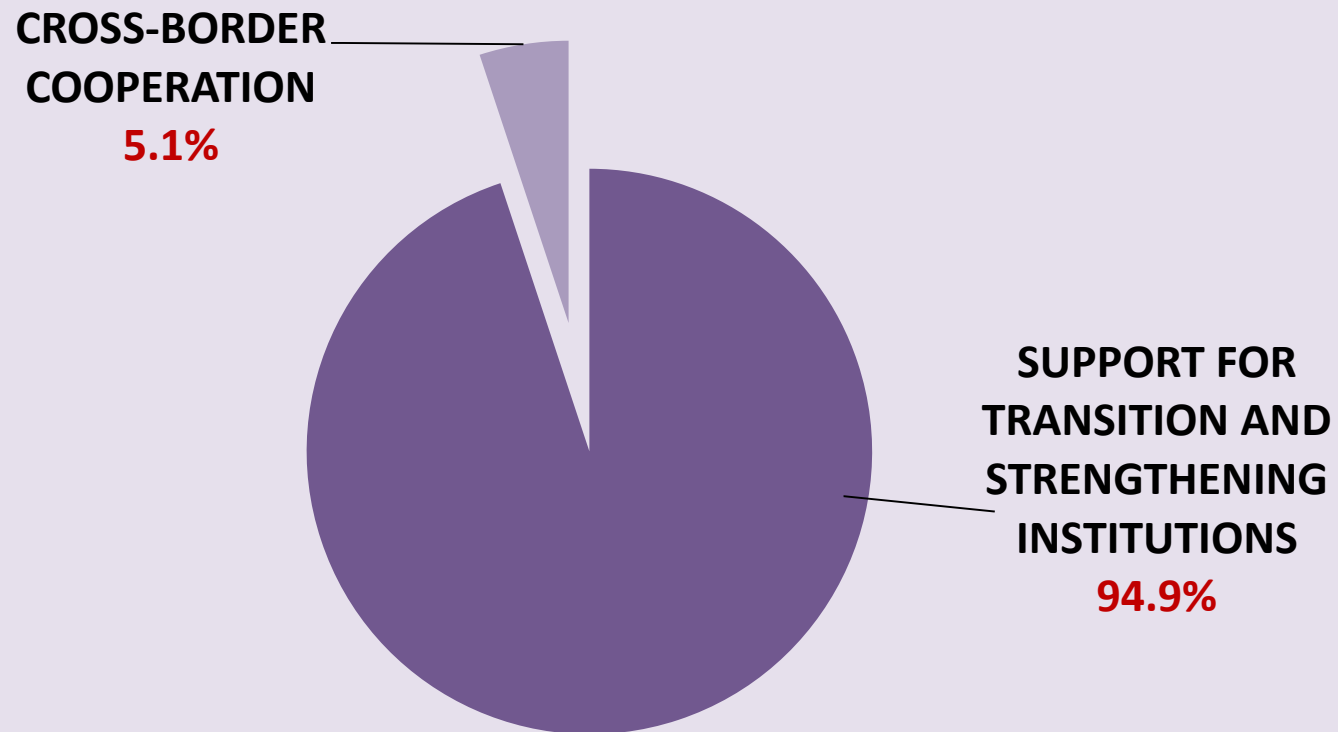
RS signed a Stabilization and Association Agreement **2008**. On date **01.03.2012** RS gained the status of candidate for EU membership. For countries that have acquired the status or potential candidates for admission to the EU, funds from the so-called "An IPA fund" consisting of 5 components.

*\*The first two components relate to countries that did not acquire the candidate status, while the right to use funds for the remaining 3 is acquired after obtaining the status of admission to the EU.*

- 1. institution building and transition support;*
- 2. support for cross-border cooperation;*
- 3. support for regional development;*
- 4. support for the development of human resources;*
- 5. support for agriculture and rural development.*



# SUPPORT FOR TRANSITION AND CROSS-BORDER COOPERATION



In the period 2007-2013, for the first two components, **EUR 1,386.7 mln.** In the frame of the first component for agriculture allocated **10-15%**.



# SUPPORT TO TRANSITION PROCESS AND FOR CROSS-BORDER COOPERATION

SUPPORT TO TRANSITION (EUR 1,316.5 mln)	CROSS-BORDER COOPERATION (EUR 70 mln)
<ul style="list-style-type: none"> <li>• IPA 2007 "Capacity building for implementation of rural development policy in line with EU standards". (EUR 4.5 mln);</li> <li>• IPA 2010 "Farm Accountancy Data System (FADN)" (EUR 2 mln);</li> <li>• IPA 2012 "Strengthening capacity for improving food production facilities and managing by-products of animal origin" IPA 2012 " (EUR 2 mln).</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with neighboring countries: Hungary, Romania, Bulgaria, Croatia, Bosnia and Herzegovina, Montenegro.</li> <li>• There are two other programs of transnational and interregional cooperation: ADRIATIC (EUR 1.8 mln) and the SOUTH EAST EUROPE program (EUR 3.7 mln).</li> <li>• The project "Adriatic Youth Network" (EUR 3.6 mln) - the aim is to promote innovative services to young people through the exchange of knowledge and experience, using examples of good practice among regional authorities.</li> </ul>

# SUPPORT TO REGIONAL DEVELOPMENT AND STRENGTHENING HUMAN RESOURCES

- The total amount of IPA funds allocated for the third component amounted to **EUR 162.8 mln**, and for the fourth quarter **EUR 43.6 mln**.
- **Regional Development** → Traffic infrastructure, waste management, water supply, air quality, energy efficiency, renewable energy, market research and development, networking, etc.
- **Human Resource Development** → More flexibility of employees, better access to employment, better social inclusion and integration, promotion of partnership, increase of investments in human capital, etc.



# IPARD

- This component includes **instruments for pre-accession aid for rural development.**
- For the period **2007-2013** the EU has been allocated **43%** of the total budget. The RS Assistance Plan from the IPARD Fund consists of a percentage of the EU budget and the RS budget.
- For the period **2014-2020** from the EU budget agriculture RS gets **EUR 175 mln**, and from the national budget **EUR 54.9 mln** for a total of **EUR 229.9 mln.**



# IPARD

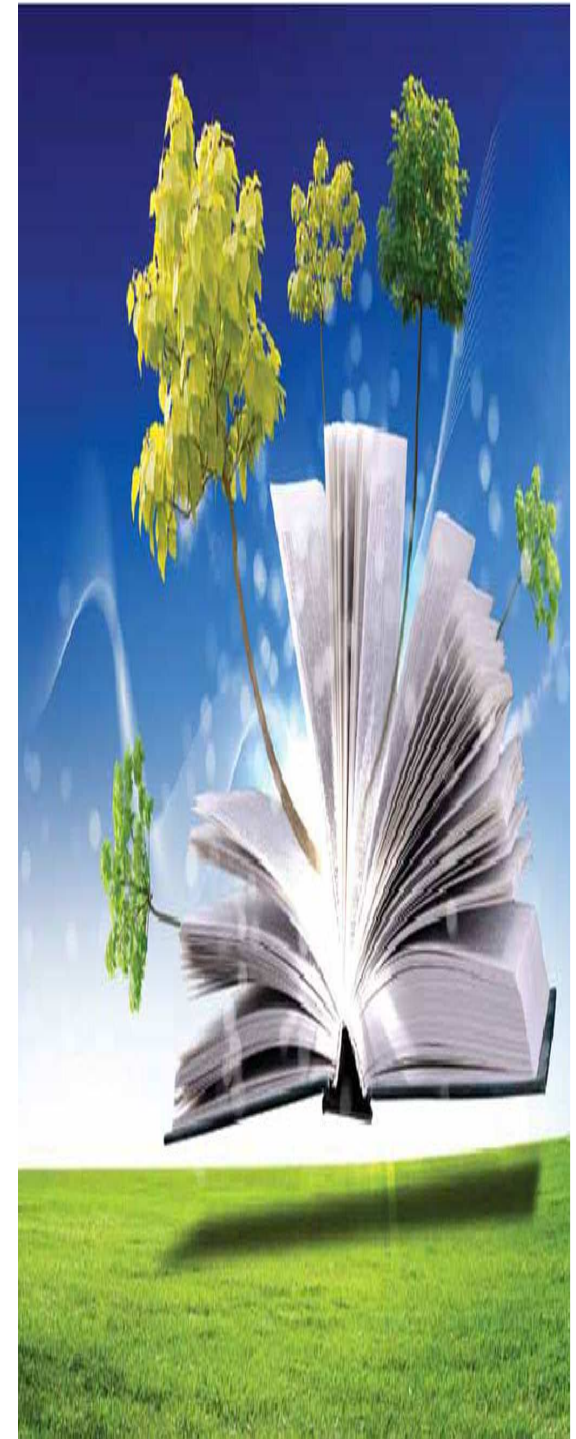
- In the budget of the IPARD Fund, the biggest contribution is for the "implementation of local rural development strategies - **LEADER approach**" with **90%**, while a slightly lower contribution (85%) is for "technical assistance". The remaining **10% or 15%** of the contribution will be paid from the national budget.
- From the IPARD fund of the Republic of Slovenia for LEADER, the most funds received are granted in 2019 (**EUR 1.9 bln**) for investments in the physical assets of agricultural holdings in 2020 (**EUR 19.8 bln**), for the diversification of agricultural holdings in 2018 (**EUR 5 bln**).
- The first competition is expected in the second week of December.





## CONCLUSIONS

- ✓ Although EU policy is complicated by the number of Member States, it is still being implemented successfully in all countries;
- ✓ The CAP agreement with occasional reforms contributes to the continuous supply of producers and consumers with quality agri-food products without interruption in the supply chain;
- ✓ From EAGF Fund from 2014 to 2020 is planned annual increase of about EUR 100 thousand, while the EAFRD fund records oscillations;
- ✓ RS is progressing in harmonizing its own with the EU's agricultural policy;
- ✓ The MAFW of the RS should work on the horizontal and vertical connection of all institutions



**THANK YOU FOR ATTENTION**

