

Incentives for Agricultural and Rural Development

General info

Economy name

Bosnia and Herzegovina

ID

B40

Incentive name

Incentives for Agricultural and Rural Development

Brief description

Every year, Ministry of Agriculture, Forestry and Water Management for agricultural and rural development adopts the Rulebook on requirements and ways of obtaining financial incentives for agricultural and rural development.

Legal reference

Legal reference name

Rulebook on requirements and ways of obtaining financial incentives for agricultural and rural development; Law on provision and guidance funds for encouraging the development of agriculture and villages ("Official Gazette of the Republika Srpska", no. 43/02 and 106/09), Article 26, Paragraph 2 of the Law on Agriculture ("Official gazette of the Republika Srpska", no. 70/06, 20/07, 86/07 and 71/09) and Article 76, paragraph 2 of the Law on the administration ("Official Gazette of the Republika Srpska", no. 115/18, 111/21, 15/22, 56/22, 132/22 and 90/23).

Legal reference (Law section / article)

Article 2:

The right to incentives and other forms of support in agriculture is held by individuals, entrepreneurs, and legal entities (hereinafter: incentive beneficiaries) residing or headquartered in the Republika Srpska, engaging in agricultural production within the territory of the Republika Srpska, and registered in the Register of Agricultural Holdings (hereinafter: RAH) as commercial or non-commercial holdings, as well as other entities in accordance with Article 26 of the Law on Agriculture, registered in the Register of Incentive Beneficiaries (hereinafter: RIB).

The amount of incentives is calculated in accordance with the Plan for the Use of Funds to Encourage the Development of Agriculture and Rural Areas for the current year (hereinafter: Plan for the Use of Funds).

To qualify for cash incentives, incentive beneficiaries submit requests and documentation prescribed by this regulation to the Agricultural Payments Agency (hereinafter: Agency).

Requests for cash incentives in agriculture are submitted on forms 1 and 2 from the Annex of this regulation, which constitutes an integral part thereof, unless this regulation prescribes specific forms for submitting requests.

Requests under paragraph 3 of this article for individuals are submitted by the holder of the agricultural

holding, and in the event of the holder's inability, the request may be submitted by an authorized person on behalf of the holder of the holding, accompanied by a certified power of attorney.

After processing the request under paragraph 3 of this article, the director of the Agency, no later than 60 days from the expiration date of the deadline for submitting the request, issues a decision on the request.

After the deadline for submitting the request expires, the director of the Agency determines, by decision, the amount of the premium per unit of product and the percentage used in approving incentives for each individual incentive measure.

Payment of incentives is made by direct transfer to the transactional or giro accounts of incentive beneficiaries retrieved from the RIB database.

Article 3:

The calculation of incentives is based on comparing the data from the request and accompanying documentation with the data entered in the RAH and RIB, and data obtained through on-site inspection or via the Etfarm (@FARM) application.

If the data on the reported use of registered agricultural land from the request differs from the data entered in the RAH and RIB or data obtained through on-site inspection or via the Etfarm application, the calculation of incentives is based on the smaller area.

The accounting period for the calculation of incentives, in accordance with this regulation, lasts from the expiration date of the deadline for submitting requests for incentive measures in 2023 until the expiration date of the deadline for submitting requests for incentive measures in 2024 (linking periods).

The documentation under paragraph 1 of this article relating to evidence of invested funds consists of:

- a) a contract for works with temporary or final settlement specifying the executed works and proof of payment via a giro account statement (extract), for both business entities and individuals, or
- b) a signed and certified wholesale invoice indicating the name of the requester along with the VAT number for entities in the VAT system and proof of payment via a giro account statement (extract) for both business entities and individuals, or
- c) a retail fiscal receipt, along with a signed and certified invoice made out to the requester, so that the invoice relates only to one fiscal receipt, with the VAT number for business entities and proof of payment in accordance with mandatory business practices via a giro account statement, and for individuals, a fiscal receipt with a fiscal invoice and an extract as proof of payment to the supplier for all bills of 30,000 KM and above.

For purchases made abroad, along with evidence of invested funds under paragraph 4 of this article, the incentive beneficiary also submits an extract or SWIFT as proof of payment to the supplier/contractor.

The calculation of cash incentives does not take into account the amount of VAT or items on invoices that are not subject to incentives.

For the same investments, the incentive beneficiary cannot receive incentives under multiple grounds.

For funds and equipment acquired abroad or from importers, accompanying customs documentation and SWIFT are attached, along with documentation from paragraphs 4 and 5 of this article, as proof of payment.

The development level of local self-government units is determined in accordance with the Decision on the Degree of Development of Local Self-Government Units in the Republika Srpska for 2024 ("Official Gazette of the Republika Srpska", No. 93/23).

Incentive design

Incentive group

Financial

Incentive category

Subsidy

Economy-wide/Sector-specific

Sector-specific

Sector (Simplified)

Agriculture

Sector (NACE)

A AGRICULTURE, FORESTRY AND FISHING

Size of firm that can use incentive

All sizes of firms

Level at which incentive is available

Region-specific

Ownership of firm that can use incentive

Any

Incentive location

General

Main objective of the incentive

Development of underdeveloped regions

In case of grant, share of grant in investment (in %)

Access to information

Contact Info

Square "Republika Srpska" 1, 78 000 Banja Luka

Weblink to Incentive information in English

<https://investsrpska.vladars.net/business-guide/incentives-in-economy-of-republic-of-srpska/>

Weblink to Incentive information in local language

[https://vladars.rs/sr-SP-Cyrl/Vlada/Ministarstva/mps/Documents/Pravilnik o podsticajima 2024 NACRT.pdf](https://vladars.rs/sr-SP-Cyrl/Vlada/Ministarstva/mps/Documents/Pravilnik%20o%20podsticajima%202024%20NACRT.pdf)

Eligibility criteria

Eligibility criteria (description)

Individuals, entrepreneurs, and legal entities engaged in agricultural production within the Republika

Srpska and registered in the appropriate registers are eligible for incentives.

Eligibility criteria (weblink)

[https://vladars.rs/sr-SP-Cyrl/Vlada/Ministarstva/mps/Documents/Pravilnik o podsticajima 2024 NACRT.pdf](https://vladars.rs/sr-SP-Cyrl/Vlada/Ministarstva/mps/Documents/Pravilnik%20o%20podsticajima%202024%20NACRT.pdf)

Incentive administration

Awarding Authority (Name)

Ministry of Agriculture, Forestry and Water Management for agricultural and rural development.

Application procedure + Weblink (where available)

Incentive beneficiaries must submit requests and prescribed documentation to the Agricultural Agency.

Implementing Authority (Name)

Ministry of Agriculture, Forestry and Water Management for agricultural and rural development.