

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** EC Finds BiH is in Early Stage Preparations in Agriculture and Fishery Areas

**Country:** Bosnia and Herzegovina

**Post:** Sarajevo

**Report Category:** Agricultural Situation

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**Report Highlights:**

On May 29, the European Commission (EC) released its Opinion on Bosnia and Herzegovina's (BiH) application for European Union membership, noting that preparations in the areas of agriculture and fisheries are at an early stage, while the country has achieved some level of preparation in the area of food safety, veterinary and phytosanitary policy. The EC particularly noted that in the future BiH should improve its administrative capacity for participating in the Common Agricultural Policy (CAP), and ensure that its legislation and agricultural information systems are aligned with the EU acquis. It should also improve its food inspection services and testing laboratories, adopt the OECD seed schemes, and an EU – like strategy on fisheries and aquaculture.

## Summary

On May 29, the European Commission (EC) issued an opinion on Bosnia and Herzegovina's (BiH) application to the European Union (EU) membership, noting that the country's preparation ranges from an early stage for agriculture and fishery policy to a more advanced stage in the areas food safety, veterinary and phytosanitary policies.

Specifically, in the area of agriculture and rural development policy, BiH needs to ensure effective implementation the 2018-2021 strategic plan for rural development by crafting harmonized programs at different levels of government (entities and cantons). BiH needs to establish administrative structures required for the Common Agricultural Policy (CAP), such as a paying agency and an Integrated Administration and Control System (IACS), including a Land Parcel Identification System (LPIS). It will also need to establish a Farm Accountancy Data Network (FADN) in line with the *acquis*. Due to a lack of political agreement related to the current state-level competences, the country cannot establish the institutional structures (in particular a paying agency at state level) necessary to benefit from the Instrument for Pre-accession Assistance for Rural Development (IPARD).

The extension service is underdeveloped and not harmonized across the country. Agricultural payments that mainly include direct payments for milk, per head of cattle/hectare and other direct payments, are not harmonized countrywide, and are not effective to boost the sector's productivity and competitiveness. Direct payments will need to be gradually brought into line with EU rules, by decoupling direct aid payments from production.

The EC noted absence of producers' organizations of fruits and vegetables similar to those that exist in the EU. They stressed that existing voluntary associations of producers and cooperatives should be gradually transformed to align with EU producers' organizations.

In the wine sector, BiH does not have a register of grape and wine producers or a vineyard cadaster, and there is no official statistics on the number and size of households and farms producing grapes. The country needs to adopt a state-level law on wine, as well as on organic production, as required by the *acquis*.

Regarding **fisheries**, the EC emphasized that BiH is at an early stage of preparation. BiH should adopt a countrywide strategy on fisheries and aquaculture, harmonize legislation in this sector across the country, and establish relevant statistics.

The EC specified that BiH achieved some progress on **food safety, veterinary and phytosanitary** policies, but the country still needs to ensure a fully functional chain of command, coordination and exchange of information, in particular in official controls, risk assessment and crisis management. There is no national reference laboratories system providing for hygiene, veterinary, phytosanitary

controls, food and feedstuff analysis as per *acquis* requirements, and no state-level strategy for laboratory testing of samples, as required by the official food and feed controls system.

BiH increased its export of a number of commodities to the EU by complying with EU rules and requirements, such as fish, honey, potatoes and milk and dairy products, as well as sports horses for competition races. The country still needs to achieve compliance for poultry and eggs, and other categories of meat, and is so far only allowed to transit beef meat and products through the EU when exporting it to third countries.

Regarding the **veterinary** policy, BiH has achieved some progress in controlling communicable animal diseases but needs to increase efforts to further align with the *acquis*, in particular with EU legislation on animal health and on animal by-product management. The animal identification, registration and movement control for bovine should be improved in order to ensure more efficient animal health measures. The country does not have a system of registration and identification of sheep, goat and pigs, as well as horses. Official controls of implementation of animal registration and identification, including controls of cattle markets, have to be improved. Inspection capacities need to be upgraded and their operating procedures have to be harmonized countrywide and in line with the EU legislation in order to improve both internal market and border controls.

Implementation of BiH **food safety** monitoring plan is marked as satisfactory and it fully participates in the EC's rapid alert system for food and feed (RASFF). However, food business operators need training on specific EU safety and quality requirements

Regarding the **phytosanitary** policy, BiH' established a functioning registration of relevant producers, importers, exporters and distributors in a single phyto-registry, but did not start issuing of plant passports. The country has not adopted the OECD seed schemes yet, and work of official diagnostic laboratories and official controls of imports needs to be aligned with the *acquis*. BiH needs better-trained phytosanitary inspectors, while agricultural producers need training on EU requirements and standards for using plant protection products and applying maximum residue limits. BiH should implement the principles of integrated pest management across the country.

The EC stressed that agriculture is one of the most important economic activities in BiH that generates approximately eight percent of its gross domestic production and employs approximately 160,000 workers (19 percent of the total work force).

However, BiH's accession to the EU is expected to have a limited impact on the CAP, as it would add 2.2 million hectares of agricultural land. This corresponds to 1.2 percent of the utilized arable area in the EU-28.



**Attachments:**

No Attachments.