

Based on Article IV.4.a) of the Constitution of Bosnia and Herzegovina, the Parliamentary Assembly of Bosnia and Herzegovina, at the 28th session of the House of Representatives held on April 17 2008 and the 17th session of the House of Peoples held on May 15 2008, has adopted the:

B&H LAW ON AGRICULTURE, FOOD AND RURAL DEVELOPMENT

CHAPTER I: GENERAL PROVISIONS

Article 1 Subject

(1) The objectives of this Law are to:

- a) Define the framework for institutional structures, competencies, responsibilities, reporting lines, legislative drafting, coordination mechanisms, consultation processes, rights, obligations and enforcement measures at all levels of Bosnia and Herzegovina government (hereinafter: BiH) involved in development of the agriculture, food and rural sector.
- b) Define the framework and mechanisms to strengthen competitiveness, the quality of agricultural and food products and the application of standards needed to achieve the dynamic development of the agriculture, food and rural development sector.
- c) Define the framework and mechanisms required to prepare for association with, and accession to, the European Union (hereinafter: EU) and fulfilment of all obligations defined by international agreements related to the sector of agriculture, food and rural development in BiH.
- d) Define a framework to ensure conformity of sector strategies and agro-economic policies, specific implementing measures and enforcement procedures required for the coordinated development of the sector of agriculture, food and rural development in BiH.
- e) Define framework objectives of the agriculture and rural development sector and set up a framework of measures needed for its realisation.

(2) This law encompasses definitions of terms to be used within the agriculture, food and rural development sector legislation, the objectives, principles and mechanisms for development of strategies and policies, the structures and competencies at all levels of authority, institutional support structures and services, their functions and linkages, monitoring and evaluation mechanisms, and administrative and inspection supervision.

Article 2 Sector scope

“Agriculture, Food and Rural Development sector” includes:

- a) Agriculture and Food (primary production, processing & distribution of food & food stuffs)
- b) Rural Development
- c) Forestry and forestry products (as this relates to EU integration)
- d) Fisheries and fish products
- e) Water Management (as this relates to agriculture and rural development)
- f) Agricultural machinery, equipment and buildings
- g) Agricultural Land
- h) Agri-Environment

- i) Agri-food trade (domestic and international)
- j) Veterinary medicine and animal health (livestock)
- k) Plant health and protection

Article 3 **Meaning of terms**

The terms used in the Law have the following meaning:

- a) **"Agricultural products"** means the products of plant production, of stock farming and of fisheries and products of first-stage processing directly related to these products. The list of agricultural products is given in Appendix I and is an integral part of this Law.
- b) **"Agricultural activity"** means economic activity that includes plant production and stock farming, and related services, in accordance with the BiH standard classification of activities and maintaining the land in good agricultural and environmental condition.
- c) **"Agricultural holding"** means a production unit, both technically and economically, which has single management and which produces agricultural products; or means a land which is no longer used for production purposes in good agricultural and environmental condition. The holding may also provide other supplementary (non-agricultural) products and services.
- d) **"Farmholder"** means a natural or legal person, or a group of natural or legal persons, in accordance with the legal status that is granted to the group and its members by the Laws of BiH, whose holding is situated within BiH, who exercises an agricultural activity, and who is entered in the Farm Register as farmholder.
- e) **"Agri-environment"** means agricultural production methods in accordance with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity.
- f) **"Agricultural waste"** means any substance or object which the farmer discards or intends or is obliged to discard. It shall not cover faecal matter, straw and other natural non-hazardous substances from agricultural production that are further used in farming or for the production of energy from biomass through using processes or methods which do not harm the environment or endanger human health.
- g) **"Sustainable development"** means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It includes the need to limit the use of resources and production of waste to a level which does not damage the stability and quality of the ecosystem.
- h) **"Rural development"** means a set of policies, measures and activities aiming at overall economic, social and cultural progress of the population in rural areas, planned and implemented respecting the principles of sustainable development, preservation and improvement of the quality of the environment.
- i) **"Rural development plan"** means a range of measures aiming at improving the competitiveness of agriculture and forestry; improving the quality of the environment and the countryside; encouraging diversification of economic activities and improving the quality of life in rural areas.
- j) **"Fishery"** means activities which include rearing, protection, fishing, trade and use of fish and fish eggs, crawfish, shellfish, molluscs and other animals in fishery waters.
- k) **"Organic product"** means an agricultural product, produced according to the principles of organic agricultural production, which uses specific methods on the farm holding, as well as activities involved in the further processing, packaging and labelling of a product, in compliance with the objectives, principles and rules defined in law.

- l) **“Agricultural-food entrepreneurship (or business activity)”** means any undertaking, whether for profit or not, whether by a private or public entity, carrying out any of the activities related to any stage of production, processing and distribution of agricultural and food products;
- m) **“Food”** means access to and availability of high quality food and food safe for human health, or any substance or product processed, partly processed or unprocessed, and meant for human consumption or expected to be consumed by humans and relating to all products of a farm-to-fork agro-industrial complex;
- n) **“Autochthonous species and breeds of animals”** means a group of animals of the same species, which, due to their common origin and adjustment to specific living conditions, coincide with each other in important breed marks and features, of morphological and physiological nature. Animals within a single breed group have to convey such features safely to their offspring.
- o) **“Traditional production and traditional products based on plant and animal components”** means the production of plant and animal products and products based on plant and animal substances, which are, compared with the conventional production, distinguished from it by the method of production process, and so in accordance with good manufacture practices and regardless of the place of origin. A traditional product is a product, which, in comparison with other similar products of the same category, has such characteristics that distinguish it from other conventional products, regardless of the place of origin. The traditional product must be made of a traditional raw material or have traditional composition or be produced by using a traditional method of production and/or processing.
- p) **“Traceability (the ability to follow)”** means the ability of tracing food, animal feed, an animal producing food or being used to produce food, a raw material or substance meant for making or expected to make a component part of food or animal feed, through all stages of production, processing and distribution.

CHAPTER II: OBJECTIVES AND MEASURES OF AGRICULTURE, FOOD AND RURAL DEVELOPMENT POLICY FOR BIH

Article 4 BiH Sector Framework Objectives

- (1) The objectives of BiH sector policy are to:
- a) Activate unused natural and human resources, the development of a sustainable, competitive and dynamic agriculture, forestry and food sector.
 - b) Enhance the rate of demands of population with own food and to substitute imported food with domestic production for which natural and other conditions for foreign trade deficit in agro-food products exists.
 - c) Ensure harmonization & integration of the sector within the EU & global market place.
 - d) Encourage the diversification of economic activity, improve employment and income opportunities and the quality of life in rural areas.
 - e) Ensure access to and availability of high-quality, affordable and safe food.
 - f) Ensure the rational use and protection of natural resources and biodiversity.
 - g) Allow appropriate life standard and contribution to stability of agriculture income and safety of the food of population, which are to the maximum extent possible, settled with domestic competitive agriculture products.

Article 5

Framework of Agricultural and Rural Development Policy Measures

- (1) Support measures for agriculture and rural development for BiH shall be gradually adjusted at all levels to align with EU type measures. Measures will broadly fall within the following categories:
- a) Agricultural market support policy measures
 - b) Rural development policy measures
- (2) Market support policy measures shall broadly divide in the following groups:
- a) *Quality enhancement measures*: For specific products for which BiH has a competitive advantage in the production, processing and trade thereof.
 - b) *Direct farm support measures*: Including per hectare and per headage payments (linked to measures to increase farm size and competitiveness).
 - c) *Foreign trade measures*: In line with international trade agreements.
- (3) Rural development policy measures shall divide into three basic groups, namely:
- a) *Measures for increasing competitiveness*: This shall include measures to increase investments in agricultural holdings and the food industry, support to sector education services, support to early retirement, support to young farmers, support to development of infrastructure in rural areas and other related measures linked to competitiveness of rural areas.
 - b) *Measures for protection of the rural environment*: This shall include measures for less favoured rural areas, support to agro-environment programs including organic production, integrated production, environmentally-friendly production, support to animal welfare and other related rural environment measures.
 - c) *Measures for diversification of activities in rural areas and measures for improving quality of life in rural areas*: This shall include support to on-farm activities, support to off-farm activities, measures for improving villages and preserving natural and cultural heritage in rural areas and related measures.
- (4) Detailed support measures and mechanisms for their implementation will be defined within the BiH sector strategies for Agriculture, Food and Rural Development and action plans, as defined in Articles 7 and 12 of this law.

Article 6

Application of framework objectives and measures

- (1) The objectives and measures defined in Chapter II, Articles 4 and 5 shall provide the framework for the development and implementation of all sector policies, legislation, programmes and measures undertaken at all levels of administration in BiH.
- (2) The Ministry of Foreign Trade and Economic Relations of B&H (hereinafter: Ministry) shall be responsible for ensuring that all sector policies, legislation, programmes and measures undertaken at all levels of administration in BiH are in conformity with these framework objectives and measures.

CHAPTER III: COMPETENCIES AT ALL LEVELS OF GOVERNMENT WITHIN THE AGRICULTURE, FOOD AND RURAL DEVELOPMENT SECTOR

Article 7 The competencies of the Ministry

The Ministry shall be responsible for:

- a) Define the framework for agro-economic policies in cooperation with the Competent bodies of the Entities and Brcko District BiH
- b) To ensure the effective harmonisation, coordination, implementation and monitoring of the BiH strategies and action plans for the sector of agriculture, food and rural development.
- c) Adopt strategies which provide:
 - 1) A precise definition of the sector wide and specific objectives,
 - 2) Expected sector outcomes (performance criteria) which will be defined in precise, reliable & measurable terms,
 - 3) Framework of policy measures and implementation mechanisms,
 - 4) Monitoring and evaluation mechanisms, including definition of milestones, indicators, responsible institutions for data gathering and evaluation procedures.
- d) Regular (at least once a year) monitoring and evaluation of the implementation of the strategies and to assess individual agro-economic policies, their effectiveness and efficiency and their contribution to overall sector objectives in both financial and economic terms and to provide guidance on adjustment of measures in line with the findings from such analysis.
- e) Coordinating the implementation of all policy instruments to ensure that they are in line with the BiH Sector Strategies and relevant international agreements.
- f) Regularly revising and updating the BiH strategies and action plans (and/or in line with EU policy cycles), in full consultation and agreement with relevant bodies of entities and Brcko District and other institutions.
- g) Ensuring the harmonisation and coordination of sector programmes, laws, regulations and measures necessary for the negotiation and fulfilment of relevant international commitments, including all necessary conditions linked with European integration at all levels of government.
- h) Ensuring the establishment and coordination of all necessary institutions and other bodies, coordinate the development of necessary measures and procedures for the fulfilment of international requirements and trading standards as this relates to the BiH sector of agriculture, food and rural development & their harmonisation & integration within the EU.
- i) Ensuring the establishment and development of the necessary mechanisms of consultation, communication, coordination and cooperation with authorities at all levels relevant to the effective management of the BiH sector of agriculture, food and rural development.
- j) Ensuring the promotion and dissemination of scientific knowledge and innovative practices for the BiH sector of agriculture, food and rural development, in coordination with other relevant authorities.
- k) Ensuring the fulfilment, consistency and comprehensiveness of all reporting obligations as required by international agreements and domestic laws and regulations as this relates to the BiH sector of agriculture, food and rural development.
- l) Production of annual reports on the state of the sector.
- m) Ensuring the effective coordination of all inspection services within the sector of agriculture, food and rural development.
- n) Guidance and supervision of the BiH Veterinary Office, the BiH Plant Health Protection Administration and the BiH Administration for Harmonization of Payment Systems and which further rights and duties shall be regulated by other laws and regulations.

- o) Ensuring coordination with the Food Safety Agency, as defined by Article 11 of this Law.

Article 8

Competencies of Entities and Brcko District

The competent bodies of Entities and Brcko District shall have the following competencies:

- a) Be responsible for the defining, management and implementation of specific sector strategies, agro-economic policies, programmes and measures within the territories of entities and Brcko District and for carrying out all legislative, administrative and other tasks related to the effective management of the agriculture, food and rural development sector.
- b) Be responsible for ensuring alignment of their strategies, action plans, policies, programmes, laws and other legislation in accordance with BiH defined frameworks.
- c) Undertake all actions and ensure establishment and effective operation of all necessary mechanisms to allow the effective implementation of BiH strategies and laws within defined timeframes.
- d) Support the Ministry in undertaking of effective monitoring and evaluation of the implementation of strategies and to assess individual policies, their effectiveness and efficiency and their contribution to overall sector objectives in both financial and economic terms and to introduce adjustments to policy measures in line with the findings of analysis and recommendations.
- e) Support the development of all necessary institutions and other bodies to ensure the fulfilment of international requirements and trading standards as this relates to the sector of agriculture, food and rural development and their harmonisation and integration within the EU.
- f) Support and actively participate in the establishment and development of the necessary mechanisms of consultation, communication, coordination and cooperation with authorities at all levels relevant to the effective management of the BiH sector of agriculture, food and rural development.
- g) Support and actively contribute to the fulfilment, consistency and comprehensiveness of all reporting obligations as required by international agreements, domestic laws and other regulations as this relates to the BiH sector agriculture, food and rural development.
- h) Support and assist the Ministry in ensuring unique application of operation and measures in administrative and inspection supervision within the sector of agriculture, food and rural development.
- i) Provide information to support development of the BiH Annual Report in accordance with the Ministry timetable and to comply with requests for information to support international reporting obligations of BiH,

Article 9

Competencies of Cantons and Municipalities

The Cantons and Municipalities shall:

- a) Ensure effective harmonisation, coordination, implementation and monitoring of strategies, policies, programmes and budgetary plans in accordance with the BiH and Entity Strategic Frameworks and Operational plans.
- b) Support the consultative process for the development of sector strategies and action plans by ensuring participation within defined working teams and active participation in public hearings.

- c) Ensure provision of all necessary information to operate the BiH M&E system as well as to use gathered data to improve the process of annual planning and implementation of policies.
- d) Annually adjust and refine policy measures/programmes in line with findings from the BiH M&E system
- e) Ensure effective and efficient coordination and cooperation with all institutions responsible for management of the sector of agriculture, food and rural development, including the Advisory Council, as defined in Article 18, and other relevant institutions.
- f) Ensure that the actions undertaken are done through a clear consultative process and to make its work public.
- g) Prepare and submit annual reports to responsible entity bodies upon the efficiency of agro-economic policies, evaluation of their impact on the sector for agriculture, food and rural development and to support BiH M&E system in accordance with all requirements.

Article 10
Administrative organisations within the Ministry

- (1) Administrative organisations within the Ministry are:
 - a) BiH Veterinary Office
 - b) BiH Plant Health Protection Administration
 - c) Office for Harmonisation and Coordination of Payment Systems
- (2) The Ministry shall define clear coordination mechanisms, reporting guidelines and procedures for all administrative organisations within the Ministry, in line with EU best practice, ensuring at all times that the administrative organisations remain the main competent authorities for external reporting purposes, as defined under existing laws.
- (3) The Ministry shall establish effective mechanisms to ensure cooperation and coordination of all institutions providing services in support of the administrative organisations in the sector for agriculture, food and rural development within the Ministry.
- (4) The Ministry shall coordinate and participate in the process of development of:
 - a) Overall policies for the respective sector in which these administrative organisations are working,
 - b) New regulations and implementing decisions, in line with EU requirements in the respective sector in which the administrative organisations are working.

Article 11
B&H Food Safety Agency and Food Policy

- (1) The Ministry shall participate in the process of development of food safety legislation and technical regulations together with the relevant institutions responsible for management of health policies in BiH, to be coordinated by the Food Safety Agency of BiH (hereinafter: Agency) in accordance with its competencies, as defined in the Law on Food (Official Gazette of B&H no. 50/04).
- (2) The Ministry shall provide support to food business operators in order to enable them to fulfil the requirements stipulated in section VII of the BiH Law on Food "responsibilities of food business operators".
- (3) The Ministry shall participate in risk management and crisis management as a part of an integrated network of organizations, coordinated by the Food Safety Agency of BiH, operating in the field of food safety, as stipulated in Article 54.1. h) of the BiH Law on Food.
- (4) The Ministry, the Agency and other responsible Ministries shall, in consultation with other relevant organisations, be responsible for jointly developing and submitting proposals to

ensure the gradual separation of competencies for risk management and risk assessment of food safety at state level, and the timeframe for implementation.

Article 12

Rural Development

- (1) The basis for implementation of rural development policy in Bosnia and Herzegovina shall be defined by the BiH Strategic Plan for Rural Development (hereinafter: BiH Strategic Plan)
- (2) BiH Strategic Plan shall define rural development objectives, identify programmes, measures and other activities for achieving these objectives, establish mechanisms for monitoring and evaluation and the framework of financial requirements and procedures for usage of funds. The BiH Strategic Plan shall provide the basis for guiding all rural development plans and programmes made at all administrative levels in Bosnia and Herzegovina.
- (3) Decision on initiating the BiH Strategic Plan shall be made by the Ministry. The BiH draft Strategic Plan shall be prepared by an Inter-Ministerial Commission and composition of this Commission shall be decided by the Ministry and relevant bodies of Entities and Brcko District.
- (4) BiH Strategic Plan shall be adopted by the Parliamentary Assembly of Bosnia and Herzegovina on the proposal of the Council of Ministers for the maximum period of seven years.
- (5) The Ministry shall annually prepare reports on implementation of BiH Strategic Plan and present it to the Parliamentary Assembly of Bosnia and Herzegovina.
- (6) Competent bodies of entities and Brcko District shall prepare programmes for rural development and send them for adoption to legislative bodies of entities and Brcko District. Rural development programmes in entities and Brcko District shall be in conformity with the BiH Strategic Plan.
- (7) Based on planned and available budgetary funds and in conformity with BiH Strategic Plan, the rural development programmes of entities and Brcko District shall define priorities, volumes and mechanisms for financing rural development programmes.
- (8) Within the framework set by this and other relevant laws and in accordance with available budgetary and other funds, Cantons in FBiH may prepare, adopt and implement rural development programmes for their areas.
- (9) In accordance with this and other relevant laws, and available budgetary and other funds, local governance units may plan and implement rural development projects and measures.
- (10) All levels of government that prepare and adopt plans, programmes, projects and measures of rural development shall be responsible to define regulatory and operational mechanisms for approval, implementation, supervision and reporting on implemented programmes, projects and measures of rural development.
- (11) All levels of government that prepare and adopt rural development plans shall be responsible to cooperate and provide information on planned and implemented programs, projects and measures of rural development, as per the request of the Ministry.
- (12) The Ministry shall ensure that all planning decisions made, at all levels of government, are made through coordination, cooperation, active participation of all responsible institutions and stakeholder groups involved in rural development, in line with EU best practices.
- (13) To ensure effective harmonisation and coordination in implementation of the BiH Strategic Plan, the Ministry shall establish an organisational Unit for rural development coordination (hereinafter: RD Unit) that shall carry out tasks as follows:
 - a) Coordination, collection, grouping and unifying data on current state of rural areas in BiH
 - b) Coordinate creation of specific rural development measures required to ensure effective implementation of the BiH Strategic Plan.

- c) Provide support and guidelines to all levels of administration in the development of integrated rural development programmes using participatory approach in planning, in line with EU best practices and in conformity with the BiH Strategic Plan.
- d) Assistance in the development of framework budgets for Rural Development Programmes, including breakdowns between BiH, international community and beneficiaries of rural development programmes.
- e) In collaboration with the Office for Harmonisation and Coordination of Payment Systems development of the assessment, authorisation, payment and control procedures related to specific Rural Development measures.
- f) Provide assistance to lower levels of government in coordinating agreed Rural Development Programmes with all stakeholders and other ministries
- g) Development and implementation of system for effective monitoring and evaluation of Rural Development Programmes including the establishment of a BiH Rural Development Monitoring Committee and provision of secretariat services to support its operation.
- h) Prepare and provide all relevant reports on the progress made in implementation of the BiH Strategic Plan and related programmes at all levels, as required by international obligations.

Article 13

Responsibilities and obligations in harmonisation of payment system

- (1) In order to ensure harmonisation of systems of payment conducted by competent bodies of entities and Brcko District, for the purpose of support to policy measures in agriculture, food and rural development sector, the Ministry is responsible for consistency, transparency and coordination of payment system.
- (2) For the purpose of strengthening and harmonisation of existing systems of payments, practises and procedures in entities and Brcko District, the Ministry will perform following tasks:
 - a) In coordination with competent bodies of entities and Brcko District, develop the legal framework for establishment and development of the institutional structures to support the implementation of policy measures and attract EU and other international funds;
 - b) Establish uniform practices and procedures for the authorisation, execution and accounting for transactions in the sector of agriculture, food and rural development, which shall be applied at all levels of government in BiH;
 - c) Conciliate system of administrative control, in coordination with competent bodies of entities and Brcko District which will ensure transparency and traceability of data for all support measures and payments;
 - d) In coordination with competent bodies of entities and Brcko District establish control functions;
 - e) Promote harmonised application of the payment procedures and claims at all levels, which are in accordance with EU rules;
 - f) Coordinate the training of staff at all levels to ensure the uniform application of procedures and correctly implementation of measures;
 - g) Assist in establishing registers as defined in Article 14 of this law, and other records and coordinate the work of relevant services and technical teams at all levels to ensure consistent use of the registration referencing systems and data storage systems within the overall technical framework;
 - h) Communication with payment organisations and other relevant internal and external bodies concerning procedures and data exchange for statistical and other purposes as required;

- i) Establish an effective harmonised monitoring and evaluation system in accordance with the best European practices;
- j) Define and assist in the development of other relevant services to promote agricultural products or foodstuffs;
- k) Define and assist in the development and implementation of measures of import export regime and market interventions.

Article 14 **Registers**

- (1) With the aim to implement support measures for development of sector of agriculture, food and rural development and for needs of planning and analysis in the field of agriculture and rural development, the Ministry shall coordinate the establishment and development of unified registers, to be implemented by the competent authorities in the Entities and Brcko District, in accordance with EU requirements, as follows:
 - a) *BiH Farm registry*: This registry shall create a unique identification system of applicants for support measures. It will also provide a key reference for the animal identification registry system, establishing a secure and unique system for recording the identity of every farmer that submits an application for support.
 - b) *BiH Client registry*: This registry shall record the identification and registration of persons who are entitled to support measures or other government services. It will record all legal and/or natural persons who are recipients of agricultural, food and rural development support measures provided by budgets in BiH. It will also record traders, importers, exporters and processors of agriculture and food products.
 - c) *BiH Animal Identification Register*: This registry shall comprise a system of identification and registration of animals, primarily recording bovines, small ruminants and other animals using the farm registry as a key reference for providing a unique animal identification system.
 - d) *BiH Land Parcel Identification System*: This registry shall provide a unique identification system for agricultural parcels recording the geographic location, size, borders and other relevant information.
- (2) Procedures for the recording, maintenance and deleting from registers from paragraph 1 of this Article shall be prescribed by the Council of Ministers (hereinafter: the CoM), in cooperation with competent bodies of the Entities and Brcko District.
- (3) Aside from the registers from paragraph 1 of this Article, other registers and records may be established and maintained, as defined by this Law or other regulations.
- (4) The basis for keeping registers and records and their linking shall be the unique identification number, which shall be obligatory for all registers and records defined in paragraph 1 of this article. The structure of the unique identification number shall be prescribed by the CoM.
- (5) The recording in the registers shall be compulsory for all parties, legal or natural, wishing to benefit from support measures and other services provided to the agricultural, food and rural sectors.
- (6) The Ministry shall be responsible to ensure coordination, harmonisation and integration of the registers, the flow of information, their inter-relations and linkages and their gradual alignment with the EU requirements. Any changes of the systems, processes and procedures for registration shall be approved by the Ministry, in coordination with the Entities and Brcko District BiH.

Article 15 Databases

- (1) The Ministry shall be responsible for establishing an integrated database system to link registry data and other relevant information systems, ensuring technical harmonisation of existing and new databases, in line with EU best practices.
- (2) The Ministry may acquire and use existing data sources available at all levels of government within public institutions and agencies, and other authorized bodies. This information shall be made available free of charge and in a timely manner, to be defined by the Ministry and relevant institutions.
- (3) The Ministry shall provide information from its databases, including maps and plans to the competent Entity authorities and Brcko District and other authorized organizations and providers of public services to support implementation of relevant support measures and to other state bodies as required for the implementation of the tasks, as stipulated by law.

Article 16 Agriculture Statistics and Information

- (1) The Ministry shall establish an Agriculture Information Coordination Board (hereinafter: AIC Board) that will be responsible for the:
 - a) Coordination of the development of a harmonised and integrated BiH Agriculture Information System, in consultation with the competent authorities of the State, Entities and Brcko District BiH;
 - b) Coordination of the gradual introduction of EU compliant agriculture information systems including, but not limited to, the BiH agricultural census, the BiH Farm Accountancy Data Network (Hereinafter: FADN) and the FADN Monitoring Committee, Agriculture Market Information Service and other information required by the EU and other international organisations;
 - c) Co-ordination between the different structures working on agricultural statistics and information services at all levels;
 - d) Establishment, co-ordination and definition of responsibilities for specific technical working groups to support the work of the AIC Board.
 - e) Agreeing upon and coordinating out-sourcing of services to be undertaken by third parties, as required in support of the AIC Board functions
 - f) Oversee the effective implementation, monitoring and evaluation of contracted services, as required;
 - g) Coordination with the B&H Agency for Statistics and EUROSTAT in the development of the sector information systems;
 - h) Creating synergies with other activities (projects and programmes) in agricultural and statistical fields as required;
 - i) Establishing and ensuring the use of common standards and methodologies for statistics collection, collation and dissemination, including regular publication, at all administrative levels, in cooperation with all competent authorities;
 - j) Preparation and delivery of reports to all relevant competent authorities on AIC Board workplans, activities and results on a regular basis;
 - k) Management of the AIC Board Secretariat defined in paragraph (2) of this Article.
- (2) The Ministry shall establish an AIC Board Secretariat that will be responsible for providing support services to the AIC Board to allow it to fulfil its functions and duties as defined in Paragraph 1 of this Article.
- (3) The Ministry will secure the funds to allow the AIC Board and Secretariat to exercise its

functions as defined in Paragraphs (1) and (2) of this Article.

Article 17 Agriculture Market Information Service

- (1) The BiH Agriculture Market Information Service (hereinafter AMIS) shall be established by the Ministry.
- (2) The Minister shall determine the structure and organisation of AMIS as a public service and secure its funding.
- (3) The AMIS shall be responsible for the collection, processing and making public of data on quantities and prices of certain agricultural products or foodstuffs, agricultural land and on BiH and international markets.
- (4) The Minister shall determine the representative markets of agricultural products or foodstuffs and agricultural lands based on the economic and financial significance of products in domestic and foreign trade of BiH.
- (5) Competent bodies of the State, Entities and Brcko District shall be obliged to deliver data to AMIS on a regular basis for the purpose of creating representative data for BiH, in line with EU and other relevant international requirements and for exchange of comparable data with other countries.
- (6) The Minister shall determine the sources of public and private information to be incorporated within AMIS and the obligations of natural and legal persons to provide data and any appropriate remuneration. The Minister shall also prescribe the type, volume and frequency of data supply, collection and publication.
- (7) Duties of the AMIS from paragraph 1 of this Law do not refer to duties from the scope of work of the BiH Agency for Statistics.
- (8) AMIS may charge for their services up to the level that is competitive to private companies. This charge will represent revenues for the BiH budget.

CHAPTER IV: OTHER RELEVANT SECTOR INSTITUTIONAL STRUCTURES AND SERVICES

Article 18 Advisory Council

- (1) In order to ensure an effective consultative mechanism, representation, coordination and legitimacy of decision-making within the agriculture, food and rural development sector, the Ministry shall establish an "Advisory Council", which shall be an expert body.
- (2) The Advisory Council shall have a mandate to provide opinions, recommendations and advice that should be considered by the Ministry.
- (3) The Advisory Council shall be comprised of 15 recognized sector experts including representatives of relevant scientific institutions (6), representatives of the private farming sector (3), agricultural industry (2), food industry (2), NGO's from the sector (2).
- (4) The Ministry shall propose members of the Advisory Council, with the consent of the competent bodies of the Entities and Brcko District. Members of the Advisory Council shall be approved by the Council of Ministers, for the period of four years.
- (5) The Ministry shall be obliged to provide conditions for efficient work of the Advisory Council according to the plan of their operations.
- (6) The Advisory Council shall be responsible for:

- a) Being engaged in agriculture, food and rural development sector strategy and policy discussions, defining the vision and mission for the sector, as well as recommend the long term development directions
 - b) Advise responsible institutions about all questions that require sector policy decisions and strategic directions
 - c) Provide opinions and recommendations for proposed legislation, international agreements, initiatives and other related questions
 - d) Analyze all reports from specialised bodies referred to in this law including the Ministry Monitoring & Evaluation system findings, as defined in Article 23 of this law, and its implications regarding the proposed re-direction of policy measures applied within the sector
 - e) Provide guidance on definition of priorities for agriculture, food and rural development research and vocational training
 - f) Develop guidelines for the selection, implementation, monitoring and evaluation of research and vocational training projects and programmes, in line with BiH sector strategies.
- (7) The Advisory Council shall be responsible for ensuring that decisions are made in a transparent and consultative manner and accessible to the public.
- (8) The Advisory Council shall have an obligation to submit bi-annual and annual work reports to the Ministry and also to answer to all questions of the Ministry, CoM and Parliament Assembly of BiH.

Article 19

Sector Advisory Services

- (1) The Ministry shall establish a mechanism to coordinate, promote and ensure the quality of private and public rural development and agricultural advisory services, at all levels of government, in order to support implementation of rural development and agricultural policies and programmes throughout BiH.
- (2) The Ministry shall be responsible for defining the standards related to the quality of services provided by advisory services and its employees in order to ensure the quality of services at all levels of governance for advisory service providers, including the system for their permanent education & training, as well as public recognition and recording.
- (3) The Ministry shall be responsible for organizing training of advisers in the application of unified procedures for completion of applications for support payments, as defined by the Office for Harmonisation and Coordination of Payment Systems, and for certifying advisers to provide such services to farmers as required.
- (4) The Ministry shall provide all necessary conditions for implementation of a BiH adviser quality assurance system in order to ensure transparency and traceability, in line with best EU practices.
- (5) The Ministry shall support technology transfer policies by ensuring all necessary conditions for organization of annual obligatory training & education cycles for advisory service providers.
- (6) The Ministry shall have responsibility to ensure establishment of electronic resources necessary for improvement of technology transfer and rural development and agricultural advisory services.
- (7) The Ministry shall to be responsible to prepare bi-annual performance reports to support development of existing and new services and to fulfil Monitoring & Evaluation system requirements.

Article 20
Reference Laboratories and other testing bodies

- (1) The Ministry shall develop a detailed plan for the gradual development of a cost effective and efficient laboratory systems for reference laboratories and other testing bodies (hereinafter: laboratories), in line with BiH needs and able to fulfil obligations regarding domestic, international and EU agreements.
- (2) The Ministry shall have the right to out-source certain tasks to external laboratories, if such laboratories do not exist in B&H.
- (3) The Ministry shall coordinate the accreditation of relevant laboratories in the agriculture, food and rural sector, in line with international obligations.
- (4) The Ministry shall define procedures for cooperation and coordination with Laboratories in line with EU best practices.
- (5) The Ministry shall define minimum requirements for quality of services provided by Laboratories and the conditions required to be fulfilled in order to receive approval to carry out specific tasks.
- (6) The Laboratories shall have responsibility to ensure effective cooperation, coordination and approvals with all institutions responsible for sector management, especially regarding agriculture risk and crisis management in food safety area.
- (7) The Laboratories shall to be responsible to prepare bi-annual performance reports for the Ministry and support preparation of BiH annual reports and provide support to the BiH M&E system in accordance with their requests and in line with precisely defined guidelines and time schedules.

Article 21
Commodity Reserves at Entity and Cantonal level

- (1) The Ministry shall have responsibility to liaise with and assist the organizations that manage Commodity Reserves at Entity and Canton level (Hereinafter the Reserves) in order to conform their activities with the sector strategies in BiH.
- (2) The Ministry shall propose strategic guidelines for operation of the Reserves, defining procedures for coordination, cooperation, implementation of intervention policies, and reporting in line with EU policy practices.
- (3) The Reserves shall support the preparation of the BiH annual report and provide all relevant and requested information to the Ministry and to the M&E system on their request and within defined timeframes.
- (4) The Reserves shall ensure transparency and traceability of their everyday work according to BiH regulations and EU best practices.

CHAPTER V: MONITORING, EVALUATION AND REPORTING

Article 22
Monitoring and Evaluation

- (1) The Ministry shall establish a BiH Monitoring and Evaluation system for the sector, following EU guidelines and best practice which progressively introduces the EU Common Framework for Monitoring and Evaluation.

- (2) The Monitoring and Evaluation System will provide a transparent mechanism to assess the impact of current policies implemented at all levels of government in terms of their social, financial and economic efficiency.
- (3) Results from the assessments of individual and overall policy measures will be published including recommendations on any adjustments and improvements that may be required.
- (4) On the basis of monitoring and evaluation reports provided to relevant administrative bodies for their review and consideration, an agreement will be made between the Ministry and the competent authority on adjustments to be introduced and their timeframe.

Article 23 **BiH Annual Sector Report**

- (1) The Ministry shall be responsible for preparing annual reports on the situation of the BiH sector of agriculture, food and rural development in the previous year.
- (2) The report shall be developed based on reports prepared by the competent bodies of entities and Brcko District.
- (3) The Ministry shall deliver the report to the BiH Council of Ministers for consideration, by 30 May of the current year at the latest, and the Council of Ministers shall deliver it to the BiH Parliamentary Assembly for adoption by 30 June of the current year at the latest.
- (4) The competent bodies of Entities and Brcko District shall be responsible to deliver the annual report on agriculture, food and rural development to the BiH Ministry by 30th March of the current year at the latest.
- (5) The annual report shall contain an assessment of the position of sector of agriculture, food and rural development, the measures of sector policy that were taken in the previous year, as well as a proposal and a manner of the implementation of the agricultural, food and rural development policy measures for the following period.
- (6) Annual reports shall be prepared by the Ministry or authorized body or legal entity in accordance with regulations prescribed by the Minister.
- (7) The annual report on the position of agriculture, food and rural development in the previous year shall be published in the form of official publication of the Ministry.

CHAPTER VI: INSPECTION SUPERVISION

Article 24 **Administrative and inspection supervision**

- (1) The Ministry shall perform administrative supervision of the implementation of this Law and regulations adopted on the basis of this Law, and administrative supervision over the institutions and organisations in carrying out activities as defined by this law.
- (2) The inspection supervision over the implementation of this Law and regulations adopted on basis of this Law is carried out by competent bodies of entities and Brcko District through competent inspection service.
- (3) The Ministry, in coordination with competent bodies of entities and Brcko District shall ensure regular training of inspectors and unified applications of procedures of operations and measures in the sector of agriculture, food and rural development, in accordance with EU requirements.
- (4) The inspection services in agriculture, food and rural development of the competent bodies of Entities and Brcko District shall cooperate with the Ministry, administrative organisations within

the Ministry, cantonal services, institutes and other organizations and agricultural experts in Bosnia and Herzegovina and abroad.

CHAPTER VII: TRANSITIONAL AND FINAL STIPULATIONS

Article 25

Deadline for enactment of regulations and establishment of institutions

- (1) The Ministry is obliged to develop the BiH Agriculture, Food and Rural Development Strategies and action plans, in accordance with Article 7 of this Law, within one year from the day this Law enters into force.
- (2) Competent bodies from Entities and Brcko District, as well as lower levels of government are obliged to commence harmonisation of their regulations in the sector of agriculture, food and rural development with this Law and to secure appropriate budgetary allocations, within the one year from the day this Law entry into force.
- (3) The Ministry and competent bodies of Entities and Brcko District, apart from regulations envisaged in certain articles of this Law, can pass other regulations needed for implementation of this Law within the one year from the day this Law entry into force.
- (4) The Ministry shall be obliged to pass sub-legal acts prescribed by this law within one year from the day this Law enters into force.
- (5) The Ministry shall establish the organisational Units for Coordination of Agricultural Information, Rural Development and Monitoring and Evaluation, as defined in this Law, within the one year from the day this Law entry into force.
- (6) The Ministry shall initiate the setting-up of databases and the Agricultural Market Information System within the one year from the day this Law entry into force. .
- (7) The Ministry shall establish the Advisory Council within six months from the day when this law enters into force.

Article 26

Adjusting regulations

Legal and sub legal acts applied in the field of agriculture, food and rural development shall be harmonised with this Law within one year at the latest from the day this Law enters into force.

Article 27

Enforcement of the Law

This Law shall enter into force on the eight day after its publication in the Official Gazette of Bosnia and Herzegovina.

ANNEX I

No in the Brussels nomenclature	Description of products
Chapter 1	Live animals
Chapter 2	Meat and edible meat offal
Chapter 3	Fish, crustaceans and mollusks
Chapter 4	Dairy produce; birds' eggs; natural honey
Chapter 5	
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
Chapter 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
Chapter 7	Edible vegetables and certain roots and tubers
Chapter 8	Edible fruit and nuts; peel of melons or citrus fruit
Chapter 9	Coffee, tea and spices, excluding maté (heading No 0903)
Chapter 10	Cereals
Chapter 11	Products of the milling industry; malt and starches; gluten; inulin
Chapter 12	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder
Chapter 13	
ex13.03	Pectin
Chapter 15	
15.01	Lard and other rendered pig fat; rendered poultry fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus") produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04	Fats and oil, of fish and marine mammals, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
15.13	Margarine, imitation lard and other prepared edible fats
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes
Chapter 16	Preparations of meat, of fish, of crustaceans or molluscs
Chapter 17	
17.01	Beet sugar and cane sugar, solid

17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
17.03	Molasses, whether or not decolourised
17.05	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion
Chapter 18	
18.01	Cocoa beans, whole or broken, raw or roasted
18.02	Cocoa shells, husks, skins and waste
Chapter 20	Preparations of vegetables, fruit or other parts of plants
Chapter 22	
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.07	Other fermented beverages (for example, cider, perry and mead)
ex22.08 ex22.09	Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in Annex I to the Treaty, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages
ex22.10	Vinegar and substitutes for vinegar
Chapter 23	Residues and waste from the food industries; prepared animal fodder
Chapter 24	
24.01	Unmanufactured tobacco, tobacco refuse
Chapter 45	
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
Chapter 54	
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
Chapter 57	
57.01	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)