

MINUTES OF MONITORING COMMITTEE OF IPARD II

Minutes No. 4

Minutes of meeting of fourth Monitoring Committee of IPARD II

March 19th, 2019, Tirana (Albania)

I. List of participants:

The meeting was attended by members of the IPARD II Monitoring Committee (hereinafter: MC), representatives of the European Commission and the European Delegation in Tirana (see list of participants as Annex 1).

Result: 23 members/ alternates of 29 with voting rights have been present. Quorum is reached and decisions could be taken (see Annex 1).

ANNEX 1: List of participants

ANNEX 2: Agenda of the Monitoring Committee Meeting

ANNEX 3: Minister's speech, Mr. Bledar Çuçi

ANNEX 4: Presentation of Mr. Liam Breslin, Head of IPARD Unit, DG- AGRI, European Commission.

II. Agenda

Moderator: Mr. Grigor Gjeçi – Head of Managing Authority of IPARD

1. Welcome speech and opening of the meeting by Mr. Bledar Çuçi, Minister of Agriculture and Rural Development;
2. Address by Mr. Liam Breslin – Head of IPARD Unit, DG- AGRI;
3. Approval of Agenda;
4. Adoption of minutes of the 3rd IPARD II Monitoring Committee meeting (21.03.2018);
5. Implementation of IPARD II programme:
 - Information on the entrustment of IPARD II (measures, recommendations) (Mr. Erjon Luçi, Deputy Minister of Finance, NAO);
 - Information on the publicity campaign for first call for application, on-going monitoring (MA);
 - Information regarding the results of applications on the first call and assessment progress (ARDA);
 - Discussion on Modification no. 3 of the IPARD II programme (MA);
 - Discussion on modification no. 2 of the List of Eligible Expenditures (MA);

- Information on the calls for application in 2019 (MA);
 - Information on forecast for accreditation of measures (MA).
6. DG -AGRI presentation on CAP post 2020;
 7. Proposals for date and agenda for the next MC;
 8. Closing of the meeting.

III. The results of the IPARD II Monitoring Committee meeting

Opening of the meeting and welcome speech by Mr. Bledar Çuçi, Minister of Agriculture and Rural Development

Mr. Minister, Bledar Çuçi welcomed Mr. Liam Breslin and other representatives from the EC, the Delegation of the European Union to the Republic of Albania, members of the MC, as well as other participants present in this meeting. He emphasised that the meeting of the MC should not be considered as a general working meeting, but as a very important and key moment to reaffirm once again our commitment to advance the IPARD program as a good opportunity for supporting the agricultural and rural sector.

Furthermore, **Mr. Minister, Bledar Çuçi** mentioned the success of the first call with 317 submitted applications in value of 56 million Euro. In his speech, he referred to his first initiatives as a Minister of Agriculture, to ensure and to coordinate properly the work of institutions in obtaining the documents needed for the applicants to apply for IPARD support.

He underlined that one of the short-term assignment for the IPARD authorities is absorption of the amount of 7.2 million Euros by end of 2019. On the other hand, he appreciated the support that DG-AGRI has expressed to approve the proposal to increase the threshold of SMEs to 12 million Euro, as well as he assured to be engaged by addressing all the needs of IPARD Agency and Managing Authority, in order the programme to be successfully implemented and that the efforts are also being made to increase the number of staff in the IPARD Agency.

In regard to the accreditation of the new measures, there will be done all the efforts for the finalization and submission of the package of Technical Assistance measure and then to proceed with other measures “Agri-environment, climate and organic agriculture”, “LEADER Approach” and “Advisory Service”.

In conclusion, **Mr. Minister, Bledar** once again assured the participants of the MC of the commitment by the Albanian Government and the Ministry of Agriculture to ensure successful implementation of this program.

Mr. Liam Breslin took the floor by thanking the Minister for the kind words and the participants - for their presence in this meeting. He thanked all responsible national authorities for their ability to succeed the entrustment and to mobilise own resources in order

to launch the first call. 317 submitted applications and more than EUR 56 million requested from IPARD II demonstrate the high demand and needs for investment and growth potential in agriculture and rural areas of Albania in the near future as well as the potential importance of IPARD for the country.

Mr. Breslin expressed hope for smooth assessment and contracting of the successful projects, followed by disbursement of IPARD funding allocated to the country and avoiding decommitment of funds. This is also important in light of preparation for the next programming period.

As regards IPARD implementation, **Mr. Liam Breslin** stressed importance to work on aligning and meeting the EU standards in areas supported by IPARD. In this respect, it is crucial to have strong cooperation among all responsible authorities and technical bodies, like, veterinary service and food inspection, along with operation of efficient national farm register.

Mr. Liam Breslin noted that IPARD can serve as a significant instrument to speed-up accession of the country into the EU during the next decade if implemented successfully. He also urged to speed-up submission of other measures for entrustment, starting with measure on Technical Assistance, which has been significantly delayed. The measure would facilitate increase human resource capacity and improve operation of the involved authorities in performing entrusted responsibilities.

He emphasized that good image and popularity of IPARD funding should be ensured throughout the implementation process. It is important to ensure widespread distribution of information to beneficiaries maintain efficiency of institutional system and controls. This applies also to timely information on further calls and plans for entrustment of other measures.

Mr. Breslin introduced **Mr. Razvan Ghitescu**, who is monitoring IPARD implementation in the country from the EU Delegation in Tirana since February 2019. He comes from DG NEAR structures and has an extensive experience in preaccession assistance. Mr. Breslin invited national authorities to use his knowledge and experience on matters related to IPARD implementation.

He ended his opening speech by reminding about hopes associated with the Council meeting this June during which a decision could be adopted to start the accession negotiations with Albania.

Mr. Grigor Gjeçi, expressed his gratitude for the support by DG AGRI given so far, in entrustment process for the three key measures and he promised that all structures involved in IPARD will continue the efforts for entrustment of the measure on Technical Assistance and other measures.

Mr. Razvan Ghitescu made a few opening remarks on behalf of the EU Delegation in Albania. He recalled that this year is an important year for Albanian agriculture, as the Screening process is scheduled to start, thus creating the basic framework foundation for the future accession talks with the EU. He recognised importance of 2018 as a year when entrustment was granted for IPARD implementation and the first call for projects was launched. **Mr. Razvan Ghitescu** noted the significance of further strengthening the national IPARD authorities, which also includes improved communication and cooperation among all involved authorities with the aim of better distributing and spending of funding under IPA and IPARD. **Mr. Razvan Ghitescu** reconfirmed the commitment of the EU Delegation to provide any necessary support to the authorities.

Mr. Razvan Ghitescu, closed its speech by thanking all the participants and wished success with the work ahead!

Mr. Grigor Gjeçi welcomed **Mr. Razvan Ghitescu** as a part of the IPARD team, sharing all the challenges and successes together.

Approval of the agenda and approval of the minutes of IPARD II Monitoring Committee of the third meeting held on 21.03.2018

According to the agenda **Mr. Grigor Gjeçi**, inquired if the MC members have any amendments to the Agenda and the minutes of the previous MC meeting. In view of absence of any proposals following decision were adopted:

Decision No. 1

Agenda adopted by consensus.

Decision No. 2

Minutes of the third meeting of MC approved by consensus.

Implementation of the IPARD II Programme

Mr. Erjon Luçi emphasised that the Monitoring Committee meeting takes place at very important time as projects, submitted under the the first call for application, are undergoing assessment and very soon the second call for application will be launched.

He assessed that there has been made good progress accompanied with some obstacles but some elements needs to be fulfilled, including also the preparation of Technical Assistance package, that will be soon delivered to DG AGRI.

He concluded his address by thanking all partners who have contributed to entrustment of IPARD implementation.

Information in relation with the publicity campaign for the first call for application, ongoing monitoring.

The presentation was done by **Ms. Anjeza Mezini**, chief of Sector for Monitoring of IPARD at the Managing Authority.

She pointed out that Managing Authority and IPARD Agency have produced the relevant documents such as tender procedures for TV spots and radio; preparation and publication of prior notice, preparation of the action plan for the informational campaign, publication of guideline for applicants, preparation of the minutes of meetings and main questions raised during the events. She mentioned the regional meetings and the national conference where the total number of participants was approximately 1200 people and 256 questionnaires were used.

For the measure 1, there were 65 participants interested for the sector of fruits and vegetables, 50 participants interested in the sector of milk and 33 in meat sector. For Measure 3, there were 32 participants interested in processing fruit and vegetables and for Measure 7 there were 30 participants interested in producing BAMs, mushrooms, honey, etc., and 27 participants interested in nature and rural tourism.

Meanwhile in relation to the questionnaires for the level of knowledges under IPARD II, 81 participants had indicated sufficient level of knowledge and 63 of them were well informed about IPARD II. The preferred method to receive information for the calls were: 119 participants interested for information days and seminars and 113 participants interested for internet publication.

Mr. Zigo Rutkovskis, congratulated the IPARD authorities for the efforts made to realize the campaign in such a short time after the entrustment due to restricted deadlines. He pointed out that the large number of applications showed that the campaign was effective, but still there is a need for improvement, so the campaign for the second call will be even bigger and more successful comparing to the first call.

Information in relation to the results of the first call for application and progress made so far (ARDA) was presented by Ms. Frida Krifca, Director of the Paying Agency, who delivered a presentation by presenting general overview of the current status of the process of the applications.

She mentioned that under the first call for IPARD, there have been submitted 317 applications, meanwhile the Workload Analysis was calculated for 150 possible applications.

There were 189 applications submitted under measure 1 out of which 150 for the fruit and vegetable sector, 8 for the meat sector, 17 for the dairy sector and 14 for viticulture.

For measure 3, there were 64 applications submitted, out of which 30 in the fruit and vegetable sector, 18 in the meat sector, 6 in the dairy sector and 10 in the wine sector.

For measure 7 there were 64 applications submitted.

There has been rejected 44 applications for major omissions. In response to question raised by Mr. Breslin on deadline for signing contracts under each measure, she replied that the contracting process will start in April and it will last till June or July.

Discussion regarding the third modification of IPARD II Programme (MA)

In regards to the third modification of the IPARD programme, **Mr. Grigor Gjeçi** explained that the authorities intend to do three amendments :

- In accordance with the SMEs ceiling set in the law no. 25/2018 "On Accounting and Financial Statements" (law in force sine 1 January 2019), it is defined that the ceiling for small and medium enterprises is 12 million Eur. Therefore, it is necessary to change the threshold for SMEs under measures 3 and 7 of the Programme;
- Concerning the slaughterhouses, the proposal would be to lift restriction to allow construction of two slaughterhouses per NUTS II region;
- Concerning the eligibility of the cooperatives under measure 3, the discussion is still ongoing with the Paying Agency.

Mr. Agim Rrapaj, Executive Director of AAC, noted that some farms are excluded from IPARD II due to problems with ownership certificate. He continued by emphasising that there are many areas which cannot apply as many farms have 0.5 ha of land. He asked if it will be possible to increase the number of hectares and also for the slaughterhouses he clarified that most of them do not have ownership certificate so they are automatically rejected from IPARD II.

On the other hand, he mentioned that in order to provide the farmers with technical machinery, they need to have these certificates and he proposed to see the possibility of revision of this criteria.

Mr. Erjon Luçi replied to **Mr. Agim Rrapaj**, by clarifying that this problem is related to the Albanian legislation or it's a national matter and it has nothing to do with the programme. The size of 0.5 ha is related to the planted area and its administration's duty to encourage others to increase the hectares. He assured that this issue will be discussed and invited all the participants to bring their suggestions and arguments for any solution.

Mr. Zigo Rutkovskis intervened and thanked for this proposal which is also sent to the Commission. He noted that, in general, there is a support from DG AGRI to increase the

threshold for SMEs, while proposal concerning the slaughterhouses still should be elaborated. He emphasised importance to submit to the Commission complete modification prepared as a result of discussions among national IPARD authorities and after adoption of the modification by the MC via written consultation. Mr. Rutkovskis invited national authorities to work closely together when preparing modification.

Mr. Grigor Gjeçi informed that amendment on slaughterhouses remains an issue as only 6 slaughterhouses can be supported according the Programme currently in force. The solution will be seeked together with DG AGRI.

Discussion on the second modification of the List of Eligible Expenditure (MA)

In relation to the modification of LEE, **Mr. Grigor Gjeçi** informed that the modification is required to eliminate minor errors identified regarding tractors in viticulture in the LEE for Measure 1. The modification will also correct identified discrepancies between the Programme and LEE. For example, construction/reconstruction of guesthouses will be allowed “on rural area” instead of “on farm” as provided in the LEE now.

Ms. Frida Krifca emphasized that during the second call for application, which is foreseen to be opened in the beginning of July, the budget will be 50 million Eur, depending on the results of the first call. In the second call, is foreseen to be included the same measures as under the first call, based on the experience gained with all criteria in close cooperation with IPARD Agency and extension service. The call will also be published on the web pages. The informational campaign will start in June.

Mr. Liam Breslin took the floor by adding that the second call for application in July till September is a good sign, but he asked what will be changed as a result from the experience gained after the first call.

Ms. Frida Krifca replied by indicating need for demarcation concerning medicinal and aromatic plants between measure 3 and measure 7. She also mentioned importance to clarify existing issue concerning support to slaughterhouses.

Mr. Liam Breslin asked about the approach used in case of incomplete applications and those which might rejected or excluded.

Ms. Frida Krifca informed that several applications have been excluded due lack of documents, but there may be some more applications rejected due to lack of necessary/ additional documents.

She confirmed that the IPARD Agency will not take any decision contrary to the procedures in place, in order to avoid issues during the audit missions and misuse of funds.

Mr. Liam Breslin thanked Ms. Frida Krifca and expressed his hopes of not having problems during the implementation of IPARD.

In relation to the calls that need to be forecasted in the future, he emphasized importance of the preparation of the forecast timetable for year 2020, which should be published by December of each year at the latest.

The forecast would facilitate better preparation of beneficiaries for the scheduled calls and reducing number of potential problems. In return, it would make easier job for the involved national authorities as the number of incomplete or low quality applications will be lower.

Mr. Grigor Gjeçi recognised delays in the process of publication of the forecast due to preparation for the first call. He confirmed that the plan for the next call will be prepared in advance together with the IPARD Agency and then published on IPARD related websites.

Decision No.3

National IPARD authorities will continue work on the third modification of the IPARD II Programme and modification of List of Eligible Expenditure.

Information for the calls for application for year 2019 (MA)

Ms. Violeta Bakalli, specialist for programming of IPARD, made a short overview for the calls for application planned for year 2019. She emphasized that regarding the second call, MA and IPARD Agency based on the experience gained from the first call, intend to organize this call for application during the period of July 15th till September 15th 2019, with a budget of approximately 50 million Eur for the three measures.

Ms. Violeta Bakalli, mentioned that information campaign for the second call will be launched within June. Currently, the MA and IPARD Agency are preparing required documentation.

Decision Nr. 4

The second call for application will be launched for the three measures –M 1, M 3 and M 7.

Information for the forecast for accreditation of measures (MA)

Mr. Grigor Gjeçi informed that proposal for entrustment of new measures like Rural Public Infrastructure, Organic Farming, Advisory services and LEADER will be submitted to the next MC meeting together with the modification of the Programme. Introduction of new measures will require financial reallocations between the measures.

Presentation of the EU's Common Agricultural Policy (CAP) after year 2020:

The presentation was made by **Mr. Liam Breslin**, who introduced in details the preparation for CAP post-2020, focusing mainly on several objectives, priorities and the relevant budget for the implementation of this policy and with a multi-annual budget of 1279.4 billion Euros, out of which 442 billion intended to innovation, digitalization and cohesion.

Among key priorities, **Mr. Liam Breslin**, mentioned some of them such as: innovation in agriculture; empowerment of environmental and climatic action; job creation in rural areas; responding to citizens' concerns for a more sustainable agricultural production, etc.

Also, there were given some main objectives to increase the competitiveness; to rebalance of the food chain; climate change and environmental; biodiversity; employment and involvement of young people; knowledge and innovation.

Mr. Liam Breslin mentioned also the policies related to direct payments, including those in the field of agriculture and rural development as well as common market organization, support for organic farms.

He closed the presentation with upcoming steps starting from 2018 to 2021.

Session for questions and answers:

Mr. Engjëll Skreli - Member of MC – Professor at AUT:

He emphasized that it would be better having more evidences, or rather to keep records in order some assessments to be made.

Mr. Zigo Rutkovskis, mentioned that the report of June 2020 will provide enough evidences for assessment of the situations.

Ms. Evelina Azizaj (ANRD), in her speech, congratulated the programme and emphasized that good results are achieved, especially those with the consultation process with farmers.

She mentioned some challenges that farmers are facing nowadays, such as the problem with the ownership certificates, especially with the law no. 7501, date 19.7.1991 “On land” (OJ 5, year 1991). Lack of these certificates bring problems with the farmers and hamper the process of application.

The second challenge is to provide farmers with necessary information in order they to be better oriented on which call to apply.

In conclusion, she added that third challenge is related to the initiative of “100 villages”, especially focusing on tourism part where agriculture doesn't benefit enough and so this creates depopulation of these villages.

Mr. Liam Breslin, thanked for these comments and he added some other words in the course of challenges:

First, it is about the second call which should be opened for measures 1, 3 and 7. Also, until that period, Technical Assistance package should be completed and sent to Brussels.

Second, he continued his speech by adding that it's time to think about other measures, such as LEADER and for this, the preparation should start soon, at least till November. As per feedback or any signal, after one year we will come back by assessing the situation and this process will serve to us and your structures as well.

Mr. Ilir Pilku added that in regard to the preparation of the new package for DG AGRI, to access the IPA components, for example: LEADER approach, first Albania need to design proper functionality of laws and its by- laws.

The law on functionality of LAG is not approved yet and it is necessary to organise a preparatory work and promote cooperation with other stakeholders/ key actors such as local government.

He continued, his speech that, in relation to the support with grants in remote rural areas, the opinion would be that the measures and criteria for these areas need to be revised in order to have more facilities and better access to IPARD funds.

The issue of land ownership for those areas where there is no update of data, still remain e problem which need to be solved. Even though this issue is partly solved in at least 80% of the Albanian territory.

This is also related to the involvement of young people in agriculture activities and increasing the possibilities to benefit from IPARD grants. The positive results of the project Support to Agriculture and Rural Economic Development of Disadvantage Areas in Albania (SARED) program and its criteria might be followed, concluded his speech Mr. Ilir Pilku.

Proposals for the agenda of the next meeting/ agreement on new date

Mr. Grigor Gjeçi asked for proposals to organise the next Monitoring Committee meeting.

Ms. Frida Krifca proposed that the next meeting should take place during November-December, as the authorities have to launch the second call for applications and, by the time of the MC meeting, there might be some results on the way.

Mr. Liam Breslin, expressed that November-December would be more suitable as there might be a clear overview of the second call for application.

Decision No. 5

The fifth meeting of the IPARD Monitoring Committee will be held in November-December 2019.

Closing of the meeting

III. Summary of conclusions

Conclusions	Monitoring Committee	Activities
Approval of the Agenda	The agenda was approved by consensus	
Approval of minutes of the third meeting of MC.	Minutes for the third meeting of the MC approved by consensus.	
Adoption for the third amendment of the IPARD II Programme and second modification of the List Eligible Expenditure.	Launching of the procedure for the third modification of the IPARD II Programme.	National IPARD authorities should continue work on the third modification of the IPARD II Programme and modification of List of Eligible Expenditure.
Information on the results of the first IPARD call.	The second call to be started for the three measures - 1, 3 and 7.	Preparation for the third call for applications for measures 1, 3 and 7.

SIGNATURE:

CHAIRPERSON:

Mr. BLEDAR ÇUÇI

Minister of Agriculture and Rural Development

FOR THE SECRETARIAT OF MONITORING COMMITTEE

Prepared by:

Ms. Anjeza Mezini Ms. Mimoza Maçi Ms. Edlira Linza

Approved by:

Mr. Grigor Gjeçi- Head of Managing Authority

ANNEX 1: List of participants

1. Members with the voting right:

1. Bledar Çuçi, chairperson, MARD
2. Ermira Gjeçi, member MARD
3. Enea Hoti, member MARD
4. Lorena Pullumbi, member MARD
5. Irfan Tarelli, member MARD
6. Lauresha Grezda, member MARD
7. Pjerin Shoshi, member MARD
8. Elma Vathi, member MARD
9. Klodiana Marika, member MTE
10. Ergis Sefa, member- Prime Minister's office
11. Alketa Knuti, member MFE
12. Anxhela Bushati, member MFE
13. Benjamin Bejko, member MEI
14. Alban Çela, member INSTAT
15. Pirro Anastasi, member NTPA
16. Merita Uruçi, member ADAMA
17. Enver Isufi, member IBB
18. Agim Rrapaj, member AAC
19. Agim Sema, member HABA
20. Silvana Subashi, member AOA
21. Valbona Ylli, member LEAA
22. Anila Vendresha, member QUODEV
23. Engjell Skreli, member, "ISETNJ"/AUT
24. Haxhi Bercaj, member ZAGORA
25. Evelina Azizaj, member IDM/ANRD
26. Tomi Pikuli, member AGRINET
27. Bilal Sula, member, Highschool of Kamza
28. Tom Preku, member, Pfd
29. Matilda Naço, member ATA

Members with the voting right that did not participate:

1. Ermira Gjeçi, member MARD
2. Lauresha Grezda, member MARD
3. Klodiana Marika, member MTE
4. Pirro Anastasi, member NTPA
5. Anila Vendresha, member QUODEV
6. Bilal Sula, member, Highschool of Kamza

2. Members with no- voting right:

1. Erjon Luçi, member NAO
2. Sonila Hysi, member NAO
3. Frida Krifca, member ARDA
4. Grigor Gjeçi, member MA/MARD
5. Patris Hida, member KKIPA/MEFA

3. Representatives of European Commission

1. Liam Breslin, EC
2. Ziko Rutkovskis, EC
3. Razvan Ghitescu, EU Delegation

4. Observers:

1. Manjola Vraja, NFA
2. Edlira Dibra, NFA
3. Anke Petersen, GIZ
4. Roland Çela, GIZ
5. Morten Sejersen, IPESA

5. Other invited

1. Alketa Vejseli, NAOSO/ MFE
2. Elona Mysliu, NF/MFE
3. Luena Ikonomi, NF/ MFE
4. Diana Voj, NF/ MFE
5. Julja Mata, AA
6. Marjeta Prendi, AA
7. Mirgen Dobruna, ARDA
8. Eranda Mullaj, ARDA
9. Xhoana Hudhra, MFE
10. Elvis Devole, MFE
11. Ermelinda Mulaj, MFE
12. Gramos Osmani, RISI Albania
13. Ilir Pilku, AASF/EBRD
14. Enida Shena, AAC
15. Mimoza Kalia, MHSW
16. Elisa Teneqexhi, MARD
17. Michael Parker, FSAI
18. Lorena Totoni, ANRD
19. Alket Braho, MARD
20. Fatmir Nikolli, CBS

21. Teuta Topi, MA/MARD
22. Violeta Bakalli, MA/MARD
23. Anjeza Mezini, MA/MARD
24. Edlira Linza, MA/MARD
25. Mimoza Maçi MA/MARD
26. Melisa Cahani, MA/MARD
27. Sonila Najdeni, MA/MARD
28. Anisa Buneci, MA/MARD