



GOVERNMENT OF THE REPUBLIC OF MACEDONIA  
MINISTRY OF AGRICULTURE, FORESTRY AND WATER ECONOMY

**ANNUAL REPORT**  
**ON**  
**THE IMPLEMENTATION OF THE IPARD PROGRAMME 2007-2013**  
**For the period 1 JANUARY 2015 – 31 DECEMBER 2015**  
(In compliance with Art. 68 of the Sectoral Agreement)

**CCI No: 2007MK06IPO 001**

June 2016



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## Introduction

### Identification sheet

<b>Programme</b>	IPA for Agriculture and Rural Development (IPARD)
<b>Country code</b>	MK
<b>Programming period</b>	2007-2013
<b>Programme id</b>	2007MK06IPO 001
<b>Programme title</b>	NATIONAL PROGRAMME FOR AGRICULTURE AND RURAL DEVELOPMENT

<b>Annual Implementation Report</b>	2015
<b>Reporting period</b>	from 1st of January – 31st of December, 2015
<b>Date approved by the IPARD Monitoring Committee</b>	29 <sup>th</sup> of June 2016

This is the sixth annual implementation report to be produced on the National Programme for Agriculture and Rural Development under the Instrument for pre-accession assistance for rural development for the programming period 2007-2013 (hereinafter “the IPARD Programme”) and covers the calendar year 2015.

This report is prepared in compliance with the provisions of Article 68 of the Sectoral Agreement (SA) between the Government of the Republic of Macedonia and the Commission of the European Communities, ratified by Law and published in the Official Gazette no.165 from 30.12.2008.

The report is prepared by the IPARD MA at MAFWE based on the monitoring and data collection system (hereinafter referred to as “Monitoring system”) and with contribution from the IPARD Agency and the National Fund at the Ministry of Finance.

As part of its remit the IPARD Monitoring Committee (MC) must consider and approve all annual implementation reports prior to their submission to the European Commission. On the 29 of June 2016 PMC members agreed this report via written procedure. Comments received are duly represented in this report.



## Executive summary

The IPARD Programme 2007-2013 as basis for the implementation of the Council Regulation (EC) No. 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) has been approved with Commission Decision C(2008)677 of 25.2.2008. The start of IPARD Programme implementation was preceded by the conferral of management of aid by the EC, which was granted to the relevant institutions via Commission Decision No. C2009/987/EU on the 18.12.2009 for Measure 101- Investments in agricultural holdings to restructure and to upgrade to Community standards, Measure 103- Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards and Measure 302- Diversification and development of rural economic activities.

In total, twelve public calls since the beginning of the implementation have been published on which were received 3087 requests for IPARD co-financing of 78.2 million euros worth investments.

For the Measure 101, 725 contracts are concluded, with an amount of €7,675,622 out of which €5,756,717 are EU funds; 57 contracts are concluded in measure Measure 103, with an amount €7,076,638 out of which €5,307,478 are EU funds and 28 contracts are concluded in Measure 302, with an amount of €1,942,342 out of which €1,456,758 are EU funds.

In total, 452 contracts were paid in amount of € 6,405,97; 424 contracts were paid under measure Measure 101 with total amount of € 3,429,923, out of which € 2,572,443 are EU funds, 25 contracts were paid under measure M103 with total amount of € 2,870,516, out of which € 2,152,887 are EU funds. In Measure 302, 3 projects were paid in amount of €105,540 out of which €79,155 are EU funds. Total of 105 contracts were terminated (75 in the measure M101, 21 in the measure M103 and 9 in the measure M302), with total amount of €4,245,044 out of which €3,183,783 are EU funds. In implementation phase are 253 projects with total public expenditure of €4,158,521.

Most of the total submitted applications are from the region of Pelagonija (1292), Vardar (676), East (321) and Southeast (312). Pelagonija has also the biggest number of approved applications (356), followed by Vardar (220), Southeast (85) and East (76). Also most of the paid contracts are from the Pelagonija region (241) with TPE €2.192.890, followed by East (39) with TPE €1,324,125, Vardar (113) with TPE €996.929, and Southeast region (34) with TPE €910,451.

IPARD Agency published two public calls during 2015, the eleventh (01/2015) which was opened on the 21.3.2015 (closing date 05.5.2015) and the twelfth public call (02/2015) published on 01.08.2015 (closing date 15.9.2014). On this two last public calls the highest number of applications since the beginning of the programme implementation have



been received (1254 in total). The increased interest is partly due to increased co-financing rate in M101 from 50% to 75% for the investments in the flood affected areas. The increased co-financing was introduced with the seventh modification of the IPARD Programme 2007-2013. This last, 7<sup>th</sup> modification of the IPARD Programme 2007- 2013 has been approved with Commission Decision C (2015)9330 from 11.12.2015.

The accreditation process of the Measure 501- Technical assistance was completed. The conferral of management of funds under M 501- Technical assistance was granted by the European Commission to Republic of Macedonia in September 2015 with Commission Decision C (2015) 6215.

During 2015, the IPARD Agency recorded all transactions in parallel in Excel and SAP software and the manual forms as well. SAP software is in testing phase examining its functionality and will be submitted for accreditation as part of the accreditation package for IPARD 2014-2020.

In the reporting period Monitoring Committee held two meetings in Skopje, the 15th held in February 2015 and the second meeting was held in July 2015.

Problems that were encountered in 2015 are continuation from the previous years and they mainly relate to the lack of pre-financing on the side of the potential beneficiaries, poor quality of applications, issues with land ownership and building licenses and lengthy procedure for approval of projects by the IPARD Agency. Thus in 2015, Pursuant to Article 36 Sectoral Agreements and n+3 rule the amount de-committed for IPARD in Macedonia with regard to the allocation of the 2011 amounted to € 15,636,043.62.

On the positive side, number of activities have been realized in 2015 in order to address some of the abovementioned challenges, like the establishment of guarantee fund for IPARD, increased promotion of the IPARD opportunities and trainings for the National Extension Agency, changes in the legal acts on land policy and legalization of farm buildings, which are expected to lead to increase of the absorption of the IPARD funds in future.



## List of acronyms and abbreviations

Art.	Article
JSWC	Joint Stock Water Company
BP	Business Plan
DG AGRI	Directorate General for Agriculture and Rural Development
EC	European Commission
EU	European Union
FR	Farm Register
GDP	Gross Domestic Product
GVA	Gross Value Added
Ha	hectares
IPARD	Instrument for pre-accession assistance for rural development
IPARD Agency	Agency for Financial Support in Agriculture and Rural Development
M 101	Investments in agriculture holdings
M 103	Investments in processing and marketing
M 302	Rural diversification
M 501	Technical Assistance
MA	Managing Authority
MAFA	Multi-Annual Financing Agreement
MAFF	Multi-Annual Financing Framework
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MC	Monitoring Committee
MIPD	Multi-annual indicative planning document
MoF	Ministry of Finance
MoESP	Ministry of Environment and Spatial Planning
NAO	National Authorising Officer
NBRM	National Bank of the Republic of Macedonia (Central Bank)
NGO	Non-Governmental Organisations
NF	National fund
No.	number
PRO	Public Revenue Office
SA	Sectoral Agreement
SAI	State Agriculture Inspectorate
SSO	State Statistical Office
TPE	Total Public Expenditure
TPP	Technical Project Proposal
SCMEIPARD	Steering Committee for monitoring and evaluation of the IPARD Programme 2007-2013
VAT	Value-added tax
FVA	Food and Veterinary Agency



## SECTION 1: Changes to General Conditions

### 1.1 Institutional and Political Framework

Republic of Macedonia continues to strengthen market-based economy and in implementing the planned reforms of the previous period. After the elections in 2014, which did not bring significant changes in the management of the country, the new government continue down the road of European integration as a strategic course through the implementation of reforms, attracting foreign investment and reducing unemployment. However, the reporting period was dominated by a serious political crisis in the country. Political parties with the mediation of the European Commission and Members of the European Parliament have concluded a contract for the removal of institutional failures in order to resolve crisis. Implementation of the agreement is underway. The economic consequences of the political crisis remain to be analyzed.

In November 2015, the Commission has published regular progress report for Republic of Macedonia which states that significant steps have been taken to address major implementation issues related to the Instrument for Pre-accession Assistance for Rural Development (IPARD) where, despite an increase in applications, 15.6 million Euros was returned the EU budget in 2014. The administrative capacity of the Agency for Financial Support in Agriculture and Rural Development was strengthened and progress was made towards accrediting new IPARD measures. The new 2014-2020 IPARD Programme was adopted in January 2015.

There were not significant changes in relation to the political and institutional framework which affected the implementation of the IPARD Programme.

### 1.2 Macroeconomic Situation

Data and reports published by relevant institutions, show that the economy continues to follow a path of gradual recovery, but the pace of growth again assessed as unsatisfactory by increased political uncertainty and geopolitical risks highlighted. GDP recorded the highest performance in 2015 so that the rate of real GDP growth in 2015 is 3.7%, which are the highest values in the last 6 years. Dinar continues to remain the stable while unemployment falls to 26.1%.

**Table 1: Macroeconomic indicators**

	2009	2010	2011	2012	2013	2014	2015 <sup>1</sup>
GDP in million € (current exchange rate)	6.767	7.109	7.554	7.585	8 112*	8.533	9.092
GDP (per capita in €)	3.300	3.459	3.665	3.680	3.930*	4.220	4.392
GDP real growth rate (in %)	-0,4	3,4	2,3	-0,5	2,7*	3,8	3,7
Inflation (in %)	-1,6	3,0	2,8	4,7	1,4	-0,4	-0,3

<sup>1</sup>Data are estimates based on realistic data

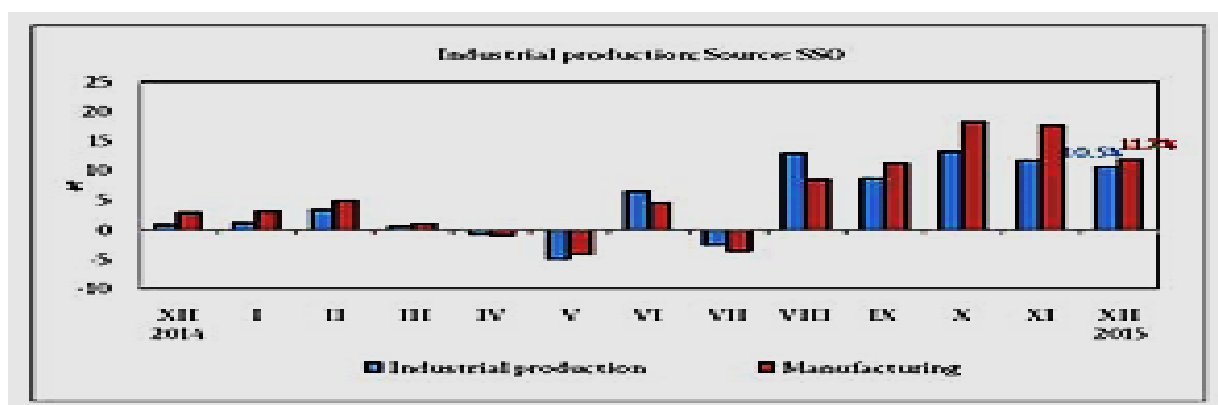




Average exchange rate (denar/€)	61,27	61,51	61,53	61,53	61,58	61,62	61.61
Unemployment rate (in %)	32,2	32	31,4	31,0	29	28	26.1
Export of goods and services in mill. €	2.143,6	2.728,8	3.441,3	3.374,0	3.529,7	4.057,0	4.410,9
Import of goods and services in mill. €	3.680,8	4.128,8	4.987,0	5.072,5	5.018,1	5.554,3	5.893,9
Balance of trade in mill. €	-	-	-1.838,0	-	-1.748,1	-1.762,0	-1.725,7
Balance of trade in % of GDP	-25,3%	-23,5%	-24,5%	-25,9%	-21,4%	-20,7%	-19%

Source: SSO and NBRM

In December 2015, industrial production grew by 10.5% on annual basis, by which, the period of high growth of production continued.



Thereby, growth was seen in all sectors, as follows: Electricity, gas, steam and air-conditioning supply by 12.1%, manufacturing industry by 11.7% and Mining and quarrying by 4.9%.

Manufacture of tobacco goods (2.6 p.p.) contributed the most to the annual change of industrial production in December 2015, while Manufacture of wearing apparel had the highest negative contribution (1.1 p.p.).

In December 2015, number of employees in the industry increased by 1.7% annually.

### Inflation

Consumer prices in December 2015 declined by 0.3% on annual basis, after the decline of 0.3% recorded in the previous month. On monthly basis, consumer prices in December 2015 decreased by 0.1%. Average inflation rate in the period January – December 2015 amounted to -0.3%.



Retail prices in December 2015 were lower by 0.4% compared to December 2014, while compared to the previous month; they were higher by 0.1%. Retail prices in the period January -December 2015 were lower by 1.3%.

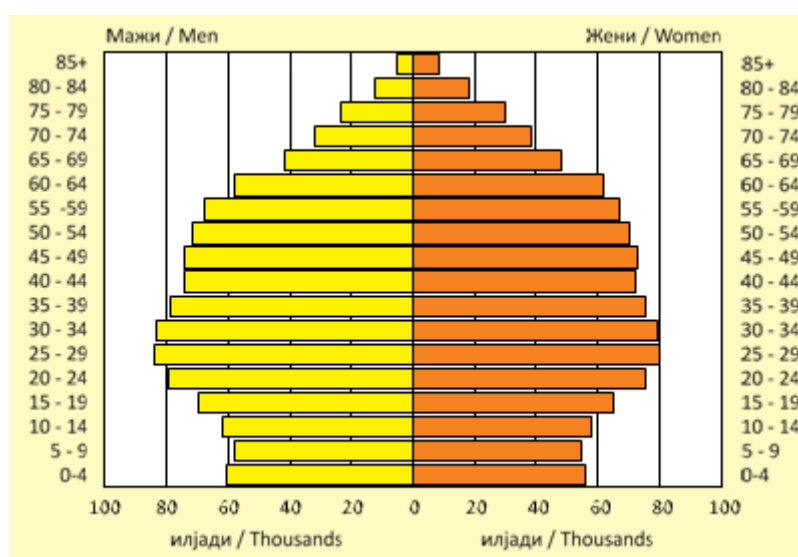
### 1.3 Demographic situation in 2015

#### *Population*

According to the recent population estimates, on the end of 2014, the number of population has increased to total of 2 069 172 inhabitants.

The demographic indicators at regional level show considerable differences which point to a big disproportion in the territorial distribution of the population. The Skopje Region, as the most densely populated, has almost ten times higher density than the Vardar Region, which is the least densely populated. This region along with the Southeast, Polog and Northeastern marked an increase of the population, but apart from them the Skopje region has three times higher growth rate.

Population of the Republic of Macedonia as at 30.06.2014 according to five-year age groups, by sex:



Source: SSO (2015)

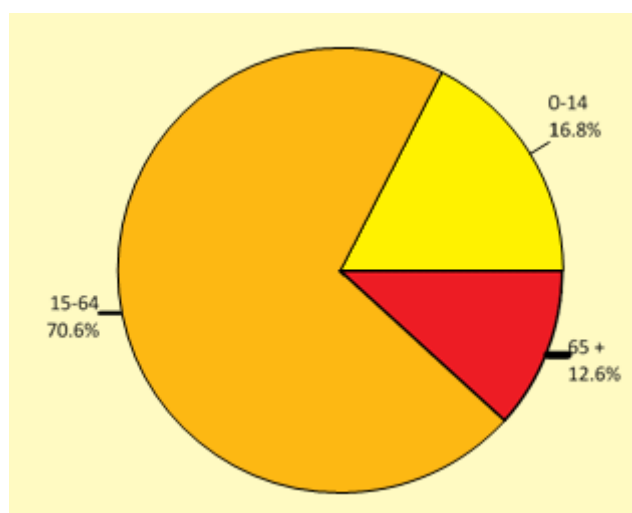
There are also differences in the age structure of the population. In the Skopje, Polog and the Northeast Region, the young population (0-14) has a share of 18% in the total



population, while in the Pelagonia and the East Region the young population (0-14) has a share of 15%. The indicators of the average age of the population also confirm this situation.

Differences are also noticeable in the number of births and deaths. In the Pelagonia, Vardar and the East Region, as a result of the unfavorable age structure and the low fertility, the number of deaths exceeds the number of births.

### Structure of total population by age groups, 2014



Source: SSO (2015)

There were no significant changes in relation to the general socio-economic conditions that would affect the IPARD Programme.

## 1.4 Changes in national and sectoral policies

### *Management of agricultural land*

In this Law in 2015 four amendments have been made (OG 72 / 15.98 / 15.154 / 15 and 215/15). With these amendments, the law provides an opportunity for concluding a contract for lease of state land under greenhouses, under ancillary facilities and facilities for primary processing of agricultural products. According to the amendments, it was announced a call in the period of 30 days, with which was given the opportunity to the owners of agricultural buildings, constructed on state land, to conclude the contracts for rent of land and yard around the buildings. Ten contracts are in progress for signing for such buildings.

With the amendment to the article in this law is given the opportunity, that, if Urban Plan for the villages is adopted for the first time, there is no need for conducting procedure for permanent conversion of agricultural to urban land, and where it is required permanent conversion, procedure can be done electronically via e-urbanism, with which this procedure is rather facilitated.



Also, besides Institutions of Higher Education, now is given the opportunity for secondary schools to apply and submitted request for use of state agricultural land for education and practical training.

The amendments include the process of the land announcement, process of application (documentation, bank guarantees, initial cost etc.), acquisition of possession and etc. Despite the aforementioned, the amendments are in line with the Law on Administrative Procedure and Law violations, also.

### ***National rural development support policy***

Law on Agriculture and Rural Development ( "Official Gazette" No. 49/10, 53/11, 126/12, 15/13, 69/13, 106/13, 177/14, 25/15, 73/15 , 83/15, 154/15 and 53/16) is amended in section that regulates rural development aimed at expanding aid for insurance in primary agricultural production, livestock breeders, new investments for the restructuring of farms to increase production capacity of farms. Section on state aid has been extended to aid for investments for the restructuring of farms and aid for investments in processing and marketing. Introduction of additional aid for the payment of losses caused by natural disasters and adverse climatic events. Expanding the activities of technical support in agriculture and rural development.

Rulebook on additional conditions for the support of rural development measures, the eligible costs and the aid for eligible costs per beneficiary single measure ( "Official Gazette" no. 49/10, 53/11, 126/12, 15 / 13, 69/13, 106/13, 177/14, 25/15, 73/15, 83/15, 154/15, 11/16 and 53/16) amended in order to decrease the minimum size of production facilities who should own the beneficiaries of the subsidy for investments for the modernization of agricultural holdings, expanding the list of eligible costs and increasing the amount of support. Expanding the list of eligible costs for investment in infrastructure for the development of agriculture, forestry and water management.

Rules on criteria for selection of beneficiaries under the measures for rural development ("Official Gazette" no. 49/10, 53/11, 126/12, 15/13, 69/13, 106/13, 177/14 , 25/15, 73/15, 83/15, 154/15 and 11/16) amended in order to establish the precise criteria for selection of beneficiaries of support for investments in irrigation of corn and forage crops.

Regulation for the activities, the maximum amount for operations, customers, entities participating in the procedure, criteria and method for granting technical assistance in agriculture and rural development ( "Official Gazette "no.49 / 10, 53/11, 126/12, 15/13, 69/13, 106/13, 177/14,25/15, 73/15, 83/15, 154/15 and 215/15) changed in direction of expanding technical support for organizing and conducting events and fairs and increase the maximum amount of support. Extending technical support to help the marketing of agricultural products and processed agricultural products with new eligible costs and increase the maximum amount of support. Increasing the maximum amount of support for investments for the establishment of a scientific demonstration examples. Amend



the criteria and method for granting technical assistance in agriculture and rural development with public appeal.

### **Agricultural quality standards**

The Law on Quality of Agricultural Products ("Official Gazette" br.140/2010, 53/2011 55/2012, 106/13, 116/2015, 149/2015, 193/2015 and 39/2016) regulates markets of agricultural products, quality standards, classification, designation of quality and the information system for cereals and rice, flour, animal feed, fresh fruit and vegetables, eggs and poultry, beef meat, pork's meat, sheep and goat's meat, milk and dairy products, bee products, protection of agricultural products and foodstuffs with geographical indication and designation of traditional specialties guaranteed, control and supervision over the implementation of the provisions of this law. The provisions are highly aligned with the EU regulations regarding setting up and control of minimum marketing standards, overall marketing of the products, information to consumers and market information system.

During 2015, because of partial implementation of the Law regarding setting up quality standards in raw milk market, amendments of the Law were made that were published in "Official Gazette of RM" no.116/2015. These amendments were in the term of:

- Building a system of training of controllers employed in dairies for sampling of the milk for quality checkup.
- Authorization of institution to conduct training of controllers and their certification. Decided to start pilot system for taking samples for quality checkup of the milk with the largest dairy in Macedonia.
- Authorization of laboratories for analysis for determination of the quality of raw milk samples that meet the conditions stipulated in the Law on quality of agricultural products.
- Analysis for defining acceptable system for quality control and evaluation of the quality of milk for all stakeholders in the chain (milk, dairy laboratories).

At the same time, amendments were made on the provisions that regulate the registration process and protection of the name of agricultural products and foodstuffs with geographical or traditional character. These amendments were necessary for harmonization with the new European regulation 1151/12, and also for simplifying the procedures for registration, and for the decreasing the costs for protection on Protected designation of origin (PDO), Protected geographical indication (PGI) and Traditional speciality guaranteed (TSG). Previously the costs was high for producers, and therefore, interest among producers for protection of quality was very low. After adoption of the above mentioned amendments of the Law, three new by-laws are adopted regarding the registers of PDO, PGI and TSG, and registers for users of PDO, PGI and TSG. With these



by-laws the whole legal framework for quality schemes is completed and ready for implementation.

With amendments published in Official Gazette of RM no 149/2015 and 193/2015, the Law on Quality of Agricultural Products was harmonized with the Law on Administrative Procedure ( "Official Gazette" br.124 / 15) and Law on the Bar Exam ("Official Gazette of RM no. 137/13)

### ***Wine legislation***

For compliance with relevant laws, additional 2 by-laws under the Law on wine were enacted and published in the Official Gazette No. 149/15 and 39/16.

### ***National direct payments and input subsidies schemes***

Programme of direct financial support in agriculture as part of the policy arising from the National Strategy for Agriculture and Rural Development, is constantly implemented in this past decade. Scheme of direct subsidies are implemented based on the annual program and the Decree on its implementation adopted by the Government based on the Law for Agriculture and Rural Development. Programme for financial support in agriculture 2015 was made at session of the Government of 21.12.2014, and brought no significant changes in the manner of the implementation. The basic direct payments, as in previous years are realized based on realized production capacity (per area and per goods) and output in agricultural products (premium). The payment is made by hectare area planted / number of animals above the minimum limit (0.3 ha of arable land and 0.2 hectares of permanent crops and vegetables, or 30 heads of sheep, 10 goats, etc.). For a group of products which are strategically important for agriculture and rural development, also the need to increase the still low level of productivity, the support through premium also is awarded to the unit of output which is implemented in higher levels in the chain of the market (delivered agricultural product in a registration processing capacity). Help is provided for non-production activities such as analysis of soil, insurance of the manufacturing, use of certified seed and in-vitro insemination in cattle.

Because of the appearance of the diseases "Blue Tongue" and listeria in November 2014, and the spring floods in 2015, the programme was modified and introduced new sub-measures with aim to repair the losses to farmers and livestock producers that have suffered damage. The envisaged assistance amounted to 100% of the losses of income from the sale of agricultural products and animals on the farm property and damages in green houses caused by natural disasters, as well as losses from the above mentioned diseases.

### ***National rural development support schemes***

National funding of rural development measures are being implemented under the Annual Programme for Financial Support of Rural Development. The Programme for



Financial Support of Rural Development for 2015 was adopted on 21 December 2014 and published in Official Gazette No. 196/14. The budget for its implementation is amounted to approximately € 33 million. Agency for Financial Support of the Agriculture and Rural Development during the year 2015 announced ten public calls for applications for allocation of funds from the Program for Financial Support of the Rural Development for 2015. Regarding the published public calls to the Agency, in total of 2349 requests were submitted.

The largest number of requests regarding the public calls are received for the measure 112 “Helping young farmers for starting farm activities” where the total number of received requests is 196 requests from which 134 are approved for financial support with total value of financial support of 74.401.300 MKD. In measure 112, from the 196 requests, 126 are males and 70 are female, and from 134 approved requests, 93 are male and 50 female.

Also huge number of requests is filed for the measure 121 “Investments in farm equipment and mechanization for cereal and industrial crops”. Total number of received requests is 1642 from which approved for financing are 927 requests in total value of the financial support 282 417.428 MKD or 4.584.698 €.

In measure 121.5 from the received 1642 requests 1254 are male from which 404 are young farmers and 388 are female from which 159 are under 40 years old. Total number of the supported is 659 male farmers from which 304 are young farmers and 268 female farmers from which 110 are young farmers.

### ***Veterinary policy***

In the reporting period, the Food and Veterinary Agency has conducted a number of activities related to harmonization process of the EU legislation.

The following subsequent changes are made regard the EU Acquis, including implementing legislation, concerning specific areas:

1. Book of rules amending Book of rules on requirements on import and transit, list of third countries approved for import and transit, form and content of veterinary health certificate and/or other documents accompanying the consignment of live animals, aquaculture and product of animal origin, and method and procedure for veterinary checks and inspection on live animals, aquaculture and products of animal origin destined for import and transit. The book of rules is harmonized with the relevant EU acquis i.e. with 32015D0204, 32015R0198, 32015D0252, 32015R0243 and 32015D0267.

Adopted and published in the Official journal No. 33/2015 from 05.03.2015.

2. Book of rules amending the book of rules on the procedure for import and transit list of third countries from which import and transit approved, the form and content of the health certificate or other documents accompanying the



consignment of live animals, aquaculture and animal products origin and the method and procedure of conducting check and inspection of import and transit of live animals, aquaculture and animal products.

The book of rules is harmonized with the relevant EU acquis i.e. with 32015D0349 and 32015R0342.

Adopted and published in the Official journal No. 63/2015 from 20.04.2015.

3. Book of rules on the non-commercial movement of pet animals.

The book of rules is harmonized with the relevant EU acquis i.e. with 32013R0576 and 32013R0577.

Adopted and published in the "Official journal of RM" no. 153/2015 from 04.09.2015.

4. Book of rules amending the book of rules on identification and registration of pets.

The book of rules is harmonized with the relevant EU acquis i.e. with 32013R0576 and 32013R0577.

Adopted and published in the "Official journal of RM" no. 153/2015 from 04.09.2015.

5. Book of rules amending the book of rules on the procedure for import and transit list of third countries from which import and transit approved, the form and content of the health certificate or other documents accompanying the consignment of live animals, aquaculture and animal products origin and the method and procedure of conducting check and inspection of import and transit of live animals, aquaculture and animal products.

The book of rules is harmonized with the relevant EU acquis i.e. with 32015P0908; 32015R1363, 32015D0911 and 32015R0536

Adopted and published in the "Official journal of RM" no. 165/2015 from 23.09.2015.

6. Decision on prevention, control and eradication of certain transmissible spongiform encephalopathies.

The decision is harmonized with the relevant EU acquis i.e. with 32001R0999.

Adopted and published in the "Official journal of RM" no. 175/2015 from 09.10.2015.

7. Decision amending the decision to ban imports of products of animal origin intended for human and animal origin from China in Macedonia.

The decision is harmonized with the relevant EU acquis i.e. with 32015D1068.

Adopted and published in the "Official journal of RM" no. 163/15 from 21.09.2015.

8. Decision to ban the import and transit of cattle and wild ruminants, bovine animals semen, beef products and processed beef, milk and milk products from bovine as well as byproducts of cattle in the Republic of Macedonia from Greece.

The decision is harmonized with the relevant EU acquis i.e. with 32015D1423.

Adopted and published in the "Official journal of RM" no. 163/15 from 21.09.2015.

9. Book of rules of information that should contain the contact and outer package and the information should contain instructions for use of veterinary - medicinal product.

The Book of rules is harmonized with the relevant EU acquis i.e. with 32001L0082.





Adopted and published in the "Official journal of RM" no.218/2015 from 12.12.2015.

10. Book of rules on evaluation of variations relating to consideration of marketing authorization.

The Book of rules is harmonized with the relevant EU acquis i.e. with 32009R1069 и 32011R0142.

Adopted and published in the "Official Journal of RM" 34/2015 of 06.03.2015.

11. List of pharmacological substances approved for use in veterinary medicine

The list is harmonized with the relevant EU acquis i.e. with 32010R0037, 32015R1308, 32015R1080, 32015R1079, 32015R1078, 32015R0446, 32015R0394, 32015R0152, 32015R0150, 32015R0149, 32014R1390, 32014R1359, 32014R1277, 32014R0967, 32014R0683, 32014R0682, 32014R0681, 32014R0677, 32014R0676, 32014R0418, 32014R0201, 32014R0200, 32014R0020, 32014R0019, 32013R1235, 32013R1057, 32013R1056, 32013R0489, 32013R0406, 32013R0394, 32013R0116, 32013R0115, 32013R0059, 32012R1191, 32012R1186, 32012R1161, 32012R0466, 32012R0436, 32012R0222, 32012R0221, 32012R0202, 32012R0201, 32012R0123, 32012R0122, 32012R0107, 32012R0086, 32012R0085, 32012R0084, 32011R0363, 32011R0362, 32010R0914, 32010R0890, 32010R0761, 32010R0759, 32010R0758

Adopted and published in the "Official journal of RM" no. 156/2015 from 10.09.2015.

Food safety rules:

1. Decision on specific conditions applicable to the import of okra and curry leaves from India.

The Decision is harmonized with the relevant EU acquis i.e. with 32014R0885.

Adopted and published in the "Official Journal of RM" 40/2015 of 13.03.2015.

2. Book of rules on specific safety rules relating to food supplements

The Book of rules is harmonized with the relevant EU acquis i.e. with 32002L0046.

Adopted and published in the "Official Journal of RM" 17/2015 of 05.02.2015.

3. Book of rules on food information to consumers.

The Book of rules is harmonized with the relevant EU acquis i.e. with 32011R1169.

Adopted and published in the "Official journal of RM" no. 150/2015 from 02.09.2015

Placing on the market of food, feed and animal by-products:

1. Book of rules on official controls on salmonella and other specified food-borne zoonotic agents.

The Book of rules is harmonized with the relevant EU acquis i.e. with 32003R2160, 32006R1177, 32012R0200 and 32012R1190.

Adopted and published in the "Official Journal of RM" 34/2015 of 06.03.2015

2. Book of rules on specific rules for the organization of official controls on products of animal origin intended for human consumption.

The Book of rules is harmonized with the relevant EU acquis i.e. with 32004R0854.

Adopted and published in the "Official journal of RM" no. 157/2015 from 14.09.2015.



### ***Water management***

Under the Law on Water (Official Gazette No.51 / 2015) was established Joint Stock Water Company of the Republic of Macedonia in state ownership, which undertakes activities that were the responsibility of the current water economy, thus centralizing their operations.

Predominantly activities of the Company are activities of public interest: water supply for irrigation and drainage of land, and construction, ongoing and investment maintenance of systems. In order to achieve additional revenue and increased economic viability of the operations of the company, despite this JSWC can perform beside the basic activities and additional activities.

Organizational units of the company are Directorate and 12 subsidiaries. Management bodies of the Company are Shareholders Assembly and Board of Directors. The Company manages a Board of Directors consisting of 7 members, including 6 non-executives and one executive member. Executive board member is Chief Executive Officer. With subsidiaries manages a Director who is appointed by the Board of Directors.

With the adoption of The Law for the abolition of the Law on Water Communities (Of. G. of the Republic of Macedonia 72/2015), cease to be valid the Law on Water Communities ("Official Gazette" No. 51/03, 95/05, 113/07 and 136/11).

The powers of Aquatic communities and infrastructure for irrigation and drainage are transferred to the nearest or to the Subsidiary of JSC Water Company in whose area of operation is laying the seat of Aquatic Community.

## **SECTION 2: Progress of the IPARD Programme Implementation**

### **2.1 Summary of the strategic framework of the IPARD Program 2007-2013**

The strategy, objectives and measures oriented towards the achievement of sustainable development of the agricultural sector and rural areas are outlined in the IPARD Programme follow the objectives framework set for in the IPA Council Regulation 1085/2006 and subsequent EU Implementing Regulation 718/2007.

The priorities that need to be implemented due to making the strategy of the program operational are set in the Multi-Annual Indicative Planning Document (MIPD), which is a three year rolling document reviewed annually. The last MIPD was published for the period 2011-2013. The priorities set out in the MIPD serve as a basis for the annual programming of EU funds.

The main purpose of the overall aid that comes through IPARD program is modernizing, strengthening of agriculture, raising to a higher level of production with achieving effectiveness and efficiency in order of being competitive on the markets of Central and Southeast Europe. And all that to be accomplished by achieving European standards of quality and environmental protection, food safety and protection of public health and the



enforcement of agricultural economy that will be able to resist all natural and economic changes and challenges.

All these principles are prerequisites that are requested and should be based on investments in the measures of the Programme.

Indicators to assess the impact of the EU support include, inter alia:

- Improved income of the IPARD beneficiary;
- Increased added value of agricultural products through improved and rationalized processing and marketing of products.
- Increased participation of local actors in the development and implementation of rural development strategies
- Increased income of the beneficiary rural population through the development and diversification of on-farm and/or off-farm activities;
- Compliance of the food processing establishments with EU standards;
- New employment opportunities created through the development and diversification of on-farm and/or off-farm activities;

Complementing the overall objectives framework, the IPARD Programme constitutes a strategy which aims at tackling specific shortcomings in the agriculture development and rural areas, with consecutive concerted solutions to priority problems grouped in sub-sector actions per measure.

Thus, IPARD is programmed to reach the following specific objectives:

- Improving the technological and market infrastructure of commercial agricultural holdings and food processing industry aimed at increased added value of agro-food products and achieved compliance with EU quality, health, food safety and environmental standards;
- Improved quality of life of the rural population, increased income and creation of new employment opportunities;

The corresponding priority development areas of the IPARD Programme are as follows:

**a. Priority axis 1: Improving market efficiency and implementation of the Community standards**

This axis in its spectrum covers activities in the primary production and processing industry.

Measures implemented under this priority axis are as follows:

- Measure 101 “Investments in agricultural holdings to restructure and to upgrade to Community standards”, and
- Measure 103 “Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards”

**b. Priority axis 3: Development of the Rural Economy**

The priority axis 3 puts its main focus on the investing in development and diversification of economic activities in rural areas, assisting the rural population in



building on and off-farm economic activities, creating additional income sources and job opportunities. From this axis the following measure is being implemented:

- Measure 302 “Diversification and development of rural economic activities”

In addition to the above measures, the IPARD also envisages the possibility to introduce other areas of intervention such as support to producer groups under Priority axis 1, preparatory actions for the implementation of agri-environmental measures and development of local development strategies, similar to the LEADER approach under Priority axis 2, and improvement in training and investments in rural infrastructure as measure options under Priority axis 3.

After a long process of preparation, in September 2015, measure 501 was accredited. This measure is aimed to support the implementation of the Programme in terms of technical activities (publication, visibility, monitoring, etc.). For this measure there is a separate point in this report.

Change to the amount of funds by axis and measure is made with the seventh modification of the Programme. This modification, encompasses changes of the financial tables, including the de-commitment for 2014 and increase of the co-financing rate for projects to be implemented in the areas that were affected by the floods in spring 2015. With the seventh modification, the percentage of IPARD funds in an investment that will be implemented in areas affected by floods is increased from 50% to 75%, and also community funds increased from 75% to 85%. This modification applies for the public call 02/2014 and all public calls until the end of the Programme. The current status of allocation by axes and measures is presented in the following table.

**Table 2: Financial allocation by axes and measures**

Axis/Measure	TPE	Private funds	Total investments
(1)	(2)	(3)	(4=2+3)
<b>Priority Axis 1 - Improving market efficiency and implementation of Community standards</b>	<b>39.086.204</b>	<b>36.653.058</b>	<b>75.739.262</b>
M101: Investment in agricultural holdings	20.110.147	17.677.001	37.787.148
-in the areas affected by floods	3.649.718	1.216.572	4.866.290
-In the areas not affected by floods	16.460.429	16.460.429	32.920.858
M103: Investments in processing and marketing of agricultural and fishery products	18.976.057	18.976.057	37.952.114
<b>Priority Axis 3 - Development of rural economy</b>	<b>3.594.544</b>	<b>3.594.544</b>	<b>7.189.088</b>
M302: Diversification and development of rural economic activities	3.594.544	3.594.544	7.189.088
<b>Measure 501: Technical Assistance</b>	<b>272.500</b>	<b>0</b>	<b>272.500</b>
<b>Total</b>	<b>42.953.248</b>	<b>40.247.602</b>	<b>83.200.850</b>

Source: IPARD Programme 2007-2013

Since the start of the IPARD Programme on the all 12 public calls, in the Agency total 3087 applications have arrived. Until 31.12.2015 of the total 3087 applications, 810 contacts are concluded, 1015 are rejected, 452 are paid and 105 are cancelled.

**Table 3: Overview of submitted, contracted and paid applications per measure**

Measures	Processed				
	Submitted	Rejected	Approved	Cancelled	Paid
M101	2532	656	725	75	424
M103	193	111	57	21	25
M302	362	248	28	9	3
<b>Total</b>	<b>3087</b>	<b>1015</b>	<b>810</b>	<b>105</b>	<b>452</b>

Source: Monitoring system,(cumulative 2015)

In the last five public calls the number of applications per public call have drastically increased, i.e. 80% out of all submitted applications are at those five calls, but as we will see in further analysis, this relates only to Measure 101.

**Table 4: Applications per public call**

Public call	Submitted	Approved	Cancelled	Paid
01/2009	133	27	8	19
01/2010	112	36	13	23
01/2011	74	40	28	12
02/2011	60	23	11	12
03/2011	92	27	7	20
01/2012	67	14	2	12
02/2012	61	11	2	9
01/2013	401	173	13	155
01/2014	394	213	16	154
02/2014	439	243	5	36
01/2015	833	3	0	0
02/2015	421	0	0	0
<b>Total</b>	<b>3087</b>	<b>810</b>	<b>105</b>	<b>452</b>

Source: Monitoring system (cumulative 2014)

During the initial check for completeness and eligibility of applications, Agency accepted 2072 applications. Out of those applications, 26.2% are already approved.

**Table 5: Application's quality indicators**

Total number of applications submitted	3087
Number of signed contracts	810
Number of paid contracts	452
Number of cancelled contracts	105
Number of on-going contracts	253
% of approved applications (approved / submitted)	26,2%
% of termination of the contracts (terminated / approved)	12,9%
% of paid projects (paid / (approved-terminated))	64,1 %

Source: Data provided by the Monitoring system (2015)



## 2.2 Implementation data for 2015

In terms of implementation of the IPARD Program 2007-2013, in 2015 IPARD Agency signed 439 contracts for co-financing of investments in the amount of 5.261.304€.

From Public Call 01/2014, IPARD Agency signed contracts for 186 applications of the measure 101 in the amount of 1.297.469 € and 7 contracts for application of the measure 302 in the amount of 465.259 €.

From public call 02/2014 IPARD Agency signed contracts for 229 applications of the measure 101 in the amount of 1.841.183 €, 6 contracts for application of the measure 103 in the amount of 331.569 €, and 8 contracts for application of the measure 302 in the amount of 612.344 €.

From public call 01/2015 IPARD Agency signed 1 contract under measure 101 in the amount of 198.406 €, and 2 contracts for application of the measure 103 in the amount of 515.073 €,

Most of the signed contracts are for purchase of equipment and machinery which have short term period for implementation of the investment.

The most common reasons for annexes to contracts in 2015 were change of the type/model of goods which are a part of the investment and change of the supplier.

During year 2015, the IPARD Agency received 308 claims for payment which were processed or are still processing in the current year. IPARD Agency approved 193 claims for payment received in 2015 and 84 received in 2014, 8 claims for payment were rejected and 8 contracts were cancelled.

Also, in the year 2015, the Agency has issued 2 decisions for recovery of funds.

The total approved amount for payment in 2015 is 2.428.329,00€. This amount includes claims for payment which are submitted in 2014 and paid in the year 2015.

### 1. Received claims for payment in 2015

- for Measure 101 by public calls: 13/01=7, 14/01 = 166, 14/02=124
- For measure 103 by public call: 14/01=2, 14/02=6
- for Measure 302 by public calls: 13/01=1, 14/01=1 14/02=1

### 2. Approved claims for payment in 2015:

- for Measure 101 by public calls: 13/01=85, 14/01=153, 14/02=35
- for Measure 103 by public calls: 14/02= 1
- for Measure 302 by public calls: 13/01=2, 14/01 =1

### 3. Total approved amount for payment:

- for Measure 101 by public calls: 13/01=848.291,37 €; 14/01=1.185.754,12 €, 14/02=231.243,69 €.



- for Measure 103 by public calls: 14/02=57.500,01 €.
- for Measure 302 by public calls: 13/01=96.137,04 €; 14/01=9.402,78 €.

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In total: 2.428.329,00€

## 2.3 Qualitative analysis of progress per priority axes and measures

### PRIORITY AXIS 1

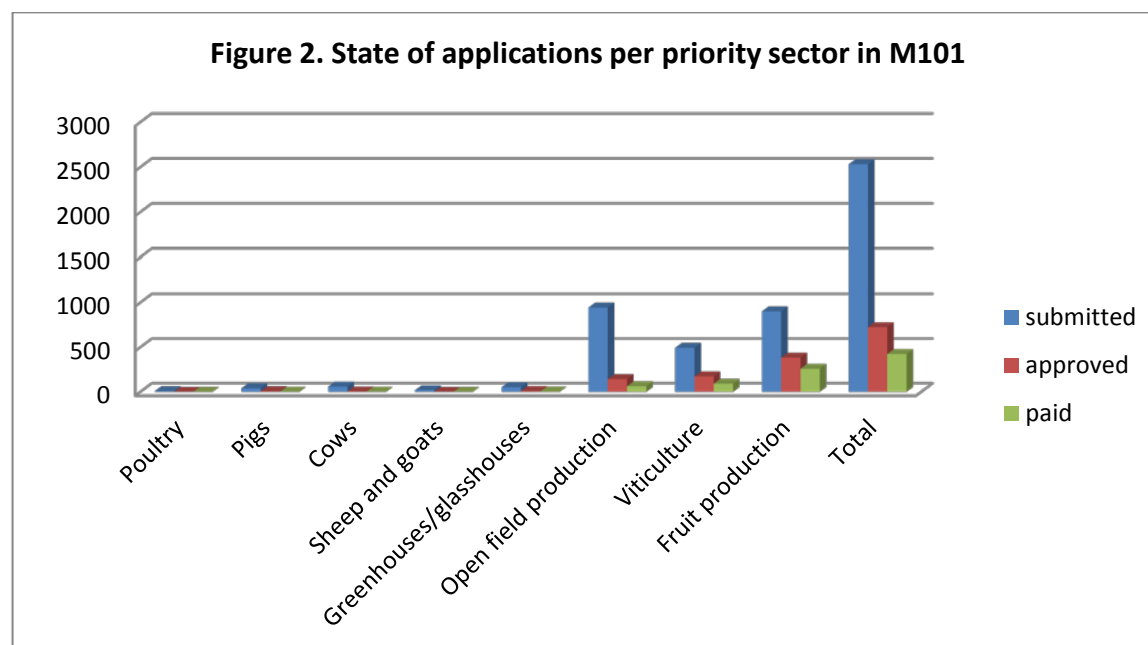
#### 2.3.1 MEASURE 101 – Investments in agricultural holdings

**Measure budget: €20.110.147**

The measure is intended for investments in primary production, with ultimate goal of modernizing it, achieving European standards to improve competitiveness and reduce costs per unit, which would result in increased profitability.

From all submitted applications on all public calls, 2532 are for Measure 101, out of which 666 are rejected applications. 725 contracts are concluded, while 1141 application are still in process of approval. 424 contracts have been realized and paid, 75 terminated, and 226 contracts are still on-going.

Out of total applications submitted under this measure the majority or 2036 applications were submitted for crop sector i.e. horticulture, viticulture and orchards sectors.



Source: Data provided by the Monitoring system (2015)

**Table 7: Detailed data on applications per priority sector in M101**

Sector	submitted	rejected	approved	paid	terminated	ongoing	To be processed
Poultry	8	8	0	0	0	0	0
Pigs	41	23	7	2	5	0	11
Cows	60	44	5	3	1	1	11
Sheep	12	8	1	0	1	0	3
Goats	6	5	0	0	0	0	1
Greenhouses	49	31	9	5	4	0	9
Glasshouses	5	4	1	0	0	1	0
Open field production	944	127	144	63	7	74	673
Viticulture	460	124	163	92	17	54	173
Fruit production	902	276	384	259	39	86	242
Table grapes	34	5	11	0	1	10	18
No type of production indicated	11	11	0	0	0	0	0
<b>Total</b>	<b>2532</b>	<b>666</b>	<b>725</b>	<b>424</b>	<b>75</b>	<b>226</b>	<b>1141</b>

Source: Data obtained from Monitoring system (2015)

The rate of approval (approved / submitted) in measure 101 is 28.6%. Please note that this percentage takes into account also the applications submitted on the last two calls 01/2015 and 02/2015 (which were in process of approval during the report preparation). If we take in consideration only the public calls that have been realized (finished contracting) the approval rate is 52%.

Out of all contracted, 10.3% or 75 % are terminated, by the applicants themselves or by the Agency. Most of them (24) did not apply for payment of funds. MA contacted 12 of them for who had contact addresses and requested information on the reasons for not submitting a request for payment. Five of them have informed that did not have the pre-financing. For four investments, IPARD Agency found out that the suppliers had issued and inappropriate documents (unsigned receipts, invoices, etc.) and because of that, the contractor could not submit a request for payment. From one investment, the process of legalization was not completed and two of them did not conduct in accordance with the investment contract due to failure of the contractor. Eleven (out of 75) submitted untimely request for payment, 10 applicants did not respect the agreement, 8 did not implement the investment, 6 applications were incomplete regarding the request for a supplement and in 7 irregularities had been found in respect of the three offers. Three started the investment before signing the contract, two of them did not reach the standards, one was a debtor on the basis of taxes and at two collision of interests was determined.



**Table 8: Indicators of quality applications for Measure 101**

Total number of submitted applications	2532
Number of approved contracts	725
Number of paid contracts	424
Number of terminated contracts	75
Number of current contracts	226
% approval of applications (approved / submitted)	28.6%
% of termination of contracts (terminated / approved)	10.3%
% of payment of contracts (paid / (approved-terminated))	65.2 %

Source: Data obtained from Monitoring system (2015)

Starting from 01/2013 announcement, the number of applications is increasing drastically as a result of the fourth modification and introduction of tractors and tillers in the measure, so in the last five calls, 2211 applications have been submitted, out of which 1415 are for tractors). Still, the remaining 796 submitted applications for other types of investments in these five calls are nearly double from the 321 applications, submitted in the previous seven calls when tractors were not supported by the Program. **We can conclude that beside for tractors, the general interest for this Measure has increased.**

**Table 9: Overview of the implementation of M 101 per public call**

	Public call	Received requests	Approved contracts	Paid contracts	Terminated contracts	Ongoing contracts
1	01/2009	58	15	10	5	0
2	01/2010	67	25	18	7	0
3	01/2011	39	24	9	15	0
4	02/2011	30	16	8	8	0
5	03/2011	52	25	19	6	0
6	01/2012	34	11	10	1	0
7	02/2012	41	10	9	1	0
8	01/2013	334	167	153	12	2
9	01/2014	347	202	153	15	34
10	02/2014	388	229	35	5	189
11	01/2015	789	1	0	0	1
12	02/2015	353	0	0	0	0
	total	2532	725	424	75	226

Source: Data obtained from Monitoring system (2015)

The increased number of submitted applications leads to an increased number of applications approved, but also the quality of the applications has improved so in public call 01/2013 the approval rate is 50% in 01/2014 is 58% and in public call 02/2014, 59% of all applications have been resulted in contracts for IPARD co-financing.



In terms of output indicators in relation to the sectors for this measure, the results are satisfactory only in the number of applications received, i.e. 93.7 percent of the envisaged quota is fulfilled. The other indicators show low satisfactory results, 33.5% are approved and paid 19.6 percent. Total amount of 725 investments that were approved at the end of 2015 amounts is 14.477.441 € or 38.3%.

**Table 10: Output indicators M101**

Indicators	Goal	2015	% of realization
Received applications	2700	2532	93.7%
Approved applications	2160	725	33.5%
Number of supported holdings	2160	424	19.6%
Number of supported entities in flooded areas	350	0	0%
Total amount of investment	37.8 мил.€	14.5 mil. €	38.3%

Source: Data obtained from Monitoring system (2015)

Percentages of realization that have to be shown by determining the specific indicators for achieving improvements in viticulture and fruit by comparing the total area covered by the aid and intended purpose will be subject in the future. Current data surfaces are graded into groups (Table 10) and the number of supported entities in each group.

**Table 11: Specific indicators by projects paid M101**

Indicator	goals	2015
Number of reconstructed vineyards	0,5-5 ha	approximately.5%
	5-10 ha	
	10-20 ha	
Number of reconstructed orchards	0,5-5 ha	App... 2%
	5-10 ha	
	10-20 ha	
Number of constructed / reconstructed fixed greenhouses	0,3-1 ha	App.30%
	1-3 ha	
Market share of constructed / reconstructed greenhouses in the total area under glass	App. 5%	0%
Market share of projects, including post-harvest activities in the total number of projects under Measure 101	App.8%	0
Participation of assisted farms that have introduced improved animal welfare the total number of livestock holdings in the priority sector	App.4%	5
Participation of assisted farms that have improved hygiene requirements of milk in accordance with the requirements of the Community of the total number of cattle livestock holdings - dairy cows, sheep or goats	app.4%	3
Participation of assisted farms that have improved practices for manure storage on the farm of the total number of livestock farms - cattle, sheep, goats, pigs and poultry	App. 4%	N/A
Participation of young farmers in the total number of assisted farmers	app.18%	188/424= 44,3%
The participation of women in the total number of assisted farmers	App.15%	206/424=48,5%
Participation of assisted farms which are located in mountain areas in the total number of supported farms	App. 15%	N/A

Source: IPARD program and data monitoring system, MAFWE, SSO, 2105



Analyses show that we can be satisfied with the percentage of supported young farmers, i.e. 44.34% of the paid projects are managed by them. The same results are observed in achieving the goal in supporting women farmers. Out of 424, almost half (48, 6%) or in total 206 completed projects are realized by women.

### 2.3.2 MEASURE 103 – Investments in processing and marketing

**Measure budget: €18.976.057**

The measure aims to improve conditions for the processing and marketing of agricultural products and to fulfil EU requirements on hygiene, food safety, quality, environment, animal welfare etc. The support under this measure is also designed to enhance the performance of production of agro-food in terms of quality standards through rationalization of installed capacity, their efficient use and to eliminate the defects in the supply chain that are manifested in specific markets.

Specific goals of this measure:

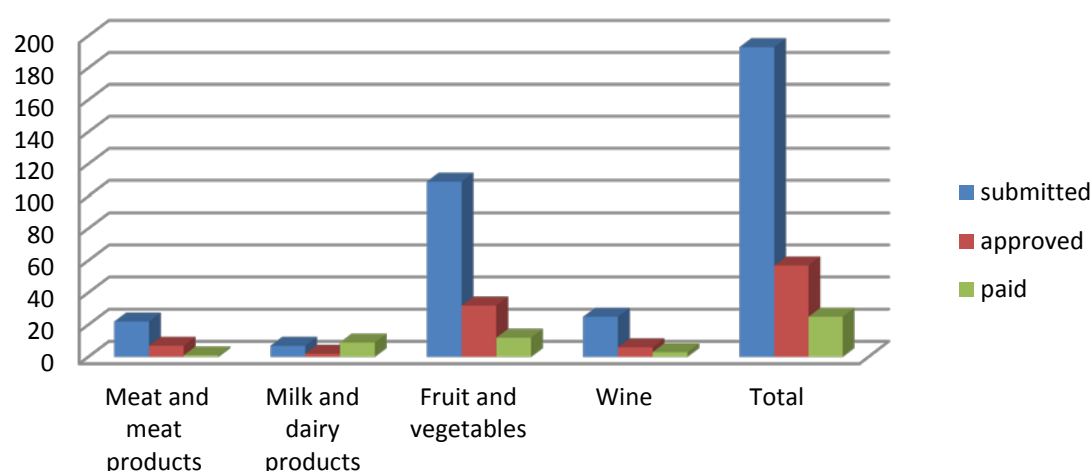
- ✓ To promote focused investment to strengthen the supply chain of dairy products and sub-sector fruits and vegetables through the establishment or modernization of local collection networks, facilities for receiving, storing, storage, sorting and packaging of agricultural products.
- ✓ To contribute the improvement and optimization of production flows, processing and marketing of agricultural products, in terms of investment in the modernization of existing production technology to improve product quality, marketing products and improve environmental standards
- ✓ Promotion of investments for the modernization of certain operations in slaughterhouses and Wine Sector for investment in the modernization of technological lines and equipment for systems of quality control.
- ✓ investment in direction of harmonizing standards with the standards of the European Union as an investment for environmental protection

Out of the total applications received, 193 applications were submitted for Measure 103 out of which 169 applications were processed, resulting that 57 contracts were signed; 21 contracts were canceled and 25 contracts are paid.

Sectors to which is directed support under this measure are: wine, fruit and vegetables, dairy and meat processing. Out of the total processed application under M103 (169), more than half are intended for investment in the sector of fruits and vegetables (109).



Figure 3. State of applications per priority sector in M103



Source: Data provided by the Monitoring system (2015)

Table 12: Qualitative analysis per priority sector in M103

Sector		submitted	rejected	approved	paid	terminated	ongoing	to be processed
Meat and slaughterhouses		22	11	7	1	3	3	4
Milk	Collection centers	7	5	2	2	0	0	0
	processing	26	13	10	7	1	2	3
Fruit and vegetables	Collection centres	70	42	13	1	10	2	15
	processing	39	20	19	11	6	2	0
Wine		25	17	6	3	1	2	2
No type		4	4	0	0	0	0	0
Total		193	112	57	25	21	11	24

Source: Data provided by the system, monitoring (2015)

In this measure we can note a large percentage of low-quality applications so that 112 applications (58.1%) did not meet the requirements for eligibility or were incomplete. The rate of approval (approved / submitted) in the measure 103 is 29.5%. Please note that this percentage relates to all applications received. If we take in consideration only the finished public calls (excluding public calls 01/2015 and 02/2015), the approval rate is slightly increased to 34%. The concerning element in this measure is also the termination of contracts, namely out of all contracts, 36.8% are terminated by the applicants themselves or by the Agency. The terminations of contracts were due to: 9 irregularities in the offers, 5 did not apply for payment (financial and infrastructure problems), 5 did not respect the contract or purchased second-hand equipment, 2 contracts are mutually terminated, 2 started the investment before signing a contract, one user has cancelled the investment because of inability to deliver the Annex for changing the supplier and one user untimely submitted request for payment.



	Public call	Received requests	Approved contracts	Paid contracts	Terminated contracts	Ongoing contracts
1	01/2009	41	11	9	2	0
2	01/2010	25	11	5	6	0
3	01/2011	13	9	3	6	0
4	02/2011	11	6	4	2	0
5	03/2011	14	2	1	1	0
6	01/2012	15	3	2	1	0
7	02/2012	6	1	0	1	0
8	01/2013	14	2	0	1	1
9	01/2014	12	4	0	1	3
10	02/2014	16	6	1	0	5
11	01/2015	11	2	0	0	2
12	02/2015	15	0	0	0	0
	Total	193	57	25	21	11

Dynamic of the applications observed by public calls has not improved compared with the first two calls at the start of the program. After these two calls, where 66 applications were received, or one third of the total, interest for applications is reduced and varies from 11 to 16 applications per call, and the least applications have been received in the public call 02/2012, only 6. This is reflected in the number of approved and paid projects, 22 are approved and 14 paid in the first two calls, and after that are reduced, so there are calls where neither project has been paid.

**Table 14: Review of the implementation of Measure 103 per Calls**

	Public call	Received requests	Approved contracts	Paid contracts	Terminated contracts	Ongoing contracts
1	01/2009	41	11	9	2	0
2	01/2010	25	11	5	6	0
3	01/2011	13	9	3	6	0
4	02/2011	11	6	4	2	0
5	03/2011	14	2	1	1	0
6	01/2012	15	3	2	1	0
7	02/2012	6	1	0	1	0
8	01/2013	14	2	0	1	1
9	01/2014	12	4	0	1	3
10	02/2014	16	6	1	0	5
11	01/2015	11	2	0	0	2
12	02/2015	15	0	0	0	0
	Total	193	57	25	21	11

Source: Data provided by the Monitoring system(2015)

**Table 13: Indicators of quality of applications Measure 103**

Total number of submitted requests	193
Number of approved contracts	57
Number of paid contracts	25



Number of terminated contracts	21
Number of ongoing contracts	11
% on approval of applications (approved / submitted)	29,5%
% on the termination of contracts (terminated / approved)	36,8%
% on payment of contracts (paid / (approved-terminated))	69,4%

Source: Data provided by the Monitoring system(2015)

In terms of goals, satisfying is only the number of applications received which is exceeded for three applications. Realization of other goals is far from expected. Just over a third of the anticipated number of applications for approval was approved and only 14.7% of the envisaged support for enterprises is realized.

**Table 15: Output indicators for M 103**

Indicator	Goal	2015	% of implementation
Received applications	190	193	101.5
Approved applications	170	57	33.5
Supported companies	170	25	14.7
Total amount of the investment	37.9 Mio. €	14.1Mio. €	37.2%

Source: Data provided by the Monitoring system(2015)

**Table 16: Specific indicators by paid projects M103:**

Indicators	Goal	2015
Modernized enterprises of the total number of registered enterprises in priority sectors covered by this measure	approx. 80%	24 of 540 registered operators with food (4, 4%)
Reconstructed slaughterhouses comply with Community standards out of the registered slaughterhouses	approx. 90%	1 of 21 registered slaughterhouses (4,7%)
Supported manufacturers of dairy products to improve the hygiene of the production out of the total number of registered manufacturers of dairy	approx. 70%	9 of 80 registered producers of milk and milk products

Source: Data provided by the Monitoring system(2015)

Analysis of the implementation based on paid projects shows that the target on improving hygiene in the dairy industry in line with Community requirements of the total number of registered dairy enterprises was conducted with 11.3%. Only 4.4% of registered food producers have used funds from this measure.

## PRIORITY AXIS 3

### 2.3.3 MEASURE 302 – Diversification of rural economy

**Measure budget: € 3.594.544**

The main objective of this measure is to contribute to creating new jobs and maintaining existing jobs through the development of micro-businesses, which will raise the level of economic activity in rural areas.



Assistance under these activities is also to achieve improved quality of life in general in the rural areas

Specific goals of Measure 302 are:

- ✓ Support of additional sources of sustainable income for farms by promoting specific and specialized value-added products
- ✓ To preserve and develop traditional crafts
- ✓ To maintain agricultural activities in rural areas through the provision of specific services
- ✓ To maintain and implement activities that are specific to rural tourism

Priority sectors of agriculture for support under this measure are investments for creation and development of micro and small economic businesses in rural areas related to food processing, as well as activities that are not related to food production, introducing new alternative activities in farming, providing agricultural services, crafts and rural tourism. The measure supports investments only in rural areas.

Out of total applications received, 362 applications were submitted for measure 302, 114 requests were processed which resulted with 28 contracts. Three contracts were paid and 9 were terminated.

More than 76% of applications are related to non-agricultural sectors and rural tourism activities (278).

**Table 17: Qualitative analysis per priority sector in M302**

Sector	Submitted	Rejected	Approved	Paid	Cancelled	Ongoing	In process
Non-agricultural activities	136	92	13	3	4	6	31
Crafts	33	14	7	0	4	3	12
Agriculture services	2	0	0	0	0		2
Alternatively Agriculture	34	16	3	0	0	3	15
Rural tourism	142	111	5	0	1	4	26
Without type	15	15	0	0	0	0	0
<b>Total</b>	<b>362</b>	<b>248</b>	<b>28</b>	<b>3</b>	<b>9</b>	<b>16</b>	<b>86</b>

Source: Data provided by the Monitoring system(2015)

Results from this measure indicate that things have moved from the "dead point", but the situation is far from being satisfactory.

**Table 18: Quality of applications M 302**

Total number of submitted applications	362



Number of approved contracts	28
Number of paid contracts	3
Number of terminated contracts	9
Number of ongoing contracts	16
% on approval of applications (approved / submitted)	7.7%
% of the termination of contracts (terminated / approved)	32,1%
% payment of contracts (paid / (approved-terminated))	15,7%

Source: Data provided by the Monitoring system(2015)

More than a third of the concluded contracts are terminated.

Reasons for termination of contracts are:

- 6 violated the rule of three offers
- 1 equipment differs from that in the contract
- 1 can not prove ownership of the land
- 1 has not submitted a request for payment

**Table 19: Overview of the implementation of M 302 per public call**

	Public call	Received requests	Approved contracts	Paid contracts	Terminated contacts	Ongoing contracts
1	01/2009	34	1	0	1	0
2	01/2010	20	0	0	0	0
3	01/2011	22	7	0	7	0
4	02/2011	19	1	0	1	0
5	03/2011	26	0	0	0	0
6	01/2012	18	0	0	0	0
7	02/2012	14	0	0	0	0
8	01/2013	53	4	2	0	2
9	01/2014	35	7	1	0	6
10	02/2014	35	8	0	0	8
11	01/2015	33	0	0	0	0
12	02/2015	53	0	0	0	0
	<b>Total</b>	<b>362</b>	<b>28</b>	<b>3</b>	<b>9</b>	<b>16</b>

Source: Data provided by the Monitoring system(2015)

From the table above we can notice that the interest of applicants during the public calls is constant, but the quality of applications is very low.

Achieving the objectives in terms of common EU indicators for monitoring in Measure 302 is achieved only in terms of "number of applications received," where the goal is exceeded. But in terms of approval and implementation of pay agreements, the rate is well below the target.

**Table 20: Output indicators M302**

Indicator	Goal	2015	% of implementation
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<b>Total number of received applications (per sectors)</b>	<b>229</b>	<b>362</b>	<b>158</b>
(3021) Establishing and upgrading of non-agricultural productive activities in rural areas	63	169	<b>268</b>
(3022) Diversification of agricultural income	23	34	147
(3023) Provision of agricultural services in rural areas	10	2	20
(3024) Promoting rural tourism activities in rural areas	133	142	106
<b>The total number of approved applications (by sector)</b>	<b>95</b>	<b>28</b>	<b>29.5</b>
(3021) Establishing and upgrading of non-agricultural productive activities in rural areas	35	20	57
(3022) Diversification of agricultural income	12	3	25
(3023) Provision of agricultural services in rural areas	5	0	0
(3024) Promoting rural tourism activities in rural areas	43	5	11.6
<b>The total number of users (by sector)</b>	<b>95</b>	<b>3</b>	<b>3.1</b>
(3021) Establishing and upgrading of non-agricultural productive activities in rural areas	35	3	8.5
(3022) Diversification of agricultural income	12	0	0
(3023) Provision of agricultural services in rural areas	5	0	0
(3024) Promoting rural tourism activities in rural areas	43	0	0
<b>The total amount of investment, in million €</b>	<b>7.2 €</b>	<b>3.9€</b>	<b>54</b>

Source: Data provided by the Monitoring system(2015)

In terms of specific indicators we can only say that the target of 52 projects for diversification of economic activities of the farm, there were only 3 (5.7%). However, due to compliance of quality analysis, they are shown in the table below:

**Table 21: Specific indicators by projects paid in M 302**

Measure specific Indicator	Target	2015
Number of new micro-small enterprises established and active in rural areas	95	N/A
Number of projects for diversification of economic farm activities	52	3(5,7%)
Number of new jobs in rural areas	to be monitored	N/A
Number of beds in rural tourism modernised and created	43	N/A

Source: Data provided by the Monitoring system(2015)



## 2.4 Financial costs per measures

The financial allocation by axis and measures has already been shown in Table 2 of this report, in the text that follows will be shown the dynamics of allocation of IPARD funds. Out of the 810 concluded contracts with a total amount of 12.520.952 € of EU funds, even 89.5% are from M 101 (725), but the amounts of the concluded contracts from the M101 and M103 are nearly the same. This is due to the large number of contracts with small sums in the M101. In the M302 are concluded 28 contracts with amount 1.456.758 € EU funds.

**Table 62: Financial implementation of per IPARD priority axis and measures**

(In EUR)

Priority axis	Total public expenditure	EU contribution (75%)					
		Indicative financial plan	Contracted	Cancelled	Paid	% of contracted	% of paid
<b>Priority axis 1</b>	<b>39.086.204</b>	<b>29.679.626</b>	<b>11.064.194</b>	<b>2.844.939</b>	<b>4.725.329</b>	<b>37,2</b>	<b>15,9</b>
Measure 101	20.110.147	15.447.583	5.756.716	1.313.529	2.572.443	37,2	16,6
Measure 103	18.976.057	14.232.043	5.307.478	1.531.410	2.152.887	37,2	15,1
<b>Priority axis 3</b>	<b>3.594.544</b>	<b>2.695.908</b>	<b>1.456.758</b>	<b>338.844</b>	<b>79.155</b>	<b>54.0</b>	<b>2,9</b>
Measure 302	3.594.544	2.695.908	1.456.758	338.844	79.155		
<b>Technical assistance</b>	<b>272.500</b>	<b>218.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>64.156.273</b>	<b>48.229.578</b>	<b>8.574.974</b>	<b>2.998.887</b>	<b>2.983.238</b>	<b>17.7</b>	<b>6.1</b>

Source: Monitoring system (cumulative 2015)

The same situation is regarding the payment of completed contracts. In the M101 are paid 424 contracts with amount 2.572.443 €, while in the M103 was paid 25 contracts with amount 2.152.887 € EU funds. In the M302 we record the first three payments with a total amount of 79.155 € EU funds.

44% of the contracted amount for the M101 and 40% for the M103 are paid.

### Measure 101

In the M101 the average value of payments per project amounts 6.067€.

Out of planned funds, in the fruit sector is noted the largest amount of concluded contracts, even 89%. Out of the total projected funds, 51.8% are already paid. In the other sectors, the results are not satisfactory; the weakest usage has in the milk sector with 10% utilization and the meat sector with 2.1% utilization.

In M 101, out of the total projected funds only 37.2% are concluded and 16.7% are paid.

**Table 23: Implementation of M101 financial targets**

Group of investments		% of the measure 101	EU funds planned	EU funds contracted	EU funds paid	% of budget implementation
<b>1011</b>	Vineyards	20%	3.089.516	1.146.588	488.583	15.8
<b>1012</b>	Orchards	15%	2.317.137	2.068.196	1.201.016	51.8



1013	Vegetable	16%	2.471.613	1.339.890	467.651	18.9
1014	Milk production	22%	3.398.470	671.935	338.875	10.0
1015	Meat Production	23%	3.552.943	530.106	76.318	2.1
1016	Cereals	4%	617.903	0	0	0.0
	Total	100%	15.447.582	5.756.715	2.572.443	16.7

Source: Monitoring system (cumulative 2015)

### Measure 103

In the M103 the average value of payments per project amounts 86.115€.

In the fruit and vegetable sector results may be satisfactory i.e. the amount of signed contracts is 86.1% of the allocations and 38.6% of it is paid off.

**Table 74: Implementation of M103 financial targets**

Group of investments		% of the measure 101	EU funds planned	EU funds contracted	EU funds paid	% of budget implementation
1031	Wine production	18%	2.561.767	683.312	121.843	4.8
1032	Fruit and vegetables processing	29%	4.127.293	3.556.164	1.594.242	38.6
1033	Milk and dairy	22%	3.131.050	533.173	290.608	9.3
1034	Meat processing	31%	4.411.933	534.829	146.194	3.3
	Total	100%	14.232.043	5.307.478	2.152.887	15.1

Source: Monitoring system (cumulative 2015)

In the other sectors, the results are extremely unsatisfactory. Total in this measure, only 15.1% of the funds are paid.

### Measure 302

In the M302, this year the first three projects are paid, with an average value of 26.385 €.

**Table 258: Implementation of M302 financial targets**

Group of investments	% of the measure 101	EU funds planned	EU funds contracted	EU funds paid	% of budget implementation
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3021	Establishment and upgrade of non-agriculture production activities in rural areas	41%	1.105.323	975.713	79.155	7,1
3022	Diversification of agriculture income	4%	107.835	95.964	0	0
3023	Provision of agriculture services in rural areas	7%	188.714		0	0
3024	Promoting rural tourism activities in rural areas	48%	1.294.036	385.080	0	0
	<b>Total</b>	<b>100%</b>	<b>2.695.908</b>	<b>1.456.757</b>	<b>79.155</b>	<b>2,9</b>

Source: Monitoring system (cumulative 2015)

The three projects that have been paid, in value of 79.155 € EU funds, are at sub measure "Establishment and upgrading of non-agricultural productive activities in rural areas", in which there is the largest number of concluded contracts (20) with amount of 975.713€ EU part.

In the rural tourism sector, 5 projects are approved with amount of 385.080€ EU part, but in this sector there is not paid projects.

## 2.5 Financial implementation during 2015

Only in 2015, 439 applicants concluded contracts with Agency, with total amount of 3.945.978€ EU funds. 227 contracts, with total amount of 1.821.247€ EU funds were paid and 30 contracts with amount of 184.896€ EU funds were canceled.

The majority of the canceled contracts (27) is from the measure 101 and has a low average of 4.732 € per project.

**Table 96: Financial implementation of per measures in 2015**

Measures		Contracted		Cancelled		Aid paid	
		Number	EU Contribution	Number	EU contribution	Number	EU Contribution
101	Investment in Agricultural Holdings	416	2.502.793€	27	127.763€	273	1.698.968€
103	Investments in processing and marketing	8	634.982€	3	57.133€	1	43.125€



302	Rural Diversification	5	808.203€	0	0€	3	79.155€
<b>Total</b>		439	3.945.978€	30	184.896€	277	1.821.247€

Source: Monitoring system (cumulative 2015)

In 2015, Agency has published two public calls. Eleventh public call published on 21 March and lasts up to May 5, 2015. In this public call, to the Agency arrived 833 applications, which is the largest number of applications received under public call, with which the applicants plan to invest a total of 19.285.608 €. If all applications will be realized, the EU would co-finance the amount of 7.517.602 €. 789 applications are for M101, 11 for M103 and 33 are for measure 302.

**Table 27 :Review of the public calls 01/2015 and 02/2015**

Measure	No. of applications									Total EU part
	01/2015	02/2015	Total	01/2015			02/2015			
				Total investment	IPARD funds	EU part	Total investment	IPARD funds	EU part	
M101	789	353	1142	14,670,832	7,796,081	5,847,061	6,783,315	3,607,703	2,705,777	8,552,838
M103	11	15	26	1,499,598	669,799	502,349	3,484,001	1,742,000	1,306,500	1,808,849
M302	33	53	86	3,115,178	1,557,589	1,168,192	4,396,664	2,198,671	1,649,003	2,817,195
Total	833	421	1254	19.285.608	10.023.469	7.517.602	14.663.980	7.548.374	5.661.281	13.178.883

Source: Monitoring system (cumulative 2015)

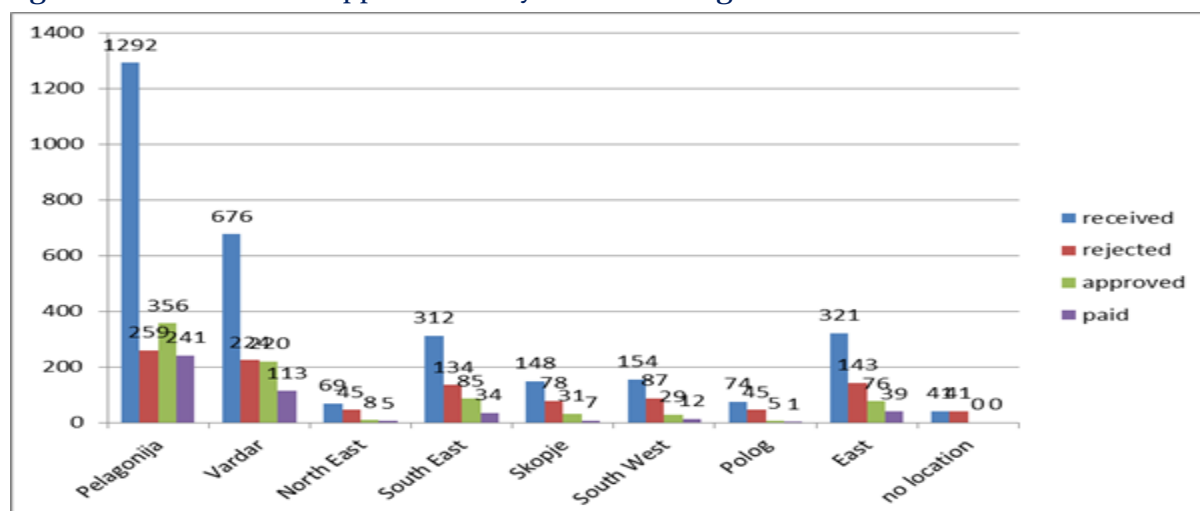
Total requested EU funds are 13,178,883€, out of which 64,9% are for M101.

## 2.6 Geographical analysis

Geographic analysis for the IPARD program and support for regional development of the Republic of Macedonia is made according to statistical regions (NUTS 3) and municipalities.

Most of the total submitted requests coming from the Pelagonia region (1292), followed by the Vardar region (676), East (321) and Southeast (312). The Pelagonia region has the highest number of approved applications (356), followed by the Vardar (220), the Southeast (85) and the East (76).

**Figure 4: Review of the applications by statistical regions**

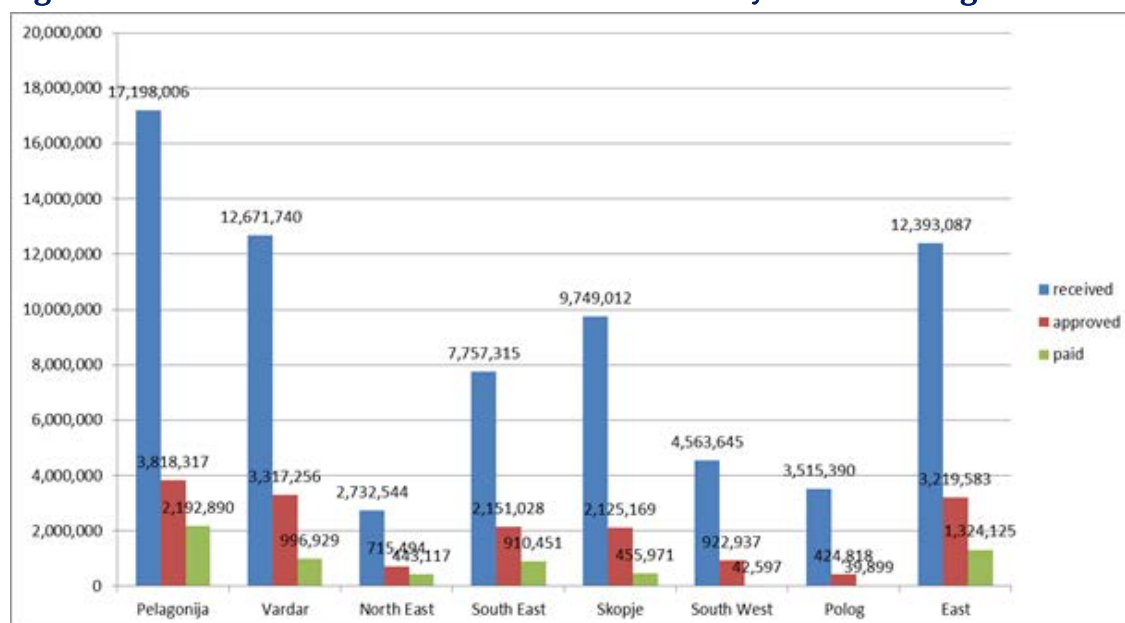


Source: Monitoring system, 2015 (Geographical data)



The ratio between the submitted and approved applications (approval rate) is the highest in the Vardar region (32.5%), followed by the Pelagonia region (27.6%), the Southeast (27.2%) and the Eastern (23.7%). These are all regions with the most modern agricultural production.

**Figure 5: Review of the allocation of IPARD funds by statistical regions in EUR**



Source: Monitoring system, 2015 (Geographical data)

The highest amount is paid in the Pelagonia region, 2,192,890€ TPE (241 projects), followed by the East region with 1,324,125€ TPE (39 projects), the Vardar Region with 113 paid projects and total amount of 996,929 € TPE and Southeast with 910,451€ TPE.

If we compare the number of projects and amount of funds paid in one region, can be seen that the average amount of projects is higher in the East region than in the Pelagonia region where 202 projects has more. Average amount per projects in the Pelagonia region is 9.099€, while in the East region that amount is 33.951€. But the highest average amount per project is in the Northeastern region where the 5 projects were paid € 443,117 or an average of 88.623 € per project.

The dynamics of the "movement" of applications approved and paid projects is shown in the table below. The interest and success of the projects is highest in municipalities that are dominated orchards and vineyards.

**Table 28: Geographical – quality analysis by municipalities**

Municipality	M101			M103			M302			Total		
	Submitted	Approved	Paid	Submitted	Approved	Paid	Submitted	Approved	Paid	Submitted	Approved	Paid
Resen	404	234	179	8	1	1	14	1	1	426	236	181
Bitola	255	34	21	8	0	0	24	1	0	287	35	21
Mogila	268	18	9	0	0	0	2	0	0	270	18	9
Negotino	145	59	32	5	0	0	5	0	0	155	59	32
Kavadarci	127	45	27	12	5	1	5	0	0	144	50	28
Veles	84	22	13	6	0	0	11	1	0	101	23	13
Prilep	84	25	14	9	6	1	7	1	0	100	32	15
Rosoman	80	28	14	1	0	0	2	0	0	83	28	14
Krivogastani	66	20	7	2	0	0	0	0	0	68	20	7
Gradsko	63	24	12	5	1	1	5	2	0	73	27	13
Sv.Nikole	49	16	3	7	2	0	2	0	0	58	18	3
Delcevo	43	13	6	2	2	1	11	1	0	56	16	7
Gevgelija	38	13	6	14	4	2	4	1	0	56	18	8
Strumica	35	10	1	10	4	2	1	0	0	46	14	3
Valandovo	33	9	3	6	1	1	0	0	0	39	10	4
Shtip	33	11	8	6	3	3	4	0	0	43	14	11
Ohrid	32	9	6	4	1	0	10	0	0	46	10	6
Bosilevo	31	8	5	0	0	0	0	0	0	31	8	5
Vinica	31	6	4	0	0	0	9	0	0	40	6	4
Debarca	28	9	3	0	0	0	4	1	0	32	10	3
Radovish	32	8	3	5	2	0	12	1	0	49	11	3
Karbinci	26	11	4	4	1	1	3	0	0	33	12	5
Struga	19	3	1	2	1	0	6	0	0	27	4	1
Bogdanci	15	4	4	5	3	2	0	0	0	20	7	6
Berovo	28	5	3	1	0	0	11	1	0	40	6	3
Gazi Baba	24	7	2	5	2	0	8	1	0	37	10	2
Ilinden	8	1	0	2	0	0	7	1	1	17	2	1
Kochani	24	5	0	4	1	0	5	1	1	33	7	1

Source: Monitoring system, 2015 (Geographical data)



As in the previous period, Resen municipality is far ahead of all the rest, but compared to previous periods, when the difference with other municipalities was up to 4 times, now it is reduced. According to the analysis that MA made, the percentage share of Resen projects in the total number of approved projects as of 31.12.2014 amounted up to 40.9%, while a year later this figure was reduced to 29.1%. Also there is a reduction in Resen paid projects, from 57.7% in 2014 to 40,0% in 2015.

This analysis is presented in order to highlight that there is a quality improvement of applications in other municipalities. In Kavadarci, Veles, Prilep the number of applications has been doubled, while in Biota it is 4 times higher. The biggest difference has been noted in the Mogila municipality; where in 2014 have been submitted 18 applications, while 270 applications are submitted at the end of 2015.

According to the planned value of investments, investors from Bitola plan to invest 6.312.001€, which have been suggested by investing through 287 submitted requests, or an average of 21.993 € per project, what is twice more than the average of Resen's projects. This two municipality are followed by Mogila with total amount of 3,317,653€ for investment, Kavadarci, Gevgelija and etc.

In terms to contracted amount, the biggest value is concluded in Resen municipality, followed by Kavadarci and Prilep where the requested sum is not so big as in the other municipality, however one-third of the requested amount has been contacted for the realization (table 28). Resembl is the situation in Gazi Baba, Sveti Nikole, where 38,7% out of requested funds were concluded.

Improvement has been noted in terms of the approved requests. In terms of approved larger projects in M103, we report that in Kavadarci has been signed 5 contracts, worth 751.224€, in Gazi Baba has been signed 2 projects in amount of 500.507€, 2 in Delcevo valued at 494.669 €, and three in Stip with a sum of 385 548 which are paid. Improvements has been noted in M302 where we have the first payments on three projects; by one in Resen, Ilinden and Kocani with total amount € 105,540

The highest amount has been paid to Resen's beneficiaries, where was paid 1,042,795€. 493,602€ was paid in Stip for 3 projects, out of which 384.773 € are in measure 103. Followed by Bitola, Prilep, Karbinici and Valandovo. Valandovo realized three smaller projects and one project which is paid € 256,346 what is the largest amount paid per project.



**Table 29: Geographical – financial analysis per municipality**

	TPE M101			TPE M103			TPE M302			TPE		
	Submitted	Approved	Paid	Submitted	Approved	Paid	Submitted	Approved	Paid	Submitted	Approved	Paid
Resen	2,704,765	1,321,494	960,598	1,033,368	74,898	67,197	927,676	15,001	15,000	4,665,808	1,411,393	1,042,795
Bitola	3,667,715	567,583	400,222	1,115,122	0	0	1,529,164	82,010	0	6,312,001	649,594	400,222
Mogila	3,299,589	532,386	270,888	0	0	0	18,064	0	0	3,317,653	532,386	270,888
Shtip	1,798,566	155,327	108,829	787,390	385,548	384,773	92,607	0	0	2,678,564	540,875	493,602
Karbinci	1,235,364	496,562	100,779	691,020	198,003	197,750	44,004	0	0	1,970,388	694,565	298,529
Veles	1,247,796	500,995	79,966	327,715	0	0	402,775	29,305	0	1,978,286	530,300	79,966
Vinica	985,341	348,185	27,726	0	0	0	688,172	0	0	1,673,513	348,185	27,726
Sv.Nikole	921,447	281,435	41,849	718,290	430,617	0	200,028	0	0	1,839,765	712,052	41,849
Novaci	915,847	61,016	27,086	0	0	0	78,156	0	0	994,003	61,016	27,086
Kavadarci	764,028	351,440	210,075	1,891,475	751,224	15,628	487,600	0	0	3,143,104	1,102,664	225,703
Valandovo	524,223	61,616	22,569	1,203,697	267,837	256,346	0	0	0	1,727,920	329,453	278,915
Negotino	704,707	309,730	181,360	350,659	0	0	228,296	0	0	1,283,663	309,730	181,360
Prilep	775,698	239,405	110,137	1,099,055	524,127	241,972	557,744	60,747	0	2,432,497	824,279	352,109
Gradsko	669,929	167,636	87,402	1,593,969	43,294	43,291	142,250	109,717	0	2,406,148	320,647	130,693
Delchevo	524,160	132,869	27,624	529,893	494,669	249,092	817,459	7,573	0	1,871,511	635,111	276,716
Rosoman	408,991	157,353	54,968	15,704	0	0	383,105	0	0	807,800	157,353	54,968
Gazi Baba	312,075	115,521	28,988	549,107	500,507	0	1,717,260	172,078	0	2,578,442	788,106	28,988
Radovish	392,145	52,703	19,588	360,263	175,873	0	625,249	26,582	0	1,377,657	255,158	19,588
Krivogashtani	513,572	142,290	63,518	808,327	0	0	0	0	0	1,321,899	142,290	63,518
Gevgelija	467,913	104,185	37,524	2,236,791	283,188	93,657	164,823	53,360	0	2,869,526	440,733	131,182
Berovo	309,648	118,828	94,985	27,881	0	0	821,681	86,125	0	1,159,210	204,953	94,985
Strumica	299,554	111,254	13,651	744,559	242,225	109,005	6,919	0	0	1,051,033	353,480	122,656
Struga	460,366	215,847	2,616	253,136	61,502	0	237,198	0	0	950,699	277,349	2,616
Bosilevo	233,761	83,159	43,879	0	0	0				233,761	83,159	43,879
Vasilevo	387,878	315,035	61,672	59,433	58,861	57,500	88,618	0	0	535,929	373,896	119,172
Bogdanci	102,299	34,367	33,888	148,568	140,851	118,772				250,867	175,218	152,660
Debarca	170,777	63,942	10,866	0	0	0	131,736	9,329	0	302,513	73,271	10,866
Ohrid	142,779	38,073	21,913	338,429	20,010	0	192,341	0	0	673,549	58,083	21,913
Ilinden	310,391	3,709	0	509,963	0	0	455,367	82,008	81,137	1,275,721	85,717	81,137
Kochani	179,071	30,732	0	441,889	31,275	0	169,822	9,429	9,403	790,782	71,436	9,403

Source: Monitoring system, 2015 (Geographical data)



## **SECTION 3: Activities of Quality Assurance and Implementation Effectiveness**

### **3.1 Monitoring, Programming and Evaluation**

#### **3.1.1 Monitoring and data collection**

In compliance with the responsibilities undertaken from the Implementing Agreement between the MA and the IPARD Agency, the IPARD Agency reported on regular basis about the execution of IPARD Programme. The exchange of data is done through the Monitoring and evaluation tables for IPARD Programme as well as with other prepared reports upon request of MA, which consisted data that were not included in the Tables but were relevant for the execution of the Programme.

In 2015, the IPARD Agency with the defined deadline and on a regular basis delivered to the MA the monitoring tables for implementation of the IPARD Program which include information for physical and financial indicators, reports from the performed controls, identified irregularities and additional requests for reports, defined in the Implementing Agreement.

The collection of the data and preparation of reports was maintained manually in excel.

During 2015, IPARD Agency record all transactions, parallel in excel and SAP software and in the manual forms as well. As soon as we are convinced that all reports generated through the SAP are true and accurate, SAP software will be used as only tool for accounting in IPARD Agency and all financial indicators will be withdrawn from the system.

The Managing Authority and the Monitoring Committee monitor the efficiency and quality of IPARD Programme implementation.

#### **3.1.2 Programme modifications**

So far, seven modifications of the IPARD Programme have been approved by the EC. The last, 7th modification of the IPARD Programme 2007- 2013 has been approved with Commission Decision C(2015)9330 from 11.12.2015.

The seventh modification contains:

- Adjustment of the financial plan of the IPARD Programme due to de-commitment of € 15,636,043.62 from the budget allocation for 2011, as in accordance with Article 36 of the Sectoral Agreement .
- Incorporation of provisions of the Article 57 and Article 34 (2) of the Sectoral Agreement as to apply higher co-financing rate to IPARD beneficiaries with



investments on the territory of the flood affected municipalities of Republic of Macedonia.

- Other modifications for streamlining and simplification of implementation of measures in the programme to ensure their effectiveness.

### 3.1.3 Evaluation activities

What was missing in a longer period of implementation of the Programme and was one of the major audit findings, was establishing of a Steering Committee for monitoring and evaluation (SCME IPARD). Finally on 27.10.2015, in accordance with internal procedures for work of MA, the first meeting of the Steering Committee for monitoring and evaluation of the IPARD Program 2007-2013 was held on, which members of SCME IPARD adopted rules of procedure. SCME IPARD members are representatives of relevant institutions involved in the creation, implementation or are closely related to the implementation and social and economic partners or end beneficiaries of funds.

SCME IPARD has a mandate to:

1. To give a critical review or peer review of the evaluation plan of the IPARD program;
2. Makes analysis and proposes actions to improve the monitoring and evaluation of the IPARD Programme;
3. Consider the ongoing evaluation reports and supporting independent appraiser if necessary;
4. Establishes and provides full access to information for the evaluator;
5. Other relevant issues related to the efficient and effective functioning of the monitoring and evaluation of the IPARD Programme;
6. Provides methodological validity and reliability of the conclusions of the assessment;
7. Intercept if not established appropriate communication and publicity of the evaluation reports by the MA.

On the meeting besides the adoption of the rules of procedure members gave their view of the program, its implementation and highlighted some of the main downside faced by beneficiaries both in terms of gathering extensive documentation, problems with urban and cadastral documentation and in quality advisory services and the need for active involvement of social partners economic partners in development activities to improve absorption

### 3.1.4 The use of Technical Assistance

Following the long process for preparation of accreditation of the measure and national accreditation by NAO, on 15<sup>th</sup> of September the Commission issued the Decision for conferring powers relating to the technical assistance measure under Component V (Rural Development) of the Instrument for Pre-Accession Assistance (IPA).

The Action Plan for the operations envisaged under the Technical Assistance measure (APTA) for 2016 was adopted by the IPARD Monitoring Committee by written procedure on 4<sup>th</sup> of February 2016. The planning document envisaged the following activities for 2016:



1. Organization of meetings of IPARD Monitoring Committee,
2. Organization of events for publicity and information campaign of the IPARD Programme 2007-2013,
3. Release of publication dedicated to IPARD Programme 2007-2013 good practices and
4. Design and maintenance of IPARD Programme web site.

The on 17<sup>th</sup> meeting of the IPARD monitoring Committee held in February 2016 was organized using the support of the measure. Claim for payment for this activity was timely submitted to the IPARD Agency.

### 3.1.5 IPARD Programme 2014-2020

IPARD Programme 2014-2020 was adopted by Commission Decision br.C (2015) 760 of 13.02.2015 for the adoption a Programme for agriculture and rural development under the IPA II for the period 2014-2020. "

Adopted IPARD Programme 2014-2020 includes the following measures:

- o Measure "Investments in physical assets in agricultural holdings;
- o Measure "Investments in physical assets in the processing and marketing of agricultural and fishery products";
- o Measure "Investments in rural public infrastructure";
- o Measure "Diversification of farm and business development";
- o Measure "Technical Assistance".

Other available IPARD measures will be included in the program at a later stage.

The current IPA project "Introduction of new IPARD measures (Leader and advisory services) to be implemented under IPARD II", with support from staff in the MA is working on preparation of project fiches for measure a leader and advisory services establishment of the National rural network.

In line with the working tasks of the project, measures should be ready by mid-2016.

On 24/07/2015, the NAO has sent an official request to grant a right of management of budget (re-accreditation) for concrete measures of the Rural Development Programme 2014-2020 of the Republic of Macedonia under the Instrument for Pre-Accession Assistance (IPA II) to the General Directorate of Agriculture and Rural development (Ref: no. 10-8454 / 1).

A request for re-accreditation applies to the following IPARD measures:

- o Measure "Investments in physical assets in agricultural holdings;
- o Measure "Investments in physical assets in the processing and marketing of agricultural and fishery products";
- o Measure "Diversification of farm and business development";
- o Measure "Technical Assistance".



The official response to the EC request for a preliminary re - accreditation is received on 18.1.2016 by letter no. PRE / 2015/007 / for Request for being entrusted with budget implementation tasks for the specific measures under the IPARD Programme 2014-2020, No.(2016) 249476. The answer contains findings and recommendations related to the submitted package for re-accreditation, based on which IPARD structure and NF should act accordingly and revise the relevant procedures and documents. The revised package with an official request for assignment of tasks for implementing the budget must was submitted to EC by NAO on 25.05. 2016.

## 3.2 Encountered problems in implementation and activities undertaken

### 3.2.1 Identified factors for low absorption

Despite improvement in the increase of the number of applications as well as the uptake of the funds, the absorption still remains low. In 2015 the following probmes/obstacles have been identified as relevant for impeding the implementation of the IPARD Programme 2007-2013

- lack of pre-financing;
- potential beneficiaries are insufficiently informed about the details of IPARD Programme support ( especially on M302);
- unresolved status concerning building permits;
- weak Natonal Advisory Service to provide the necessary assistance to the potential beneficiaris;
- underdeveloped consulting market for providing services of preparing project documentation (filling-in forms, drawing up business plans);
- long time approval/payment process in the Paying Agency

### 3.2.2 Undertaken activities for improvement of absorption of IPARD funds and

In order to address some of the above-mentioned factors/obstacles for low absorption, the following activities have been realized

#### ***- Establishment of a guarantee fund in cooperation with United States Agency for International Development (USAID)***

As ne of the reasons for the low utilization of IPARD funds is the inability of farmers/potential beneficiaries to provide the necessary pre-financing for investment and to provide adequate colateral for loans the Government of Republic of Macedonia and USAID supported the creation of a partial credit guarantee using of the Development Credit Authority USAID ("DCA activity"). This guarantee scheme will provide up to 50% guarantee on a loan to the bank and will operate in the next 10 years; loans totaling US \$ 20 million should be distributed through this fund. Guarantee Fund is



primarily intended for IPARD users, but will be available for all kinds of capital investments for modernization and improvement of the agricultural sector and small businesses in rural areas. In December 2015, ProCredit Bank started issuing loans through the guarantee mechanism. Stopanska Banka - Bitola and Commercial Bank will start approving loans through the Guarantee Fund no later than July 2016.

***- Financial instrument for subsidizing interest rates on loans for IPARD investments.***

In the national Programme for Financial support for rural development for 2015 and 2016 is provided a measure to subsidize interest rates on loans, exclusively for IPARD investments. This national measure is applicable for loans from all commercial banks, and the subsidizing is up to 50% of the interest rate which cannot be higher than 8%.

***-information/publicity***

In 2015 the informative days have increased compared to 2014, and some activities on better promotion of measure 302 was undertaken, but this should be further improved and the inclusion of branch offices of MAFWE as contact point for basic information on IPARD as well further involvement of NEA advisors should be strengthened. Also the high number of applications received on the public calls 01/2015 and 02/2015 was because of the political importance that was given to IPARD by the Minister for Agriculture, Forestry and Water Economy. The Minister himself have promoted IPARD funds through media in more than 100 appearances as well as through a numerous working meetings that were held with representatives from different sectors ( goat and sheep rearing, milk producers, beekeepers, milling industry, fruit and vegetable processing industry, etc).

***-Improvement of the quality of the IPARD applications.***

In May 2015, with Ministerial Decision working group was established consisting of representatives from the regional units of the MAFWE and NEA (in total of 83 members). The roles and responsibilities of the working group are to identify potential beneficiaries and to establish closer cooperation with AFSARD and NEA, and to help potential users in the application process for IPARD funds. The first round of working group meetings at the regional level was organized. This working group had the activities before the last public call 02/2015 thus the result from this public call would be an indicator whether the activities of this working group has been successful.

IPA TAIB project fiche is prepared for "Support for the preparation and implementation of IPA 5th component(IPARD II) beyond 2013 - IPARD 'helpdesks" This project is intended for assistance of preparation of applications to the potential beneficiaries under measure 101 as well as measure "Rural Infrastructure" and will be implemented for the IPARD Programming period 2014-2020.

***- Lengthy procedures for approval in the Paying Agency***



In 2015 as the IPARD Programme 2014-2020 was adopted and AFSARD accordingly made changes in the internal procedures and the control lists according to new programme. One of the most significant changes for the new programming period *is that* the Agency as much as possible of the required documentation will obtain through ex officio, which would enable to shorten the application procedure for completing the applications i.e. to shorten the procedure for approving the applications. Further simplification of the procedures of AFSARD as well as establishment of standard costs is needed.

### ***-Legalization of agricultural buildings***

Working group has been established comprised of members from MAFWE and the Ministry of Transport and Communication and changes to the “Law on legalization of illegal buildings” were proposed in order that the agricultural buildings can be a subject of legalization too. The proposed changes on this law have been adopted in Official gazette of Republic of Macedonia No 31. From 22.02.2016. With this change all previous agricultural buildings that were on construction land and were not recognized by the law, can be a subject to legalization. The farmers were invited to submit the requests for legalization until the end of March 2016.

### **3.2.3 Analysis of reasons for rejection of applications**

At the time of preparing the report, the Managing Authority in cooperation with the IPARD Agency and assistance from an EU TWINNING PROJECT MK 11/IPA/AG/01/15) conducted an analysis on the reasons for rejection of IPARD applications. The analysis is conducted for public calls: 01/2013, 01/2014, 02/2014 for all three measures.

According to analysis, approximately half of applications under measures 101, 103 and 302 (54% in 2013, 51% and 43% in 2014) were rejected. Primary reason of rejection was incompleteness (29% in 2013 and in first call in 2014, 30% in second call in 2014). Percentages of rejected applications of specific measures are following: around 50% for M101, 30% for M103 and more than 80% in measure 302 in all three calls .

The number of rejected payment claim and terminated contracts for allocation of funds is small (53 out of 350 in total), but it is significant that in 35 of total 53 cases beneficiaries did not submit payment claim, presumably because of lack of funds for financing the investments. The other reasons (5 cases where investment was started before signing for the contract and 13 other reasons (country of origin of equipment, second hand equipment, failure to reach proscribed capacity) are few and do not present significant problem.

Generally both analysis showing three basic problems:

- 1) Completion of applications;
- 2) Eligibility of applications;
- 3) Lack of funds for completion of investments.



Table 6. The percentage of rejections in measures 101, 103 and 302

Measure	Call	Sub-measures **	Amount of application	% incomplete*	% not eligible*	Total % rejected*
101	01 2013	7	335	28	20	48
	01 2014	7	347	25	21	46
	02 2014	6	403	29	10	38
	Total		1 085	27	16	44
103	01 2013	5	14	21	50	71
	01 2014	5	12	25	42	67
	02 2014	5	16	19	38	56
	Total		42	21	43	64
302	01 2013	6	52	40	50	90
	01 2014	5	35	66	23	89
	02 2014	6	34	53	35	88
	Total		121	51	38	89
	Total		1 248	29%	19%	49%

\*rounded percentages

\*\*Dominant sub-measures:

101: 50% orchards + 25% open field vegetables + 22% vineyards + 3% 4 other sectors

302: 33 % small scale food production + 33% rural tourism

#### **Reasons for rejections due to incompleteness:**

The analysis show long lists of required documents missing. In many cases more than 1 document is missing or incomplete (e.g. figures missing in Business plan).

In all measures many documents missing are 'official' documents like:

- Copy of cadasterplan
- Construction permits
- Proof of ownership
- Property sheet





- Proof of education

Furthermore often the following documents are missing or incomplete:

- Bids/offers
- Business plan
- Application form
- List of employees

For measure 101 a list of most missing documents shows the next documents:

- Draft technical project/technical project proposal
- Unsettled liabilities towards MAFWE
- Bid/contract/invoice- general costs
- Copy of cadaster plan
- Land lease agreement
- Application form
- Property sheet

The lists are too diverse to give a top 5 list for the M 103 and M 302.

The details of the frequency of the documents that are not submitted or inappropriate documents were submitted in respect of incompleteness per measure are presented in Annex 1 of this report.

### **Reasons for rejections due to non-eligibility:**

The most mentioned reasons for the 3 measures are:

101:

- By far the most mentioned reason is the fact that the applicant is a debtor to MAFWE and/or several public funds.
- The suppliers (offers) are not independant
- Total of eligible costs is below minimum
- The proposed investment is not economically justified in the Business plan or Draft Technical Project

103: reasons are diverse, but most mentioned is the fact that the applicant is not eligible because not classified as small or medium enterprise

302 (first call):

- Applicant has renounced application
- Seat of applicant is not registered in rural area
- Land/facility is not owned by applicant and located in rural area



- Capacity of investment exceeds the maximum capacity of 70 persons (tourism)

Remarks:

- the table of reasons for non eligibility also mentions in quite a few cases that applicants have renounced their applications or have not submitted payment claims (is not eligibility).

In 302 the mentioned reasons are only found in the first call (01/2013). The other calls don't show dominant reasons for rejection.

### **3.3.3 Status and activities undertaken by the NAO and NF to improve the functioning of the system**

Since the adoption of the Commission Decision for conferral of management power for the V<sup>th</sup> IPA Component, granted by the Commission on 18<sup>th</sup> December 2009, the NAO regularly monitors the functioning of the management and control system, in order to improve the implementation of the IPARD Programme and the absorption of the funds. Also continuous efforts are made to develop adequate structural solutions to strengthen the NAO's oversight role and management capability.

The status and activities undertaken by the IPARD Structures for improving the functioning of the system for fully decentralized implementation are presented in following part.

#### **Verification Visit**

According to the Annual Verification Visit Plan for 2015, four verification visits were planned and performed. Therefore, the Annual Plan was fully realised. The verification visits performed during 2015 over the IPARD operating structure aimed to ensure that the processes for which the institutions are responsible are being properly carried out and to assess whether effective management and control systems were permanently functioning.

#### **Verification visit performed in IPARD Agency**

According to the Annual Verification Visit plan for 2015 two verification visits were performed over the IPARD Agency in the period July – December 2015.

First verification visit was performed aiming to conduct monitoring over the Operating structure regarding the continuous fulfilment of the accreditation criteria. The goal of the Verification visit was to assess whether the Operating structure, for IPA Component V (Managing Authority and AFSRAD), are fulfilling the conditions/requirements set out in Annex B (Internal control framework) of the Framework Agreement for IPA 2 and the additional criteria stipulated in the Sectoral Agreement for IPARD 2. Detailed description of the findings and state, as outcome from this verification visit, is presented in the Request for entrustment of the budget implementation tasks for specific measures within the Programme for rural development (2014-2020), submitted with letter number 10-8454/1 as of 27<sup>th</sup> of July 2015.



Second verification visit over the IPARD Agency was performed on a project level on the paid projects for costs that need to be declared to the Commission for the third quarter for 2015. The goal of this verification visit was to supervise the management and control system, to ensure that the management and control systems are functioning on effective and efficient manner, as well as to confirm that the payments made toward final beneficiaries are in accordance with the prescribed rules for using the IPARD funds.

Total number of the projects checked during this verification visit was 4 projects out of 92 paid or in absolute number were checked in total 7.448.220, 00 EUR out of 39.860.614, 00 EUR paid or representing 18, 70% in the phase before payment for quarter III of 2015. Detailed description of the findings and recommendations as outcome from this verification visit is presented in the Report No. 10-10499/3 dated from 20<sup>th</sup> January 2016. NAO/MS will continue closely to monitor the progress of undertaken corrective activities by the IPARD Agency.

### **Statement of Assurance**

According to the Article 17 of the Framework Agreement and Article 27 of Sectoral Agreement, the National Authorising Officer made an Annual Management Declaration, which take the form of a Statement of Assurance for 2015 which was submitted to EC on 26.02.2016.

### **Financial management**

Regarding the financial management of IPA Funds, the activities were regularly performed during the period from 01<sup>th</sup> January 2015 to 31<sup>st</sup> December 2015 according to the regulations and adopted procedures. Each 23<sup>th</sup> working day after the end of the month, IPARD Agency prepares and submits to IPA funds management Department, Cash flow forecast for the three coming months. During the period the national co-financing for the IPARD Projects was properly provided.

Measure	Executed payments - IPA contribution in Euros					
	2011	2012	2013	2014	2015	Total
Measure 101	272.141,90	183.339,62	107.997,23	309.999,24	1,698,936.38	2,572,414.37
Measure 103	738.499,18	1.004.812,67	366.476,57	0,00	43,125.01	2,152,913.43
Measure 302	0,00	0,00	0,00	0,00	79,154.85	79,154.85
Measure 501	0,00	0,00	0,00	0,00	0.00	0,00
<b>Total</b>	1.010.641,08	1.188.152,29	474.473.80	309.999.24	1,821,216.24	4,804,482.65

The transactions made were properly recorded in the accounting system of IPA funds management Department and IPARD Agency.

Declaration of Expenditures that serve as Payment Applications were submitted for the first, second and third quarter of 2015 and for the fourth quarter of 2014. The Payment applications were submitted with the following deadlines and amounts:



Declaration of expenditure	Date of sending DoE to EC	Payment in €		Recoveries in €		Payment request
		Public expenditure	IPARD	Public expenditure	IPARD	
Q4 2014	30.01.2015	250.645.84	187.984.38	795.03	596.31	187.388.07
Q1 2015	28.04.2015	316.060,97	237.045,73	0.00	0.00	237.045,73
Q2 2015	28.07.2015	498,912.36	374,184.27	0.00	0.00	374,184.27
Q3 2016	27.10.2015	647,007.78	485,255.84	60.41	45.31	485,210.52
<b>Total</b>		1,712,626.95	1,284,470.22	855.44	641.62	1,283,828.59

Since 2012, Republic of Macedonia has access to SFC 2007 (System for Fund Management in the European Community 2007 – 2013). Thus, the payment applications were regularly sent through SFC 2007 by National Fund.

From the moment of payment of the pre-financing by the EC to the NF Euro Account the interest on the Community financing was transferred by the National Bank of Republic of Macedonia to the NF account. The interest on the NF Euro account was properly calculated on monthly basis, recorder in the NF accounting system and declared to the Commission with submission of the Payment Application.

Due to the debts against claims that the Commission has on the institutions of the Republic of Macedonia, the offsetting operations were carried out for the part of the amounts payments applications sent to EC. The whole amount that was offset by the Commission has been recovered (principal). Thus, the total amount that is outstanding and should be recovered from the national institutions to NF Euro Account is in the amount of EUR 39.55 lost interest, which would have been generated if the EC funds were transferred on NF IPARD euro account.

During the period from 01<sup>th</sup> January 2015 to 31<sup>st</sup> December 2015, refund of funds from 5 (five) Final Beneficiaries was made in the amount of EUR 627,72 (interest) and EUR 3,855.59 (principal) the funds were transferred to NF Euro Account. Based on the position concerning the IPARD clearance of accounts for the financial years (FY) 2011 and 2012, stated in your letter Ref.Ares (2015) 182718 dated 16<sup>th</sup> January 2015, the IPARD Agency refunded the amount of EUR 173,993.04 on NF IPARD euro account on 28<sup>th</sup> December 2015. Refunded amount is due to financial corrections for the Projects PIVKO STEVO DOOEL (EUR 69,668.67), MARANCO DOOEL (EUR 89.908,28) and financial correction of EUR 14,416.09 for 3 – month deadline for payments to final beneficiaries from the receipt of the supporting documentation for FY 2011 and FY 2012.

Taking into consideration the executed payments for the IPARD projects the de-commitment of funds from budget allocation for 2012 of IPARD Programme is on amount of EUR 16,17 million.

All the transactions made on the NF and IPARD Agency bank accounts were properly recorded on the accounting system of NF and IPARD Agency. From the moment of



payment of the pre-financing by the EC to the NF Euro account the interest on the Community financing was properly calculated on monthly basis and transferred by the National Bank of Republic of Macedonia to the respective NF account.

### 3.4 Audits

#### *(a) Internal Audit*

The IPARD Operating structures were subject of internal audit during the 2015 by the internal audit departments/units established in each institution.

##### National Fund – IPA Funds Management Department

According to the Rulebook for amendment of the Rulebook on Systematisation of Working Posts in Ministry of Finance (No. 01-331/4 dated as of 30<sup>th</sup> January 2015) and the Rulebook for amendment of the Rulebook on Organization and Work in the Ministry of Finance (No. 01-331/3 dated as of 30<sup>th</sup> January 2015) adopted by the Minister of Finance, the Unit for Internal Audit in the Ministry of Finance and Internal Audit of EU – IPA Funds is set-up as a "Department level" function in the Ministry of Finance. With the amendments, the Unit for Internal Audit in the Ministry of Finance and Internal Audit of EU – IPA Funds is separated in two units:

- Unit for Internal Audit in the Ministry of Finance;
- Unit for Internal Audit of EU – IPA Funds.

The abovementioned Units constituting newly created the Department for Internal Audit within the Ministry of Finance.

According to the Annual Plan for Performing Internal Audit for 2015 the Department for Internal Audit within the Ministry of Finance was planned and realized one audit mission within NAO/NF for Processes of the preparation of the Statement of Assurance and monitoring during the second quarter 2015. The Final Report it was issued on 24<sup>th</sup> of June 2015 with letter 23-2656/4.

##### IPARD Agency

Internal Audit Plan in IPARD Agency for 2015 (Ref.no.32-1163/1 dated as of 16<sup>th</sup> February 2015) was prepared and following 9 internal audit missions and activities were planned to be conducted:

- Follow up audit;
- Audit of process of accounting in 2014 regarding IPARD Program 2007-2013
- Audit of project approval and contracting for measure 101 from IPARD Program 2007-2013;
- Audit of before contracting on the spot checks from IPARD Program 2007-2013;
- Audit of the authorization of payments from IPARD Program 2007-2013;
- Audit on the accuracy and completeness of Debtor ledger from IPARD Program 2007-2013;



- Audit of reporting of irregularities;
- Consulting engagement upon preparatory activities for accreditation of the Measure 301 Improvement and development of rural infrastructure;
- Re-performance audit of the first Public call for measure 501 Technical assistance IPARD Program 2007-2013

During 2015 from abovementioned audit missions 7 (seven) Internal Audit audit missions were realised as follows:

- Follow up audit;
- Audit of process of accounting in 2014 regarding IPARD Program 2007-2013
- Audit of project approval and contracting for measure 101 from IPARD Program 2007-2013;
- Audit of before contracting on the spot checks from IPARD Program 2007-2013;
- Audit on the accuracy and completeness of Debtor ledger from IPARD Program 2007-2013;
- Audit of reporting of irregularities;
- Consulting engagement upon preparatory activities for accreditation of the Measure 301 Improvement and development of rural infrastructure.

The following audit mission is in process of execution: Audit of the authorization of payments from IPARD Program 2007-2013.

#### Managing Authority

The Sector for internal audit in the Ministry of Agriculture Forestry and Water Economy is obliged to perform internal audit over the Managing Authority.

According to the Annual Audit Plan for 2015 of the Ministry of agriculture, forestry and water economy envisages two audit missions over the Managing Authority:

- Audit of the activities undertaken for a given audit findings and recommendations in a Sector for IPARD in the period of 2013/2014;
- Audit of the working of Unit for implementation of Technical Assistance of IPARD funds.

From the abovementioned audits the first audit mission was realized in second quarter 2015 and Final Audit report was issued on 10<sup>th</sup> of July 2015 with letter number 09-111/2. The second audit was realized in third quarter 2015, and the final report was issued with letter number 22-1153/1 as of 21<sup>st</sup> of January 2016.

#### ***(b) Audit Authority Reports***

The Annual Audit Activity Report and Annual Audit Opinion for 2015 were issued by AA on 30<sup>th</sup> December 2015. The Audit Authority expressed unqualified opinion. Without qualifying the opinion Audit Authority drawn attention to the findings elaborated in the Report.



The Audit Authority for IPA during July- December 2015 issued the following Final Audit Reports:

- Final Audit Report of the conducted audit mission of operations for 2015 in the IPARD Agency dated as of 23<sup>th</sup> November 2015;
- Final Audit Report for the system audit for 2015 in NAO/NF for IPA Component V – Rural development as of 21<sup>st</sup> of October 2015;
- Final Audit Report for the system audit for 2015 in MA for IPA Component V – Rural development as of 10<sup>th</sup> of November 2015;
- Final Audit Report for the system audit for 2015 in AFSARD for IPA Component V – Rural development as of 9<sup>th</sup> of October 2015.

Regarding the summarized findings and recommendations in the table below, for the follow-up of actions taken per recommendations in the period 01<sup>th</sup> July 2015 – 31<sup>th</sup> December 2015.

**Table 30: Table of summarized findings and recommendations**

Seq. No.	Auditee	No. of findings	No. of recommendations	No. of implemented recommendations	No. of closed findings	Change of rating	No. of Re-issued findings with S/A and A/O	Finding that will be followed with audit of accounts and statement of expenditures for 2015
1.	Managing Authority	5	5	1	1	0	4	0
2.	IPARD Agency	12	12	4	4	1	5	0
3.	NAO/NF	2	2	0	0	0	2	0

### *(c) Commission observations and recommendations*

The Republic of Macedonia is under continuous auditing and monitoring missions assessing the system of management and control of the implementation on the IPARD programme in Republic of Macedonia, by the audit team of the DG Agriculture and Rural Development.

In the course of 2015, DG AGRI did not held monitoring missions in Republic of Macedonia. The communication with DG AGRI was mainly related to the IPARD financial clearance of accounts for 2014, as well as for the accreditation of the Technical Assistance measure.

### **Monitoring of the Administrative Capacities of the Operating Structure**

#### **National Fund – IPA Funds Management Department**

According to the Workload Analysis (WLA) for 2016 the optimal number of employees in NAO/ IPA Funds Management Department is 21 (twenty-one) employees (including NAO). During March 2015, 1 (one) employee has been transferred from the Secretariat for the implementation of the Ohrid Framework Agreement in the Ministry of Finance and



one civil servant was internal transferred in the IPA funds management Department. Currently, the number of employees is 19 (nineteen) (including NAO).

Therefore, additional 2 (two) employees is needed for fulfilling the necessary position - Officer for financial management and Assistant Head of IPA Funds Management Department. Even though one position is managerial, it is not a core control step in the activities and the procedures of the IPA Funds Management Department. This post will contribute to ensuring proper substitution policy and continuation of activities within the Department, as well as improving the management activities in IPA Funds Management Department.

### IPARD Agency

According to the Workload Analysis (WLA) for 2015 the optimal number of employees needed in IPARD Agency is 140.

During the period July 2015 - December 2015, 1 (one) new employee was employed and 1 (one) employee left his working post. Currently the number of employees is 97.

The optimal number is expected to be reached during 2016, through new employments from the public announcements which will be announced during the year or with internal transfers of non IPARD Departments in the IPARD Agency.

### Managing Authority

According to the Workload Analysis (WLA) for 2015 the optimal number of employees needed in Managing Authority was 22. Currently, the number of employees is 15 (including HoMA).

During 2015 one employment was realized, Decision No. 04- 9577/211 of 11/09/2015 one junior associate for programming of IPARD funds was employed in the Unit for programming and evaluation of IPARD funds.. With Decision No. 04- 9577/14, employee from the Unit of Technical assistance, Associate for monitoring of contracts was transferred to the Unit for programming and evaluation of IPARD funds.

Head of Department for management of EU's pre-accession funds for rural development (IPARD) with an official letter (no.30-sl. dated as of 10<sup>th</sup> March 2015) submitted a request to Department for Human Resources at MAFWE for these employments:

- Head of Unit for Technical Assistance of IPARD funds;
- Advisor for monitoring of contracts (2 employees);
- Advisor for technical preparation and implementation of procurement;
- Advisor for publicity and communication.

In the table below are presented the data regarding the human capacities in 2015:

**Table 31: Human capacities 2015**





Institution	Number of staff on 31.12.2014	Number of staff needed as per WLA 2015	Realized new recruitments by 31.12.2015	Promotion of the staff 31.12.2015	Left the position 31.12.2015	Number of current staff 31.12. 2015	Occupancy rate	Turnover rate
NAO/NF	17	21	2	/	0	19	90%	0%
IPARD Agency	100	140	4	/	7	97	69%	7%
Managing Authority	14	22	1	/	0	15	68%	0%
Total	131	183	7	0	7	131	76%	5%

### 3.5 Results of controls per measures and irregularities

#### *On-the-spot controls and identified irregularities*

During 2015 IPARD Agency executed administrative controls to all submitted applications. In addition reasons for rejection of application prior the signing contracts are provided:

#### Completeness:

- the applicant has not submitted a response within 15 days after the received Notification for completing the application;
- the applicant has submitted a response within 15 days after the received Notification for completing the application, but there were some documents missing or the submitted documents were not valid.

#### Eligibility:

- capital/family connection between the suppliers or between supplier and the applicant;
- proportional increase of the prices of the submitted offers (inflated prices in the offers), which indicates that the offers are not issued from independent suppliers;
- proposed investments are not eligible according to the IPARD Programme;
- in the administrative processing of the applications has been found that the choice for the best offer is made before providing the offers, which indicates that the applicant did not respected the procedure for selecting most suitable supplier, and he has first chosen the supplier and then obtained the offers.



During 2015, The Sector for project approval has cancelled nine (9) contracts from measure 101 in total public expenditures of 61.456 € .

Reasons for cancelation of the contract:

- nine (9) contracts from measure 101 has been canceled due to financial inability for realization of the investment.

The Sector for approval of payments in the process of approval of payment claims rejected 8 claims and canceled 21 contracts.

The reasons for rejection of claims/cancelation of contracts:

- thirteen (13) cancelled contracts because of undelivered payment claims
- two (2) claim has been rejected/ cancelled due to determined contempt of deadlines for investment (started realization prior signing the contract);
- six (6) claims have been rejected /cancelled due unaccomplished capacity production and non-eligible documents for proving origin of the investment

IPARD Agency in 2015 issued two (2) Decisions for recovery of fund.

- In one (1) case the reason is overpayment
- In one (1) case administrative mistake

Concerning the recovery of debts in 2015, complete recovery of debt was registered for two (2) debtors.

I. As regarding on-the-spot controls, Sector for on-the-spot Control has carried out in total:

- 579 on-the-spot controls prior approval of which:
  - 554 on-the-spot controls at investments under Measure 101
  - 10 on-the-spot controls at investments under Measure 103
  - 15 on-the-spot controls at investments under Measure 302
- 314 on-the-spot controls prior payment, of which:
  - 310 on-the-spot controls at investments under Measure 101
  - 1 on-the-spot controls at investments under Measure 103
  - 3 on-the-spot controls at investments under Measure 302
- 54 ex-post on-the-spot controls, of which:
  - 51 on-the-spot controls at investments under Measure 101
  - 3 on-the-spot controls at investments under Measure 103



The Sector for on-the-spot control has carried out 5 on-the-spot controls for establishing hidden works during realization of investment

While performing on-the-spot controls before payment at three beneficiaries it was established that the equipment subject of investment is second hand. At one of the beneficiaries second hand tractor was established. Irregularities report have been submitted to the irregularity officer within AFSARD

### 3.6 Work of the IPARD Monitoring Committee

The IPARD Monitoring Committee (MC) has been established in compliance to article 36 of the IPA Framework Agreement by a ministerial Decision No. 02/1602/1 from 6<sup>th</sup> of February 2009. It has 24 members with voting right, including the Chairperson, divided on governmental and non-governmental representatives. Mr. Vanco Kostadinovski is the Chairperson of the MC, designated by the Minister of Agriculture, Forestry and Water Economy with a decision No. 30-7961/1 from 11.09.2014

The MC held two meetings in the reporting period (16<sup>th</sup> and 17<sup>th</sup>).

On the 16<sup>th</sup> meeting held in Skopje on July 2015, the MC adopted the draft minutes of the 15<sup>th</sup> IPARD MC and they adopted conclusions to be implemented by IPARD Agency and MA. Monitoring Committee IPARD obliged Managing Authority, to organize a meeting with representatives from the Ministry of Environment, Food and Veterinary and Association of Farmers, Federation of Farmers, and Union of Farmers in order to clarify the standards that have to be reached pursuant the Law on animal welfare as part of the terms of support from the IPARD Program.

IPARD Monitoring Committee, regarding the proposal of the representative of APE, obligated MA and AFSARD to organize trainings for consultants from APE for preparation of projects under IPARD program for Measure 302. The IPARD Monitoring Committee obliged MA to consult the Commission for Rural Development at Association of Local Government Units and AFSARD, about possible changes to Rural Infrastructure Measure that would result in the preparation of the accreditation package. The conclusions of the 16<sup>th</sup> IPARD Monitoring Committee have been realized by the Managing Authority and the AFSARD and circulated to the members of the IPARD Monitoring Committee.

On the 17<sup>th</sup> meeting held in Skopje on February 2016, the MC adopted the draft minutes of the 16<sup>th</sup> IPARD MC and Annual Communication Plan for 2016. On the meeting the members was informed on the progress made in implementation of the decisions/conclusions from the 16<sup>th</sup> IPARD MC, held on 07<sup>th</sup> of July, 2015., the amendments to the Sectoral Agreement, the operation of the system for management and control, ongoing evaluation of the IPARD 2007- 2013 Programme etc. It was adopted a conclusion who should be implemented by the end of June 2016. IPARD Monitoring Committee oblige IPARD MA to make a detailed analysis of the reasons for rejection of projects by the end of June 2016.



### 3.7 Activities for publicity and information

#### ***Updating the website [www.ipard.gov.mk](http://www.ipard.gov.mk)***

Due to technical problems in updating of the website [www.ipard.gov.mk](http://www.ipard.gov.mk) during 2015, re-design the web page took place. The new web-page has been developed and content was uploaded during the reporting period. The main aim of the re-design is to develop user friendly web-page for the potential beneficiaries and the general public.

#### ***Annual publication of a list of beneficiaries from the IPARD Programme***

The foreseen activity in accordance with the Action Plan for communication and publicity for 2015 for publication of a list of the IPARD Programme beneficiaries was conducted by IPARD Agency, as a responsible body for implementation of this activity. The list of beneficiaries who concluded an agreement with IPARD Agency for allocation of funds from IPARD was published on the website [www.ipard.pa.gov.mk](http://www.ipard.pa.gov.mk).

#### ***Workshops and seminars***

Between 01.02.2015 and 03.04.2015 in cooperation with IPARD Agency, MA organized trainings for NEA advisors in the six regional offices in Skopje, Bitola, Tetovo, Strumica, Stip and Kumanovo. The one day trainings were on practical examples of good applications as well as on preparation of technical project proposal. On 22.07.2015 in MAFWE workshop was held on "Lessons Learned and experience" aimed to mayors within the Twinning Project for Investment in rural infrastructure in which representatives from the MA IPARD had a presentation about the new measure which is an integral part of the IPARD II Programme. In the period of 18-20.11.2015 five representatives of the Managing Authority of EU Pre-Accession Assistance for Rural Development IPARD attended workshops for preparation of Leader measure, organized by the project "Introduction of new IPARD measures to be implemented within the IPARD II".

#### ***IPARD info days***

Regarding the publicity of the IPARD Programme, the MA has organized and participated in 36 information days. Info days were held in August, September, October and December in the following municipalities and towns: Brvenica Chelopek, Bosilovo, Radovis, Konce Podares, Bogdantsi S. Stojakovo, Resen and S.Podmochani Carev Dvor, Valandovo, Dojran, Demir Hisar, and s.Shemshovo Jegunovce, Tearce and Slatina,, Rosoman, Gradsko, Stip, Berovo Delchevo and. Zvegor, Razlovci, Macedonian Kamenica with. Sasa, Lipkovo and s.Orizari, Novices, Krivogashtani, Kavadarci, Kumanovo,



Gevgelija, Kocani, Tetovo, Prilep, Bitola. Info days were organized in cooperation with the NEA, IPARD Agency offices of the Ministry of Agriculture, farmers' associations, municipalities and commercial banks. Participants were informed about IPARD 2007-2013, new IPARD II Programmes as well as the Guarantee Fund. MA representatives in June/ July participated on thematic workshops organized by the National rural network on which the M302 was presented and promoted.

***Appearances on national and local radio and television stations as newspapers and Internet portals***

Multiple areas of the IPARD program, information about it and the possibilities offered were treated as subjects of public shows, print and electronic media. Accordingly, the responsible persons in the IPARD structures as well as the Minister himself participated as well in shows on the National television and on the local television and radio also. Their statements and interviews were published in printed and electronic media. More than 140 such events were recorded during 2015, and a much larger number of texts were published in print and electronic media.

## **4. Conclusions**

In the implementation of IPARD Programme in 2015, there is an improvement on more levels like in the number of applications received, number of contracted projects and EU funds disbursed. Namely the number of applications received on the two calls published in 2015 represent, 40% of all applications received on the all twelve calls. The number of signed contracts for IPARD co-financing increased from 192 in 2014 to 439 signed contracts in 2015. Also the financial implementation has improved, so, if in 2014 the EU funds paid to final beneficiaries were only around 300.000 Euros, in 2015, more than 1,8 million Euros EU funds were disbursed. On the acceptance rate, there is also a positive trend and from the public calls 01/2014 and 02/2014 that have been subject to contracting in 2015, we have so far the highest acceptance rate; 58% of all applications from 01/2014 have resulted in contracts and 59% contracted applications from 02/2015.

Still the overall performance of the programme implementation is not satisfactory and funds are being de-committed

The human resources capacities in the IPARD Agency and the time frame for processing and the applications and the clam for payments remain one of the critical issues. Moreover great numbers of many small applications under M101 are received in the IPARD Agency, and regardless the amount, they have to pass the same check for approvals/ control for payments as a large typical project under M103. But the large typical projects under M103 are remaining to be few and the interest for this measure by the processing industry has not been increased; only 6% of all applications received are for measure 103. And if we compare the M101 and M103 in terms of funds disbursed, in M101 are paid 424 projects with cofinancing amount ( only EU funds) of 2.5 millions of euros and in M103, the co-financing amount paid is 2.1 millions of



Euros for 25 projects. It is clear that the absorption can be drastically improved only with larger projects and greater interest from the processing industry. In M302 we can say there is some very slight improving especially if take in consideration that in the previous years this measure was not implemented or there was only 5.3% acceptance rate and the same has increased to 34% accepted projects. This data however is far from satisfactory.

On a sectoral level of the programme, in the M101 and M103, the fruit and vegetable sectors are dominating in terms of applications/contracts/ payments. The use of budget intended for the milk and the meat sector in both measures is below 10%.

Even though in M101 the rejection rate is decreasing the number of poor quality business plans and a technical project proposal is a significant percentage of the number of rejected applications and further focus should be on NEA and other assistance to the farmers in preparation of the application. Analyses shows that the applicants are still are making errors in collecting bids. Fewer errors related to the rule of "three independent offers," but now the applicants make errors in the documents that are contained in the offer.

The underperformance of M103 is a matter that should be addressed and further analysis on the low interest for using IPARD funds should be performed. For the M302 it was evident that in the previous years the potential beneficiaries were not well informed as usually on the info days the focus was on M101. Some activities on publicity of M302 were already undertaken, but they should be further expanded.

In 2016 the greatest challenge is to make a good preparation for the forthcoming programming period IPARD 2014-2020.

The Managing Authority and the Paying Agency should provide stronger coverage of support with application proposals during the phase of their preparation by making technical (screening) field visits to municipalities. Also as it was recommended by the independent evaluator the Information activities should could be more focused on each subsector, especially the ones that are underrepresented in this programming period, like the milk and meat primary production and processing.

The communication materials – guidelines for beneficiaries, self-assessment kits and adaptations of the documents required according to the regular legal procedures avoiding excess of documentations for IPARD 2014-2020 is crucial if we want better results. Introduction of Simplified Cost Options (flat rate financing, standard scales of unit costs, lump sums) should be also a priority in the implementation of the following IPARD Programme 2014-2020.





## **ANNEX 1: Analysis of reasons for incompleteness per measure**

### **Measure 101**

In measure 101 documents in general, the analysis shows that in 161 cases, the applicant have not provided evidence of settled payments to the MAFWE, 159 requests have been submitted with poor Technical proposal. In 157 applications offers were independent of each other but were provided with incorrect documents (offer, contract, invoice, overheads). The analysis shows that most of the farmers have not resolved legal property rights so in 133 applications, the applicant did not submit a property list and in 132 applications did not provide a copy of the cadastre plan.

In 152 applications, farmers have not submitted evidence of property or lease of the land. Farmers concluded only oral agreement and therefore could not submit the requested document.

In 107 rejected applications, the applicants have not submitted a list or a book of fixed assets. This is not the main reason for rejecting the application, in all 107 such applications other documents were missing.

Regarding the sub measure related documents, which are required by the IPARD Agency, in 49 applications document about the age of the plantation (in grape and fruit plantations) was missing. 47 applicants for drip irrigation have not submitted a sketch of the distribution network for irrigation and 30 had not contracted the delivery of irrigation water. Although investment was unacceptable according to IPARD Programme, 46 applicants have applied and been rejected. In vegetable production, 33 applicants applied but did not submit a plan for crop rotation.

### **Measure 103**

In measure 103, the frequency of general documents which were missing is evenly distributed, but in most applications (25) List of employees was not submitted. 22 applicants have not submitted evidence of settled payments to MAFWE and the same applicants submitted a poor business plan. In terms of the offers, 22 applicants submitted tenders with invalid documents and 16 have not submitted three offers for investments over 10 000 €. In 34 projects there were problems with the banks, 16 applicants have not submitted an extract from a bank account and 18 obtained confirmations of settled liabilities to the relevant bank. 21 applicants did not submit Approval for construction / reconstruction.

In 42 cases, the Agency has determined that the investment which requires assets is unacceptable for investment. 18 investors withdrew the application before signing the contract due to lack of funds and 16 did not fulfill the obligations in the field of safety and health at work.





### Measure 302

In 67 applications, the applicants regarding the offers submitted improper documents and if we add that 43 applications were with inadequate offer, 110 applications were rejected due to lack in offers. 55 applicants submitted poor business plan. In addition, 54 applicants erred in filling the request. Borrowers to MAFWE occur in 46 applications and as many applicants had problem with the purchase of the property certificate. Approval for construction / reconstruction was not acquired by 41 applicants.

In terms of sub measure documents, 34 applicants have not submitted Approved elaborate for environmental protection, one less, or 33 has not reached the standards in the field of safety and health at work. Proof of ownership of the supplier did not provide 32 and 28 have not submitted Shareholder book of enterprise-supplier. 31 applicants did not submit a list with the number of employees, and 27 had no statement on the country of origin of the equipment.

**Table 1: Analysis of the general and documents related to sub-measures M101**

No.	General documents	01/2013	01/2014	02/ 2014	01/2015	Total
1	Application	37	27	15	17	96
2	Identification card or passport	5	5	6	4	20
3	Current company status	4	1	2	3	10
4	Status of individual farmer	18	11	8	3	40
5	Confirmation of full-time employment of the applicant	5	12	2	3	22
6	Work agreement					0
7	Confirmation of exercising the right for the pension	1				1
8	Bank statement of payment of pensions	8				8
9	Confirmation of Family agricultural holding	9	12	4	5	30
10	High school education	36	17	11	9	73
11	Confirmation of registered production facilities	55	24	10	9	98
12	The applicant is not in open bankruptcy proceedings	9	15	13	4	41
13	The applicant is not in process of liquidation	9	15	13	4	41
14	Confirmation of full-time employment	2				2
15	<b>Unpaid payments to the MAFWE</b>	<b>53</b>	<b>47</b>	<b>25</b>	<b>36</b>	<b>161</b>
16	The investment is consistent with LER	33	19	9	14	75
17	<b>Technical project proposal</b>	<b>75</b>	<b>40</b>	<b>23</b>	<b>21</b>	<b>159</b>
18	Book of basic resources	51	23	17	16	107
19	Property list	54	44	18	17	133
20	Possession list	6	4	8		18
21	Lease agreement for land	39	31	10	22	102
22	Treaty for the land concession	21	10	10	12	53
23	Settled liabilities to bank	7	8	7		22
24	<b>Bid / Agreement / Invoice general costs</b>	<b>59</b>	<b>49</b>	<b>27</b>	<b>22</b>	<b>157</b>
25	Bank account rezime	3	3	3	2	11
26	<b>Three offers</b>	<b>24</b>	<b>5</b>	<b>11</b>	<b>17</b>	<b>57</b>
27	A copy of the cadastral plan	63	32	18	19	132
28	Unpaid payments to the PRO	21	33	18	14	86
29	Business plan				3	3
30	Geodetic report	21	12	8	4	45



	Documents related to sub-measure					
31	Certificate for the registration in the National Register of Vineyards	5	1	8		14
32	Plan/scheme of distribution irrigation network	14	7	21	5	47
33	Right to selling seedlings and planting material	2	5	3		10
34	Permit for the construction / reconstruction / adaptation / upgrade	3	3	4	3	13
36	Fulfillment of obligations in the sphere of safety and health at work	9	5	3	4	21
37	A / B integrated environmental permit	4	5	9	2	20
38	Reviewed project documents -copy	2	8	3		13
39	Irrigation water contract	6	9	15		30
40	Investment under 3000 Euro	12		3		15
41	Minutes of the age of variety	24	16	7	2	49
42	User withdraws due to lack of funds	5	5	6	7	23
43	Larger area than 50ha	1		4		5
44	The application has been reached after the deadline	3	1	3		7
45	An unacceptable investment	2	20	13	11	46
46	Minutes for introduction into possession	2	1	6		9
47	Minimum surface	5	5	1		11
48	Country of origin	2	12	11	5	30
50	Two requirements for the same investment	1				1
51	Terminated contracts due to delayed submission of the request for payment		8			8
52	Crop rotation plan	5	8	9	11	33

Source: Analysis of MA 2015

**Table 2: Analysis of the general and documents related to sub-measures in M103**

No.	General documents	01/2013	01/2014	02/ 2014	01/2015	Total
1	Application		9	8	3	20
2	Identification card or passport		7	7	3	17
3	Confirmation of full-time employment of the applicant		9	7	3	19
4	Confirmation that the applicant is a registered VAT payer			8	3	11
5	Current company status		9	8	3	20
6	The company is not in open bankruptcy proceedings		7	7	3	17
7	The company is not in process of liquidation		7	7	3	17
8	Unpaid payments to the PRO		9	8	3	20
9	Property list		7	8	4	19
10	Lease agreement for the facility for at least 5 years (Equipment) or 10g. (Construction)		7	7	3	17
11	Concession contract facility of at least 5 years (equipment) or 10g. (Construction)		6	8	3	17
12	List of employees	7	9	9	3	21
13	Business plan	6	9	7	3	19
14	Book of basic resources		10	7	3	20
15	Approval / Decision for performing activities		7	6	3	16
16	Confirmation related to LED		9	5	3	17
17	Rationale for the project's contribution to LED			7	3	10



18	Unpaid payments to the MAFWE	6	8	8	3	19
19	Minutes for Safety and Health at Work		7	7	3	17
20	A Certificate for training food hygiene and environmental protection			7	3	10
21	<b>Bid / Contract / Invoice</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>3</b>	<b>18</b>
22	<b>Three bids for items over 10,000 euros</b>		<b>9</b>	<b>7</b>	<b>3</b>	<b>19</b>
23	Bank account rezime		9	7	3	19
24	Confirmation for settled liabilities to the relevant bank		9	9	3	21
25	Confirmation of the ownership structure and activity of foreign suppliers	6		7	3	10
26	Approval for construction / reconstruction / adaptation / upgrade	6	8	7	3	18
27	Certificate of registration in the Register of producers of wine		6	7		13
28	Decision for approved an elaborate		7			7
29	A / B integrated environmental permit		8		3	11
30	Submitted request for A / B integrated environmental permit		8		3	11
	<b>documents related to sub-measures</b>					
31	Decision for approved elaborate / study on environmental protection				3	3
32	Fulfillment of obligations in the field of safety and health at work		6	10	3	19
33	Action plan for reaching Community standards				3	3
34	Pre - contracts with agricultural producers			8		8
35	Treaties for ransom with agricultural producers			7		7
36	Certificate for Environmental Protection, health and animal welfare, and work safety	6			3	9
37	A lower number of employees	6				6
38	Lack of funds	7	6	5		18
39	Value larger than the maximum	6				6
40	Unacceptable investment	10	7	13	2	32
41	The application has been reached by the deadline	6				6

Source: Analysis of MA 2015

**Table 3: Analysis of the general and documents related to sub-measures M302**

No.	General documents	01/2013	01/2014	02/2014	01/2015	Total
1	Application	10	16	14	14	54
2	Identification card or passport	3	7	4	6	20
3	Current company status	4	9	9	5	27
4	Decision for the status of farmer	1				1
5	Confirmation of full-time employment of the applicant	3	13			16
6	Confirmation that the applicant is not employed			9	7	16
7	Decision or certificate of achievement the right to a pension	1			1	2
8	Report on paid pensions					0
9	Decision for registered craftsman					0



10	The company is not in open bankruptcy proceedings	2	6	7	5	20
11	The company is not in process of liquidation	2	7	7	5	21
12	Proof of finished education	7	10	10	12	39
13	Training certificate for Food hygiene and Environmental Protection		1			1
14	Confirmation that at least one responsible person is employed					0
15	Approval for construction / reconstruction / adaptation / upgrade	11	10	8	12	41
16	A copy of the revised project documentation	1			12	1
17	Revised project documentation in electronic form	2	7	10	3	22
18	List the number of employees	4	12			16
19	A property list for land / facility	8	14	12	12	46
20	A lease contract	7	11	2	13	33
21	Concession contract for facility owned by the Republic of Macedonia	4	3		10	17
22	Confirmation that the investment is in line with LED	5	15	10	9	39
23	Business plan	13	17	11	14	55
24	Technical project proposal			3		3
25	<b>Bid / contract / invoice</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>15</b>	<b>67</b>
26	<b>3 offers from different suppliers</b>	<b>13</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>43</b>
27	Extract from the bank account with the stamp and signature of bank	3				3
28	Unpaid payments to the MAFWE	9	13	12	12	46
29	Unpaid payments to the PRO		3	11	12	26
30	Proof of regular tax clearance to the relevant bank on the basis of the credit agreement	6	10	8	9	33
31	Confirmation of the ownership structure and activity of foreign suppliers	1	14			15
32	Book of basic resources	10	16	14	12	40
	<b>documents related to sub-measures</b>					
33	Decision for approved elaborate / study on environmental protection	9	9	11	5	34
34	Confirmation of the registered production facilities in the farm register	2			2	4
35	Minutes from the State Labour Inspectorate to fulfill the obligations in the field of safety and health at work	3	7	8	15	33
36	Approval / Decision for performs activity issued by the Food and Veterinary Agency		6			6
37	Decision to perform additional activities for farms		2			2
38	Proof of registration in the Chamber of Craftsmen		1			1
39	Decision for fertilizer written in the List of fertilizers		1	2		3
40	Official registration in the Register of production, marketing and wholesale and retail trade in specialized stores for plant protection		1	3		4
41	Certificate of approval of products for plant protection		1	6		7
42	Sketch of distribution network for investments that include irrigation systems		1			1
43	List of the number of employees	8	5	10	8	31



44	A copy of the cadastral plan		1	2		3
45	Permission for use of water	2	2	1		5
46	Proof of waste storage, treatment and / or processing of waste					0
47	Proof of registration for production / trade of reproductive material of forest trees		1			1
48	Evidence for performing veterinary activities - issued by the FVA			2		2
49	Confirmation that the object is not registered as a protected cultural heritage		2	4		6
50	Confirmation of the registered production capacity in the farm register	1				1
51	Opinion that the project is in compliance with the Law on Protection of Cultural Heritage	2	3		6	11
52	Architectural project prepared by a licensed architect	3	3	2	7	15
53	Decision on the categorization of catering facilities					0
54	Proof of Ownership Structure of supplier	6	4	10	12	32
55	Declaration of country of origin	1	12	9	5	27
56	The investment is not located in its permanent home	4				4
57	The applicant canceled due to lack of funds	6	4			10
58	The capacity of the restaurant is more than 70 guest	4				4
59	Larger area than prescribed (larger bedrooms)	1				1
60	The head office of the applicant is in a rural environment	3	3			6
61	Confirmation of the number of cadastral parcels		2			2
62	unacceptable investment	1	1		2	4
63	Contract for sale of land		1			1
64	List of shareholders and suppliers		13			13
65	License contractor		7	6		13
66	Contract for subcontractor		3			3
67	Decision to change investor		6	7		13
68	Preliminary contract for producer		7			7
69	Untimely submission of the request for payment					0
70	Different location on investment from the company's headquarters		1	5		6
71	lack of funds			5	3	8
72	Shareholder book of suppliers			14	14	28

Source: Analysis of MA 2015

## ANNEX 2 Financial information regarding management of IPARD funds



## Financial information regarding management of IPARD funds

Status: 31.12.2015

## **ANNEX 3 Indicator Tables for Monitoring and Evaluation of the IPARD Programme 2007-2013**

Status: 31.12.2015



## ANNEX 4 On-the-spot checks performed during 2015

IPARD ..... On-the-spot checks performed during the period 2015

Art.20 of the Sectoral Agreement						
a	b	c	d	e	f = e/c	g
Measures	Code	Eligible expenditure contracted	Number of beneficiaries concerned	Expenditure covered by on-the-spot checks	Percentage of eligible expenditure checked	Number of beneficiaries checked
Investments in agricultural holdings	101	3,337,058	416	3,337,058	100%	416
Support for the setting-up of producer groups	102					
Investments in the processing and marketing of agriculture and fishery products	103	846,643	8	846,643	100%	8
Actions to improve the environment and the countryside	201					
Preparation and implementation of local rural development strategies	202					
Improvement and development of rural infrastructure	301					
Diversification and development of rural economic activities	302	1,077,603	15	1,077,603	100%	15
Improvement of training	303					
Technical Assistance	501					
<b>TOTAL</b>		5,261,304	439	5,261,304	100%	439

Source: IPARD Agency 2015



IPARD ..... Ex-post controls performed during the period 2015

<b>Art.21 of the Sectoral Agreement</b>						
<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f = e/c</b>	<b>g</b>
<b>Measures</b>	<b>Code</b>	<b>Eligible expenditure based on final payments</b>	<b>Number of beneficiaries concerned</b>	<b>Expenditure covered by ex-post checks<sup>2</sup></b>	<b>Percentage of eligible expenditure checked</b>	<b>Number of beneficiaries ex-post checked</b>
Investments in agricultural holdings	101	2,265,289	273	323,175	14%	51
Support for the setting-up of producer groups	102					
Investments in the processing and marketing of agriculture and fishery products	103	57,500	1	315,684	549%	3
Actions to improve the environment and the countryside	201					
Preparation and implementation of local rural development strategies	202					
Improvement and development of rural infrastructure	301					
Diversification and development of rural economic activities	302	105,540	3	0	0%	0
Improvement of training	303					
Technical Assistance	501					
<b>TOTAL</b>		<b>2,428,329</b>	<b>277</b>	<b>638,859</b>	<b>26%</b>	<b>54</b>

Source: IPARD Agency 2015

<sup>2</sup>The ex-post controls were performed on investment paid out during 2011, 2012, 2013 and 2014



## Conventions used

### a. Colour conventions

To be filled in	
Automatically calculated/filled	
Not to be filled in	<i>Gray</i>

### b. Coding conventions

Not applicable	NP
Applicable, but not implemented (yet)	NI
Figure is not available	NA

### c. Country code

<b>REPUBLIC OF MACEDONIA</b>	<b>MK</b>
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b

### d. Region codes

See explanatory guidelines
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Overview

Code
G1
G2
G3
G4
G5

Code
O.101.a
O.101.b.
R.101.
O.103.a.
O.103.b.
R.103.
O.302.
R.302.

Code
I.A.
I.B.

Code
B.1.
B.2.
B.3.

## new IPA Rural development monitoring tables 2007-2013

<b>General tables</b>
Background information
Programmed measures
Progress of the programme
Geographic/regional breakdown of support
Financial execution of the programme

<b>Output and result indicator tables</b>
Investments in agricultural holdings to restructure and to upgrade to Community standards. Breakdown by types of production (cumulated data and amount in euro)
Investments in agricultural holdings to restructure and to upgrade to Community standards. Breakdown by types of investment (cumulated data and amount in euro)
Investments in agricultural holdings to restructure and to upgrade to Community standards. Result Indicators
Improving the processing and marketing of agricultural and fishery products. Breakdown by production (cumulated data and amount in euro)
Improving the processing and marketing of agricultural and fishery products. Breakdown by type of investment (cumulated data and amount in euro)
Improving the processing and marketing of agricultural and fishery products. Result Indicators
Diversification and development of rural economic activities. Breakdown by type of investment (cumulated data and amount in euro)
Diversification and development of rural economic activities. Result Indicators

<b>Impact indicator tables</b>
Common impact indicators
Additional impact indicators

<b>Baseline indicator tables</b>
Common objective related baseline indicators
Common context related baseline indicators
Additional baseline indicators
Annex-Comments

## ***IPARD***

### **G 1: Background information**

CCI Code:	MK
Reporting year	2015
Programme id	2007MK06IPO 001

### **Contact person**

Name	Mladen Kolarikj
Organisation	IPARD Managing Authority (MAFWE)
E-mail	<a href="mailto:mladen.kolarik@ipard.gov.mk">mladen.kolarik@ipard.gov.mk</a>
Phone	389 2 3134477

<b>IPARD Programme</b>
<b>G2: Programmed measures</b>

Measure Code	Item/Measure	Type of information requested	Status	Output tables Code*
	1. to 3. Contextual tables	Background information		G1
		Programmed measures	X	G2
		Progress of the programme	X	G3
	4. Geographical breakdown of the various IPARD measures	According to Regions (cumulated data)	X	G4
	5. Financial Monitoring	Financial Monitoring (cumulated data)	X	G5

#### **AXIS 1 - Improving market efficiency and implementing Community standards**

101	Investments in agricultural holdings to restructure and to upgrade to Community standards	Breakdown by types of investment (cumulated data and amount in euro)	X	0.101.a
		Breakdown by types of investment/sector (cumulated data and amount in euro)	X	0.101.b
102	Support for setting-up of producer groups	Breakdown by agricultural sector	NP	0.102.
103	Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards	Breakdown by type of agricultural sector/branch (cumulated data and amount in euro)	X	0.103.a.
		Breakdown by sectors (cumulated data and amount in euro)	X	0.103.b.

#### **AXIS 2- Preparatory actions for implementation of the agri-environmental measures and Leader**

201	Preparatory actions for implementation of the agri-environmental measures (Assistance only granted to PILOT projects)	Breakdown by type of investment (cumulated data and amount in euro)	NP	0.201.
202	Preparation and implementation of local rural development strategies	Breakdown by type of action (cumulated data and amount in euro)	NP	0.202.

#### **AXIS 3- Development of the rural economy**

301	Improvement and development of rural infrastructure	Breakdown by type of action (cumulated data and amount in euro)	NP	0.301.
302	Diversification and development of rural economic activities	Breakdown by type of investment (cumulated data and amount in euro)	X	0.302.
303	Improvement of training (amount of support)	Breakdown by type of training (cumulated data and amount in euro)	NP	0.303.

#### **MEASURE Technical Assistance**

501	Technical Assistance	Breakdown by level of support (cumulated data and amount in euro)	NP	0.501.
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**IPARD Programme**  
**G3: Progress of the pro 2015**

**AXIS 1**

Measure code	Measure	Output Indicators	Realised in year N (1)	Total Realised Cumulative from 2007 to year N (2)	Targets 2007-2013 (3)	Execution Rate of IPARD (2/3)
101	Investments in agricultural holdings to restructure and to upgrade to	Number of investments in agriculture holdings supported, for restructuring and/or upgrading to relevant community standards	273	424		
		Total volume of support*	2.265.288	3.429.923	26.284.661	13%
102	Support for setting-up of producer groups	Number of producer groups successfully set-up	0	0		
		Total volume of support*	0	0		
103	Investments in the processing and marketing of agriculture and	Number of enterprises supported to restructure and/or to upgrade to relevant community standards	1	25		
		Total volume of support*	57.500	2.870.515	29.884.986	10%

**AXIS 2**

Measure code	Measure	Output Indicators	Realised in year N	Total Realised Cumulative from 2007 to year N	Targets 2007-2013	Execution Rate of IPARD (2/3)
201	Preparatory actions for implementation of the agri-environmental measures	Number of pilot projects submitted				
		Number of total ha under agri-environmental pilot schemes				
		Total volume of support*				
201(2)	Animal welfare payments	Number of investments in animal welfare supported				
		Total volume of support*				
202	Implementing local development strategies	Number of local rural development strategies adopted				
		Number of local action group set-up				
		Total volume of support LAG"s				
		Total volume of support LDS"s				

**AXIS 3**

Measure code	Measure	Output Indicators	Realised in year N	Total Realised Cumulative from 2007 to year N	Targets 2007-2013	Execution Rate of IPARD (2/3)
301	Improvement and development of	Number of rural infrastructure investments				
		Total volume of support*				
302	Diversification and development of rural economic activities	Number of micro enterprises supported to diversify and develop their economic activities	3	3		
		Total volume of support*	105540	105540	5.739.160	2%
303	Improvement of training	Total number of participators				
		Total number of training days				
		Total volumen of support*				
505	Technical Assistance	Number of contracts				
		Total volume of support*				

\*Total volume of support should be in euro

**IPARD Programme**  
**G4: Geographical/regional support IPARD measures**  
**According to REGIONS (cumulated data in euro)**

2015

Measure Code	Measures	Output Indicators	Pelagonija		Vardar		North-East		South-West		Skopje		South-East		Polog		East		TOTAL
			%		%		%		%		%		%		%		%		
			a	b = a/q	c	d=c/q	e	f=e/q	g	h=g/q	i	j=i/q	k	l=k/q	m	n=m/q	o	p=o/q	
101	Investments in agricultural holdings to restructure and to upgrade to Community standards	Number of projects supported	237	0,56	110	0,26	4	0,01	12	0,03	4	0,01	25	0,06	0	0,00	32	0,08	424
		Total of public expenditure	1.868.720	0,54	743.084	0,22	43.204	0,01	42.597	0,01	45.995	0,01	238.022	0,07	0	0,00	448.300	0,13	3.429.922
		of which EU funds	1.401.541	0,54	557.314	0,22	32.403	0,01	31.948	0,01	34.497	0,01	178.516	0,07	0	0,00	336.225	0,13	2.572.444
103	Investments in the processing and marketing of agriculture and fishery products to restructure these	Number of beneficiaries supported	3	0,12	3	0,12	1	0,04	0	0,00	2	0,08	9	0,36	1	0,04	6	0,24	25
		Total of public expenditure	309.169	0,11	253.845	0,09	399.913	0,14	0	0,00	328.839	0,11	672.429	0,23	39.899	0,01	866.422	0,30	2.870.515
		of which EU funds	231.877	0,11	190.384	0,09	299.934	0,14	0	0,00	246.629	0,11	504.322	0,23	29.924	0,01	649.817	0,30	2.152.887
302	Diversification and development of rural economic activities	Number of beneficiaries supported	1	0,33	0	0,00	0	0,00	0	0,00	1	0,33	0	0,00	0	0,00	1	0,33	3
		Total of public expenditure	15.000	0,14	0	0,00	0	0,00	0	0,00	81.137	0,77	0	0,00	0	0,00	9.403	0,09	105.540
		of which EU funds	11.250	0,14	0	0,00	0	0,00	0	0,00	60.853	0,77	0	0,00	0	0,00	7.052	0,09	79.155
TOTAL		Number of projects supported	241		113		5		12		7		34		1		39		452
		Total of public expenditure	2.192.889		996.929		443.117		42.597		455.971		910.451		39.899		1.324.125		6.405.977
		of which EU funds	1.644.668		747.698		332.337		31.948		341.979		682.838		29.924		993.094		4.804.486
	TOTAL (number of beneficiaries enjoying at least one support measure)		440																

(1) The geographical breakdown is made on basis of localisation of benefit of support (e.g. site of construction or land parcel support implemented)

**IPARD Programme**  
**G 5: Financial monitoring (cumulated data in euro)**  
12/2015

Measure Code	Measures	IPARD			Commit				Executi				
		Total public expenditure	Public		No of beneficiaries	Eligible costs			No of beneficiaries	Eligible costs borne by beneficiaries			
			National	EU		Total	Public			Total declared	Subsidy claimed	Public expenditure paid	
							Total	EU				Total subsidy	EU
		a	b	c	d	e	f	g	h	i	j	k	l
101	Investments in agricultural holdings to restructure and to upgrade to Community standards	26.284.661	6.571.165	19.713.496	725	14.477.441	7.675.622	5.756.716	424	7.584.891	3.690.163	3.429.923	2.572.443
103	Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards	29.884.986	7.471.247	22.413.739	57	14.153.274	7.076.638	5.307.478	25	6.965.310	3.058.903	2.870.516	2.152.887
302	Diversification and development of rural economic activities	5.739.160	1.434.790	4.304.370	28	3.884.687	1.942.342	1.456.758	3	225.071	106.440	105.540	79.155
TOTAL		61.908.807	15.477.202	46.431.605	810	32.515.402	16.694.602	12.520.952	452	14.775.272	6.855.506	6.405.979	4.804.485

Measure Code	Measures	Indicators of performance						
		% of projects	Eligible costs	% of total eligible costs	% of total eligible costs	% of cost paid by beneficiaries	% of total eligible costs	% of total eligible costs
		m=h/d	n=e/a	o=k/e	p=k/j	q=j/e	r=g/c	s=l/c
101	Investments in agricultural holdings to restructure and to upgrade to Community standards	58,48%	55,08%	23,69%	92,95%	25,49%	29,20%	13,05%
103	Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards	43,86%	47,36%	20,28%	93,84%	21,61%	23,68%	9,61%
302	Diversification and development of rural economic activities	10,71%	67,69%	2,72%	0,00%	2,74%	33,84%	1,84%
<b>TOTAL</b>		<b>55,80%</b>	<b>52,52%</b>	<b>19,70%</b>	<b>93,44%</b>	<b>21,08%</b>	<b>26,97%</b>	<b>10,35%</b>



**IPARD Programme**
**R.101: Investments in agricultural holdings to restructure**
**M101 Results from the investments made**
**Year of reference: 2015**

Result Indicator		Total No. agricultural holdings paid through IPARD in measure 101 (A)	Total No. of agricultural holdings in MK (B)	Percentage of ... (A/B)
Share of holdings introducing Community standards	Total No. of agricultural holdings	424	170885	0,25%
	Improvement of working conditions	419	170885	0,25%
	Improvement of animal welfare standards	5	170885	0,00%
	Introducement of environmental friendly farming			#DIV/0!
		ha of reconstructed vineyards/orchards (A)	total ha of vineyards/orchards in MK (B)	
Share of reconstructed vineyards		N/A	39990	#VALUE!
Share of reconstructed orchards			39990	0,00%
		No. of finished projects (A)	No. of finished projects in Measure 101 (B)	
Share of constructed fixed greenhouses		4	424	0,94%
Share of reconstructed plastic tunnels into fixed greenhouses			424	0,00%
Share of reconstructed glasshouses			424	0,00%
Share of glasshouses including post-harvest activities			424	0,00%
Share of assisted agricultural holdings that have improved farm measure storage practices			424	0,00%
		No. of projects by young farmers/woman paid (A)	Total No. of projects paid in M101 (B)	
Share of young farmers of total assisted farmers		188	424	44,34%
Share of women of total assisted farmers		206	424	48,58%

**IPARD Programme**
**O.101.a: Investments in agricultural holdings to restructure and to upgrade them to Community standards**

Breakdown by types of production (cumulated data and amount in euro)

2015

Type of production concerned by the investment	Number of investments in agriculture holdings for restructuring and/or upgrading to relevant community					No. of young farmers beneficiaries	No. of woman beneficiaries	Planned		Canceled		Realised			Total volume of investment (000 euro) "planned"	Percentage of realisation (B)/(A)
	Total no. of applications	Rejected	Approved	Canceled	Completed			Eligible expenditure		Eligible expenditure canceled		Eligible expenditure executed				
								Total public		Total public expenditure	EU funds	Total public and private expenditure	Total public			
								National funds	EU funds (A)				National funds	EU funds (B)		
Meat production																
poultry	8	8	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
pork	41	23	7	5	2	1	1	176.702	530.106	591.058	443.293	203.523	25.439	76.318	1.376.067	14,40%
general costs								3.032	9.095	10.818	8.113		17	52		0,57%
Milk production																
cattle	60	44	5	1	3	3	3	214.543	643.630	37.983	28.487	866.907	112.958	338.875	1.648.890	52,65%
sheep	12	8	1	1	0	0	1	9.435	28.305	37.740	28.305	0	0	0	75.479	0,00%
goat	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
general costs								6.131	18.392	1.461	1.096		0	0		0,00%
Vegetable Production																
green houses	49	31	9	4	5	7	2	89.387	268.162	275.136	206.352	102.035	13.346	40.039	669.574	14,93%
glasshouse	5	4	1	0	0	0	1	44.913	134.738	0	0	0	0	0	359.301	0,00%
post harvest activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
open-field	944	127	144	7	63	32	36	312.330	936.990	45.981	34.487	1.085.113	142.537	427.612	2.413.573	45,64%
general costs								3.865	11.594	8.514	6.385		737	2.478		21,37%
Vineyards																
vine bearing vines	460	124	163	17	92	24	40	382.196	1.146.588	474.212	355.659	1.266.234	162.862	488.583	3.008.427	42,61%
general costs								2.207	6.620	2.395	1.796		522	1.670		25,23%
Orchards																
fruit bearing trees	902	276	384	39	259	120	120	650.767	1.952.299	256.315	192.235	2.772.973	400.338	1.201.016	4.619.101	61,52%
table grapes	34	5	11	1	0	1	2	38.632	115.897	32.948	24.711	0	0	0	307.030	0,00%
general costs								4.242	13.350	6.487	4.865		1.261	4.198		31,45%
TOTAL	2521	655	725	75	424	188	206	1.918.905	5.756.716	1.751.372	1.313.529	6.296.785	857.480	2.572.443	14.477.442	

11 primeni aplikaciji bez tip na proizvodstvo

**IPARD Programme**  
**O.101.b.: Investments in agricultural holdings to restructure and to upgrade to Community standards**

Breakdown by types of investment (cumulated data and amount in euro)

2015

Type of investment		Number of projects/investments in agricultural holdings					Unit of reference		2015		Canceled		Realisation			Total volume of investment (000 EUR) "planned"	Percentage of realisation (B)/(A)	
		Total no of applications received	Rejected	Approved	Canceled	Completed			Planned		Eligible expenditure canceled		Eligible expenditure executed					
									Total public		Total public		Total public					
							National Funds	EU Funds (A)	Total public expenditure	EU funds	Total public and private expenditure	National Funds	EU Funds (B)					
Meat and milk production	Purchase and installation of equipment																	
	of which:	milking equipment	2	2	0	0	0	Number of equipments	1	0	0	0	0	0	0	0	0	#DIV/0!
		milk cooling equipment	1	1	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	#DIV/0!
		fodder preparation equipment	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	#DIV/0!
		feeding equipment	1	1	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	#DIV/0!
		watering equipment	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	#DIV/0!
		manure and slurry transportation equipment	0	0	0	0	0	Number of equipments	1	0	0	0	0	0	0	0	0	#DIV/0!
		equipment for poultry facilities	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	#DIV/0!
		ventilation equipment	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	#DIV/0!
	Construction /Reconstruction																	
	of which:	construction/reconstruction of operational buildings	7	5	2	1	1	Number of buildings	1	38.403	115.208	70.435	52.826	149.280	18.659	55.977	307.222	48,59%
		reconstruction of existing buildings	22	14	8	5	3	Number of buildings	3	240.551	721.653	558.606	418.954	443.023	59.973	179.918	1.819.400	24,93%
specialized farm equipment		2	1	1	1	0	Number of equipments	0	9.435	28.305	37.740	28.305	0	0	0	75.479	0,00%	
technological equipment																	#DIV/0!	
General costs																	0,23%	
TOTAL																		

in 18 received applications from m.101 is impossible to determine the type of investment

303 177 126 43 83 583.362 1.750.087 1.319.121 989.341 1.473.669 192.925 578.776 4.473.731

IPARD Programme																			
0.101.b.: Investments in agricultural holdings to restructure and to upgrade to Community standards																			
Breakdown by types of investment (cumulated data and amount I year of reference: 2015, starting from public call 01/2013; cumulative)																			
Type of investment		Number of projects (investments) in agricultural holdings					Unit of reference		Planned		Canceled		Realisation				Total volume of investment (000 EUR) "planned"	Percentage of realisation (B)/(A)	
		Received	Released	Approved	Canceled	Completed			Eligible expenditure contracted Total public	Eligible expenditure Total public	Eligible expenditure EU funds	Eligible expenditure EU funds and private	Total public						
													National Funds	EU Funds (B)					
Meat production	of which	construction/reconstruction of farm buildings	10	8	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		constr and improv of im	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		equip for modernization of feeding and watering	6	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		agricultural machinery and equipment for cultivation	9	6	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		equipment for manure management	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	General costs								0	0	0	0	0	0	0	0	0	0	#DIV/0!
TOTAL		25	14	0	0	0			0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!	
Milk production	of which	construction/reconstruction of farm buildings	13	6	2	0	1	Number of ...	0	112291,3858	336875,1574	0	0	478127	59766	179298	898335,1065	53,22%	
		constr and improv of im	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		equip for modernization of milking, feeding and watering	12	9	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		agricultural machinery and equipment for cultivation	28	21	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		equipment for manure management	1	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	General costs								0	0	0	0	0	0	0	0	0	0	#DIV/0!
TOTAL		54	37	2	0	1			112.291,39	336.875,16	0,00	0,00	#####	#####	#####	#####	898.335,11	#DIV/0!	
Vineyards and orchards	of which	agricultural machinery and equipment	451	97	173	10	115	Number of ...	0	154.613	463.638	264.848	198.635	578.903	84.875	254.622	1.106.344	54,89%	
		tractors and motocultivators	625	140	266	15	156	Number of ...	0	613.658	1.840.973	121.701	91.277	#####	350.616	#####	4.450.480	57,14%	
		hail protection nets for orchards	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		hail protection nets for vineyards	1	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		irrigation system/equipment	53	19	8	0	5	Number of ...	0	84.611	253.834	0	0	146.658	18.332	54.997	676.888	21,67%	
		reconstruction of orchards	12	4	5	0	1	Number of ...	0	13.197	39.593	0	0	67.432	8.429	25.287	98.618	63,67%	
		reconstruction of vineyards	8	4	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		constr and improv of im	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	General costs								2.032	6.716	35	26	35	273	823	0	0	12,26%	
TOTAL		1.150	265	452	25	277			866.079	2.598.237	386.549	289.912	#####	462.252	#####	#####	6.332.330	#DIV/0!	
Vegetable production	of which	agricultural machinery and equipment	163	33	31	4	11	Number of ...	0	24.460	73.380	10.982	8.237	49.814	6.663	19.985	184.327	0,272349	
		tractors and motocultivators	790	96	114	3	52	Number of ...	0	332.713	998.139	34.720	26.040	#####	135.874	407.628	2.588.719	0,408388	
		irrigation system/equipment	4	4	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		hail protection nets	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		equipment for sustainable use of energy/climate conditions/soil-less cultivation	2	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		constr./reconstr. of greenhouses	4	2	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		constr./reconstr. of glasshouses	1	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		constr./reconstr. of glasshouses	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
		constr and improv of im	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	General costs								673	2.018	45.702	34.277	#####	142.537	427.613	#####	2.773.047	#DIV/0!	
TOTAL		964	137	145	7	63			357.173	1.071.519	45.702	34.277	#####	142.537	427.613	#####	2.773.047	#DIV/0!	
Total Equipment/Machines		0																	
Total		0	2.193	599	32	341			1.335.543	4.006.631	432.251	324.189	#####	664.555	#####	#####	10.003.712		
Total		0																	

in 18 application is impossible to determine the type of investment

**IPARD Programme**
**R.103: Improving the processing and marketing of agricultural and fishery**
**M103 Results from the investments made    Year of reference:2015**

Result Indicator	Type of Result Indicator	Number of Applications		Percentage of ... (A/B)
		Finished (A)	Received (B)	
Share of establishments introducing Community standards	overall	25	193	12,95%
		No. of modernized/reconstructed establishments/slaughterhouses (A)	Total No. of establishments/slaughterhouses in MK (B)	
Share of modernised establishments	programme specific	24	540	4,44%
Share of reconstructed slaughter houses in full compliance to Community standards	programme specific	1	21	4,76%
		No. of paid establishments that ... (A)	Total paid projects in measure 103 (B)	
Share of assisted establishments that have improved milk hygiene requirements according to Community requirements	programme specific	9	25	36,00%
Share of assisted establishment that have improved waste-water treatments	programme specific	0	25	0,00%
Share of assisted establishments that rationalised production by closing down obsolete capacities	programme specific	0	25	0,00%

IPARD Programme

O.103.a.: Improving the processing and marketing of agricultural and fishery products

Breakdown by type of production (cumulated data and amount in euro)

2015

Type of production concerned by the investment		Number of applications to restructure and/or to upgrade to relevant community standards					Unit of reference		Planned		Canceled		Realisation			Total volume of investment (000 EUR) "planned"	Percentage of realisation (B)/(A)	
		Total number of	Rejected	Approved	Cancelled	Completed			Eligible expenditure		Eligible expenditure		Eligible expenditure executed					
									Total public		Total public expenditure		Total public and private expenditure					
									National Funds	EU Funds (A)	Total public expenditure	EU funds	National Funds	EU Funds (B)	National Funds			EU Funds (B)
Meat Products																		
Slaughterhouses	Poultry	1	1	0	0	0	production t/year	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Cattle	2	1	1	0	1	head/year	7920	49.254	147.761	0	0	389.851	48.731	146.194	394.028	98,94%	
	Pork	3	3	0	0	0	production t/year	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Lamb	0	0	0	0	0	production t/year	0	0	0	0	0	0	0	0	0	#DIV/0!	
	General costs								1.210	3.629	0	0	0	1.206	3.618	0		
Meat processing establishments	Poultry	0	0	0	0	0	production t/year	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Cattle	1	1	0	0	0	production t/year	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Pork	15	5	6	3	0	production t/year	0	129.022	387.068	276.909	207.682	0	0	0	1.032.179	0,00%	
	Lamb	0	0	0	0	0	production t/year	0	0	0	0	0	0	0	0	0	#DIV/0!	
	General costs								1.648	4.945	0	0	0	0	0	0	0,00%	
Milk processing and dairy products																		
Milk collection centres		7	5	2	0	2	Capacity collection centres hl/year	73.000	63.162	189.487	0	0	293.924	36.740	110.221	505.299	58,17%	
Milk processing establishment		26	13	10	1	7	production hl/year	132.460	114.562	343.686	81.143	60.857	481.202	60.129	180.387	916.497	52,49%	
General costs									5.891	17.673	0	0	0	2.509	7.527	0	42,59%	
Fruits and vegetables processing																		
Setting up and reconstructing collection centres		70	42	13	10	1	Capacity of collection centres t/year	2.900	412.678	1.238.036	1.040.463	780.348	162.011	20.251	60.754	3.301.430	4,91%	
Modernisation of Fruit and Vegetables processing		39	20	19	6	11	production t/year	33.688	772.709	2.318.128	597.940	448.455	4.089.272	511.163	1.533.488	6.181.676	66,15%	
General costs									32.574	97.722	64.441	48.331	0	9.158	27.473	0	28,11%	
Wine production																		
Improvement of wine product quality		25	17	6	1	3	production hl/year	4.940	227.771	683.312	45.424	34.068	324.917	40.614	121.843	1.822.166	17,83%	
General costs									2.420	7.259	1.049	786	0	50	150	0	2,07%	
TOTAL		189	108	57	21	25			1.769.159	5.307.478	2.041.879	1.531.410	5.741.176	717.629	2.152.887	14.153.274	40,56%	

in 4 reserved and rejected applications from m.103 is impossible to determine the type of production

## IPARD Programme

## O.103.b.: Improving the processing and marketing of agricultural and fishery products

Breakdown by type of investment (cumulated data and amount in euro)

2015

Type of investment		Number of projects/investments					Unit of reference		Type of SMEs		Planned		Canceled		Realisation			Total volume of investment (000 EUR)	Percentage of realisation (B)/(A)
		Total number of applications	Rejected	Approved	Cancelled	Completed	Physical unit	Quantity			Eligible expenditure	Total public	Eligible expenditure canceled		Eligible expenditure executed by the				
									National Funds	EU Funds (A)			Total public expenditure	EU funds	Total public and private expenditure	National Funds	EU Funds (B)		
Meat Products	Establishment/modernisation of slaughterhouses	4	3	1	0	1	Production quantities increase in t/year	0	0	1	49.254	147.761	0	0	389.851	48.731	146.194	394.028	98,94%
	Modernisation of meat processing establishments	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Investment in waste water treatment	1	0	1	1	0	Increase in t/year	0	0	0	58.401	175.202	233.603	175.202	0	0	0	467.206	0,00%
	Investment in rendering capacity	0	0	0	0	0	Rendered livestock waste t/year	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Investments in sustainable use energy	0	0	0	0	0	No. of machines/equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Equipment for animal welfare standards	0	0	0	0	0	No. of animal welfare equipment	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Investments for better valorisation of the organic waste	0	0	0	0	0	No. of machines/equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	General costs										1.210	3.629	0	0		1.206	3.618		99,72%
Milk processing and dairy products	Constructions of milk collecting centres	5	4	1	0	1	Capacity of collection centres hl/year	73000	1	0	42.980	128.939	0	0	132.851	16.606	49.818	343.837	30,64%
	Modernisation of milk collection centres	0	0	0	0	0	Production quantities increase in hl/year	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Modernisation of the dairy establishments	16	8	8	1	7	Production quantities increase in hl/year	725	7	1	94.960	284.881	81.143	60.857	567.977	70.976	212.928	759.682	74,74%
	Investment in waste water treatment	0	0	0	0	0	Increase in t/year	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Environmental protection standards and sustainable use of energy	0	0	0	0	0	No. of machines/equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Investment in quality control system	1	0	1	0	1	No.introduced quality control systems	1	1	0	10.096	30.289	0	0	74.298	9.287	27.862	80.770	91,99%
	General costs										4.979	14.938	0	0		2.509	7.527		50,39%
	Investment in quality control system	0	0	0	0	0	No.introduced quality control systems	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Fruits and vegetables processing	Handling and packaging equipment and machinery	8	7	1	1	0	No. of machines/equipments	0	0	0	8.934	26.801	35.735	26.801	0	0	0	71.470	0,00%
	Investment in waste water treatment	0	0	0	0	0	Increase in t/year	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
	Modernization of fruit and vegetable collection centres	33	22	11	8	3	No. of equipments	22	10	1	317.620	953.460	714.865	536.149	898.229	112.279	336.836	2.542.560	35,33%
	Environmental protection standards and sustainable use of energy	2	1	1	1	0	No. of machines/equipments	0	1	0	31.538	94.615	126.154	94.615	0	0	0	252.307	0,00%
	Modernisation of processing facilities	29	14	15	6	9	No. of equipments	83	11	4	615.333	1.845.999	761.649	571.236	3.353.054	419.135	1.257.406	4.922.663	68,12%
	General costs										29.909	89.726	67.602	48.666		9.158	27.473		30,62%
	Modernisation of the equipment for the quality process of wine	3	1	2	0	2	Production quantities increase in hl/year	0	2	0	26.290	78.871	0	0	209.917	26.239	78.718	210.323	99,81%
	Laboratory equipment for testing of raw material and production quality control	0	0	0	0	0	No. of equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Wine production	Handling and packaging equipment and machinery	5	4	1	1	0	No. of machines/equipments	0	1	0	11.356	34.068	45.424	34.068	0	0	0	90.848	0,00%
	General costs										373	1.119	1.049	786		50	150		13,40%
TOTAL**		107	64	43	19	24		34	8		1.266.962	3.800.885	1.998.573	1.498.930	5.626.176	703.254	2.109.762	10.135.694	55,51%

in 18 received and rejected applications from m.103 is impossible to determine the type of investment

IPARD Programme

O.103.b.: Improving the processing and marketing of agricultural and fishery products

Breakdown by type of investment (cumulated data and amount in euro)

Year of reference: 2015, starting from public call 01/2013 - cumulative

Type of investment		Number of projects/investments					Unit of reference		Type of SMEs		Planned		Canceled		Realisation			Total volume of investment (000 EUR)	Percentage of realisation (B)/(A)	
		Total number of applications	Rejected	Approved	Canceled	Completed	Physical unit	Quantity			Eligible expenditure		Eligible expenditure		Eligible expenditure					
											Total public		Total public expenditure	EU funds	Total public and private expenditure	Total public				
									National Funds	EU Funds (A)	National Funds	EU Funds (B)								
Meat Products	Establishment of poultry slaughterhouses	0	0	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Modernisation of slaughterhouses	1	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Constr. and improv. of immovable property	2	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Investments in installation of technical utilities and controlled conditions including for provision of sustainable use of energy from renewable sources	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Modernisation of equipment for processing of meat/Laboratory equipment/Handling and packaging equipment	11	3	5	2	0	Production quantity increase t/year	0	2	1	27405,21	82215,63	0	0	0	0	0	0	219241,67	0,00%
		0	0	0	0	0	Number of equipments	0	2	0	43216,33	129649,01	43306	32480	0	0	0	0	345730,66	0,00%
	General costs											1258,2786	3774,7957	974,85	828,62	0	0	0	0	0,00%
Milk processing and dairy products	Constr. and improv. of immovable property	2	1	0	0	0	Number of ...	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Investments in installation of technical utilities and controlled conditions including for provision of sustainable use of energy from renewable sources	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Modernisation of equipment for processing of milk/Laboratory equipment/Handling and packaging equipment	6	2	2	0	0	Number of quality control systems	0	2	0	29688	89065	0	0	0	0	0	0	237507	0,00%
		0	0	0	0	Production quantity increase hl/year	0	#DIV/0!												
		0	0	0	0	Number of equipments	0	#DIV/0!												
	General costs											912	2735	0	0	0	0	0	0	0,00%



Fruits and vegetables processing	Constr.and improv.of immovable property	14	7	1	0	0	Number of ...	0	0	1	61349,10	184047,25	0	0	0	0	0	490792,6882	0,00%	
	Investments in installation of technical utilities and controlled conditions including for provision of sustainable use of energy from renewable sources	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Modernisation of equipment for processing of F&W/Laboratory equipment/Handling and packaging equipment	18	6	3	0	0	Production quantity increase t/year	0	2	1	0	0	0	0	0	0	0	0	1203313,14	#DIV/0!
		0	0	0	0	0	Number of equipments	0			150413,77	451242,30								
	General costs											2881,07	8644,22	0	0	0	0	0	0	0,00%
Wine production	Constr.and improv.of immovable property	3	1	1	0	0	Number of ...	0	0	1	164325,59	492976,74	0	0	0	0	0	0	1314604,652	0,00%
	Investments in installation of technical utilities and controlled conditions including for provision of sustainable use of energy from renewable sources	0	0	0	0	0	Number of equipments	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
	Modernisation of equipment for quality process of wine/Laboratory equipment/Handling and packaging equipment	7	4	2	0	1	Production quantity increase hl/year	0	1	1	25798,71	77396,09	0	0	115000	14375	43125	206389,59	55,72%	
		4	4	0	0	0	Number of equipments	0												
	General costs											1661,80	4985,45	0	0	0	0	0	0	0,00%
TOTAL		68	30	14	2	1				2	2	419.304,78	1.257.915,31	43.306,00	32.480,00	0,00	0,00	0,00	3.354.441,14	#DIV/0!

IPARD Programme

R.302: Diversification and development of rural economic activities

M302 Results from the investments made

Year of reference: 2015

Result Indicator	Type of Result Indicator	Number of ...		
Gross number of jobs created	overall	NA		
Number of beds in rural tourism	programme specific	NA		
Number of traditional handicraft activities preserved/opened	programme specific	NA		
		No.of finished projects (A)	Total No.of received projects in measure 302 (B)	Percentage of ... (A/B)
Number of projects diversifying economic activity	programme specific	3	362	0,83%

IPARD Programme

O.302.: Diversification and development of rural economic activities

Breakdown by type of investment (cumulated data and amount in euro)

2015

breakdown by type of investment (cumulated data and all within 2015)																	
Type of investment	Number of projects submitted					Unit of reference	Quantity of purchased/ built/reconstructed	Planned		Canceled		Realisation				Total volume of investment (000 EUR)	Percentage of realisation (B)/(A)
	Total no of applications	Rejected	Approved	Cancelled	Completed			Physical Unit	Eligible expenditure		Eligible expenditure		Eligible expenditure executed				
									National Funds	EU (A)	Total public expenditure	EU funds	Total public and private expenditure	Total public	National Funds		
On-farm and off-farm activities																	
Specialised processing equipment	20	19	1	1	0	Number of equipment	0	24.815	74.445	99.260	74.445	0	0	0	198.519	0,00%	
Construction/reconstruction of operational facilities and buildings	30	27	3	3	0	Number of buildings	0	34.075	102.225	136.299	102.225	0	0	0	272.599	0,00%	
Equipment for the direct marketing on farm	3	3	0	0	0	Number	0	0	0	0	0	0	0	0	0	#DIV/0!	
General costs								434	1.301	1.735	1.301	0	0	0	0	0,00%	
Rural tourism and recreational activities																	
Setting of tourist homesteads and recreational zones	8	8	0	0	0	Number of zones	0	0	0	0	0	0	0	0	0	#DIV/0!	
Modernisation of existing tourist facilities	24	24	0	0	0	Number of facilities	0	0	0	0	0	0	0	0	0	#DIV/0!	
Equipment for recreational activities	6	6	0	0	0	Number of equipment	0	0	0	0	0	0	0	0	0	#DIV/0!	
Investments in sanitary, hygienic and environmental facilities	0	0	0	0	0	Number of equipment	0	0	0	0	0	0	0	0	0	#DIV/0!	
Development of tourist catering	37	36	1	1	0	Number	0	20.503	61.508	82.010	61.508	0	0	0	164.021	0,00%	
General costs								1.872	5.617	7.489	5.617	0	0	0	0	0,00%	
Basic services for the rural economy and population																	
Special operational equipment, workshops and service stations related to agriculture	0	0	0	0	0	Number of equipment	0	0	0	0	0	0	0	0	0	#DIV/0!	
Established workshops for traditional handicrafts activities and agricultural services	0	0	0	0	0	Number of stations	0	0	0	0	0	0	0	0	0	#DIV/0!	
Special operational facilities and equipment for services not directly linked with agriculture	0	0	0	0	0	Number of equipment	0	0	0	0	0	0	0	0	0	#DIV/0!	
Construction/reconstruction of operational facilities and buildings	4	1	3	3	0	Number of facilities	0	29.261	87.784	117.045	87.784	0	0	0	234.091	0,00%	
General costs								1.350	4.051	5.402	4.051	0	0	0	0	0,00%	
Traditional crafts activities																	
Facilities and equipment in weaving, tying of dried flowers and other plants	1	1	0	0	0	Number of micro plants	0	0	0	0	0	0	0	0	0	#DIV/0!	
Facilities and equipment in woodwork, ceramic, smith or other handicraft workshops	3	3	0	0	0	Number of workshops	0	0	0	0	0	0	0	0	0	#DIV/0!	
Construction/reconstruction of operational facilities and buildings	4	3	1	1	0	Number of facilities	0	4.294	12.883	17.178	12.883	0	0	0	34.355	0,00%	
General costs								149	447	596	447	0	0	0	0	0,00%	
TOTAL	140	131	9	9	0			112.948	338.844	451.792	338.844	0	0	0	903.584	0,00%	

in 13 applications from m.302 is impossible to determine the type of investment

**IPARD Programme**
**O.302.: Diversification and development of rural economic activities**

Breakdown by type of investment (cumulated data and amount in euro) Year of reference: 2015, starting from public call 01/2013-cumulative

breakdown by type of investment (cumulated total and amount in euro)																	Year of reference: 2015, starting 1.01.2016 public call 012013-cumulative		
Type of investment	Number of projects submitted					Unit of reference		Planned				Canceled		Realisation				Total volume of investment (000 EUR)	Percentage of realisation (B)/(A)
	Total no of applications received	Rejected	Approved	Canceled	Completed	Physical Unit	Quantity	Eligible expenditure		Eligible expenditure canceled		Eligible expenditure executed							
								Total public		Total public		Total public							
								National Funds	EU (A)	Total public expenditure	EU funds	Total public and private expenditure	National Funds	EU (B)					
Development of small-scale food processing and non food production capacity																			
Constr. and improv. of immovab	45	22	7	0	3	Number of ...		95404,5	286213,44	0	0	0	211080	26385	79155	763235,89	27,66%		
Equipment for technical utilities/connected	18	4	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for processing, packaging, labeling and	20	17	2	0	0	Number ...		85773	257320	0	0	0	0	0	0	686186	0,00%		
Equipment for occupational safety, environmental, sanitary	0	0	0	0	0	Number ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								#VALUE!	#VALUE!								#VALUE!		
Setting-up and modernization of collection centers for forest products																			
Constr. and improv. of immovab	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for technical utilities/connected	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for collection, reception, processing,	0	0	0	0	0	Number ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for environmental, sanitary and hygiene	0	0	0	0	0	Number ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								0	0	0	0	0	0	0	0	0	#DIV/0!		
Promotion of traditional handicrafts and support for provision of rural services (non-agriculture)																			
Constr. and improv. of immovab	6	3	1	0	0	Number of ...		11795,48033	35386,42477	0	0	0	0	0	0	94363,81	0,00%		
Equipment for technical utilities/connected	6	1	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Purchase of machinery, tools and equipment	9	2	2	0	0	Number ...		39819	119458	0	0	0	0	0	0	318555	0,00%		
Equipment for occupational safety standards	0	0	0	0	0	Number ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								919,32	2757,93	0	0	0	0	0	0	0	0,00%		
Introduction of alternative agriculture production systems																			
Constr. and improv. of immovab	17	9	2	0	0	Number of ...		30094,53336	90283,60009	0	0	0	0	0	0	240756,2401	0,00%		
Setting-up of perennial plantations	10	4	1	0	0	Number of ha		1893,338493	5680,01548	0	0	0	0	0	0	15147	0,00%		
Equipment for technical utilities/connected	5	1	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Purchase of agricultural machinery, tools and	2	2	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								#VALUE!	#VALUE!	0	0	0	0	0	0	0	#VALUE!		
Investments for setting-up of "Machinery Rings"																			
Constr. and improv. of immovab	1	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Purchase of agricultural machinery, tools and	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Tractors and motocultivators	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for occupational safety standards	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								0	0	0	0	0	0	0	0	0	#DIV/0!		
Establishment and upgrade of private Veterinary services																			
Constr. and improv. of immovab	1	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for technical utilities/connected	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Purchase of machinery, tools and equipment	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Equipment for occupational safety, environmental, sanitary	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								0	0	0	0	0	0	0	0	0	#DIV/0!		
Promotion of rural tourism activities in rural areas																			
Constr. and improv. of immovab	62	37	4	0	0	Number of ...		107858	323572	0	0	0	0	0	0	862858	0,00%		
Equipment for technical utilities/connected	2	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Purchase of equipment	3	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
Constr./reconst. of sites for outdoor accommodation	0	0	0	0	0	Number of ...		0	0	0	0	0	0	0	0	0	#DIV/0!		
General costs								1097,992054	3294,992372	0	0	0	0	0	0	0	0,00%		
TOTAL	207	102	19	0	3			372.637,48	1.117.913,35	0,00	0,00	211.080,00	26.385,00	79.155,00	2.981.101,92		#DIV/0!		

in 2 application is impossible to determine the type of investment

## Impact of the programme

### I.A. Common impact indicators

<i>Number</i>	<i>Indicator</i>	<i>Reference unit</i>	<i>Estimated targets</i>
1.	Compliance of agriculture holdings with Community standards	Number of agriculture holdings	
2.	Impact on capacity building for the IPARD implementation	Number of trainings	
3.	Compliance of food processing establishment with Community standards	Number of establishments	

## IPARD Programme

### I.B. Additional impact indicators

Name of the indicator	Reference unit	
Economic growth	Net additional value added expressed in PPS	
Employment creation	Net additional Full Time Equivalent jobs created	
Labour productivity	Change in Gross Value Added per Full Time Equivalent (GVA/FTE)	

### **B.1. Common objective related baseline indicators**

				EU Data Yes/No?	Comments	Reference unit	Value	Reference Year
B1*	Economic development (GDP per capita (PPS as % of EU25 = 100))			Yes	PPS as % of EU28 = 100	Volume indices of real expenditure per capita in PPS (EU28=100)	36	2013
				Yes	PPS as % of EU28 = 100	Volume indices of real expenditure per capita in PPS (EU28=100)	37	2014
B2*	Employment rate (in % total population 15-64 y.o.)	Average employment rate		No				
		Female employment rate		No				
		Young people (15-24)		No				
B3*	Unemployment rate (in % active population 15-64 y.o.)	Average unemployment rate		No				
		Female unemployment rate		No				
		Young people (15-24)		No				
B 4	% farmers with basic and full education attained			Yes		%	4,3	2013
B 5	Ratio between young farmers (<35 years) and farmers (>55 years)			Yes		Ratio	1 : 1.6	2013
B 6*	Labour productivity in agriculture (GVA/AWU)			Yes		euro	5373	2013
B 7	Gross fixed capital formation in agriculture					in million denars	2948 <sup>2)</sup>	2013
B 8	Employment in primary sector (000s)			No				
B 9	GVA in primary sector (Mio denari)			No			57203	2013
							59801	2014 <sup>1)</sup>
B 10*	GVA/employee in food industry (000s/employed)							
B 11	Gross fixed capital formation in food industry					in million denars	5680 <sup>2)</sup>	2013
B 12	Employment in food industry (000s)							
B 13	GVA in food industry			No			7170	2013 <sup>3)</sup>
B 22	Areas at risk of soil erosion (tons/ha)							
B 23	Organic farming (Ha)			Yes	Pastures and meadows are included	ha	10019	2014

B 28*	Employment in second and tertiary sector (000s)	national	No				
		in rural areas					
B 29*	GVA in primary and secondary sector (Mio denari)	national				142686	2013
						149498	2014 <sup>1)</sup>
		in rural areas				N/A	
B 30*	Self-employed persons (000s)	national	No		Self - employed persons include Self-employed with employees and Self employed without employees		
		in rural areas					
B 31	Tourism infrastructure in rural areas (number of bedplaces)	national					
		in rural areas					
B 33*	GVA in services as percentage of total GVA (%)	average (national)				63,03	2013
						63,15	2014 <sup>1)</sup>
		in rural areas					
B 36	Share of set up Local Action Groups						

1) Preliminary data

2) Data is not published

3) 10 - Manufacture of food products - according NACE Rev.2



**B.2 Common content related baseline indicators**

2.2 Common context related baseline indicators			PU	IR	PR			
BC 1	Designation of rural areas	Number of NUTS 3 regions						
BC 2	Importance of rural areas	% territory						
		% gross value added						
		% population						
		% employment						
			EU Data Yes/No?	Comments	Reference unit	Value	Reference Year	
BC 3	Agriculture	Arable land (% of UAA)	Yes		%	75.2	2013	
		Permanent crops (% of UAA)	Yes		%	12.7	2013	
		Permanent grassland and pastures (% of UAA)	Yes		%	12	2013	
		Number of farms	Yes		No	170885	2013	
		Utilised Agricultural Area (Ha)	Yes		ha	315863	2013	
		Labour force (AWU)	Yes		AWU	243850	2013	
		Average area farm size (Ha)	Yes	UAA/Number of farms	Ha	1.85	2013	
		Distribution of area farm size (%)	< 5 ha	Yes	<=5	%	57.6070714	2013
			from 5 to 50 Ha	Yes	>5	%	42.3929286	2013
			> 50 Ha					
BC 4	Farm structure	Average economic farm size (ESU)						
		Distribution of economic farm size (%)	< 2 ESU	No data for ESU in MK, Standard Output coefficients are used				
			from 2 to 100 ESU	No data for ESU in MK, Standard Output coefficients are used				
			> 100 ESU	No data for ESU in MK, Standard Output coefficients are used				

BC 17	Population density	average (national)						
		in rural areas						
BC 18	Age structure	National	% population (0-14 y.o.)					
			% population (15-64 y.o.)					
			% population (~65 y.o.)					
		In rural areas	% population (0-14 y.o.)					
			% population (15-64 y.o.)					
			% population (~65 y.o.)					
BC 19	Structure	National	% GVA by primary sector				13.1	2013
							13.1	2014 <sup>1)</sup>
			% GVA by secondary sector				19.6	2013
							19.6	2014 <sup>1)</sup>
			% GVA by tertiary sector				67.3	2013
							67.3	2014 <sup>1)</sup>
		In rural areas	% GVA by primary sector					
			% GVA by secondary sector					
BC 20	Structure	National	% GVA by tertiary sector					
			% employment primary sector					
			% employment secondary sector					
			% employment tertiary sector					
		In rural areas	% employment primary sector					
			% employment secondary sector					
			% employment tertiary sector					
BC 21	Long-term	average (national)						
		in rural areas						
BC 22	% Adults 25-64	average (national)						
		in rural areas						

1) Preliminary data

primary sector	A+B	Agriculture, forestry and fishing; and quarrying	Mining	% of GVA in total GVA
secondary sector	C+F	Manufacturing;	Construction	
tertiary sector		Other		

### B.3. Additional baseline

Axis	Indicator	Reference unit	Value	Reference Year
Axis 1,3	Economic development	GDP per capita in € current prices	3948	2013
			4126	2014 <sup>1)</sup>
Axis 1,3	Employment rate	Share of employees in comparison to active population (15 - 64)		
Axis 1,3	Unemployment rate	Unemployment rate in comparison to active population		
Axis 1,3	Long term unemployment	Share of long term unemployment in total unemployment		
Axis 1,3	Self-employment development	Average development rate of self-employed		
Axis 1,3	Structure of employment	Share of women in the total employed (15 - 79)		
Axis 3	Educational attainment	Share of population without or with incomplete education;		
		with primary education;		
		with secondary education;		
		with higher education.		
Axis 3	Population density	No. of citizens per sq. km.		
Axis 3	Net migration	Net average migration rate		
Axis 1,3	Age structure	Share of population		
		<20,		
		21-64,		
		>65 years;		
Axis 1,3	Agricultural GDP	Share of agricultural GDP (including hunting, forestry and fishery) in total GDP (%)	10,03	2013
			10,11	2014 <sup>1)</sup>
Axis 1	Economic development of primary sector	Average agricultural real GDP growth rate		
Axis 1,3	Agricultural land use	Agricultural land per capita (ha)	0.62ha/p.c	2014
Axis 1	Farm structure	Share of farms		
		<1ha	58,22%	2013
		1-5 ha	36,70%	2013
Axis 1,3	Age structure in agriculture	Share of farmers		
		<=40	40,5	2013
		41-65	40,7	2013
		>65	18,8	2013
Axis 1	Labour productivity in agriculture	Gross value added /annual working unit in agriculture (euro)	5.373	2013
Axis 1	Labour productivity in the food industry	Gross value added per employee		
Axis 1	Economic development of food industry	Average rate of increase of the value of the processed agriculture products		

Share of GVA in Agriculture, forestry and fishing in total GDP (%)

1) Preliminary data

# Financial information related to the implementation of the IPARD Programme for 2015

Measure	Payments executed to final beneficiary			Refund of funds from final beneficiary					
	Total (IPA+NCF) MKD	Total (IPA+NCF) EUR	IPA Part EUR	Total (IPA+NCF) MKD	IPA part MKD	NCF MKD	Total (IPA+NCF) EUR	IPA Part EUR	NCF EUR
101	139.555.677,00	2.265.289,17	1.698.966,88	3.724,00	2.793,00	931,00	18.250,48	45,31	18.205,17
103	3.541.184,00	57.500,01	43.125,01	364.670,00	273.503,00	91.167,00	4.566,63	4.436,00	130,63
302	6.508.061,00	105.539,82	79.154,87	0,00	0,00	0,00	0,00	0,00	0,00
<b>Вкупно</b>	<b>149.604.922,00</b>	<b>2.428.329,00</b>	<b>1.821.246,76</b>	<b>368.394,00</b>	<b>276.296,00</b>	<b>92.098,00</b>	<b>22.817,11</b>	<b>4.481,31</b>	<b>18.335,80</b>

## Payment application

Q	measure	payments		recoveries		total		Date of submission of PA to EC	Day of transfer of funds
		public	ipard	public	ipard	public	ipard		
Q1	101	301.060,98	225.795,74	0,00	0,00	0,00	0,00	28.04.2015	/
	103	0,00	0,00	0,00	0,00	0,00	0,00		
	302	14.999,99	11.249,99	0,00	0,00	0,00	0,00		
	<b>вкупно</b>	<b>316.060,97</b>	<b>237.045,73</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>		
Q2	101	498.912,36	374.184,27	0,00	0,00	0,00	0,00	28.07.2015	/
	103	0,00	0,00	0,00	0,00	0,00	0,00		
	302	0,00	0,00	0,00	0,00	0,00	0,00		
	<b>вкупно</b>	<b>498.912,36</b>	<b>374.184,27</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>		
Q3	101	565.870,73	424.403,05	60,41	45,31	0,00	0,00	27.10.2015	/
	103	0,00	0,00	0,00	0,00	0,00	0,00		
	302	81.137,05	60.852,79	0,00	0,00	0,00	0,00		
	<b>вкупно</b>	<b>647.007,78</b>	<b>485.255,84</b>	<b>60,41</b>	<b>45,31</b>	<b>0,00</b>	<b>0,00</b>		
Q4	101	899.445,11	674.583,83	0	0	0,00	0,00	27.01.2016	/
	103	57.500,00	43.125,00	5.077,70	3.808,28	0,00	0,00		
	302	9.402,78	7.052,09	0,00	0,00	0,00	0,00		
	<b>вкупно</b>	<b>966.347,89</b>	<b>724.760,92</b>	<b>5.077,70</b>	<b>3.808,28</b>	<b>0,00</b>	<b>0,00</b>		
	101	2.265.289,18	1.698.966,89	60,41	45,31	0,00	0,00		
	103	57.500,00	43.125,00	5.077,70	3.808,28	0,00	0,00		
	302	105.539,82	79.154,87	0,00	0,00	0,00	0,00		
	<b>total</b>	<b>2.428.329,00</b>	<b>1.821.246,75</b>	<b>5.138,11</b>	<b>3.853,59</b>	<b>0,00</b>	<b>0,00</b>		

IPA Euro account	
IPA funds	7.916.055,26
total interest generated	294.125,88
total refunded interest from final beneficiary	41.132,50
Status on IPA Euro account on 31.12.2015	8.251.313,64