



**REPUBLIC OF MACEDONIA
MINISTRY OF AGRICULTURE, FORESTRY AND WATER ECONOMY
IPARD MANAGING AUTHORITY**

**PROGRESS REPORT ON THE EVALUATION ACTIVITIES
for IPARD Programme 2014-2020
(status December 2017 – December 2018)**

November 2018

Contents

Rational.....	2
Responsibilities and coordination	2
Evaluation plan 2014 - 2020.....	3
Report on the evaluation activities undertaken.....	4
I. Results and impact of implementation of the IPARD Programme through the analysis of the indicators in terms of achievement of the measure targets	5
I.1. Evaluation activities-Investments in physical assets of agricultural holdings (Measure 1) ..	5
I.2. Evaluation activities – “Investments in physical assets concerning processing and marketing of agriculture and fishery products” (Measure 3).....	6
I.3. Evaluation activities “Farm Diversification and Business Development” (Measure 7)	8
II. Actions to improve the quality and implementation of the IPARD II Programme	9
Annex 1 - Draft Annual action plan for evaluation activities for 2019	10
Annex 2 - Reasons for rejection of Applications – (preliminary analysis)	11

Rational

Evaluations shall aim to improve the quality, effectiveness and consistency of the assistance from Union funds and the strategy and implementation of the IPARD II Programme. The IPARD II Programme shall be subject to ex-ante and ex-post and, where considered as appropriate by the Commission, interim evaluations carried out by independent evaluators under the responsibility of the MA. The evaluations shall assess the implementation of the IPARD II Programme towards the achievement of its objectives and shall examine the degree of utilization of resources, the effectiveness and efficiency of the programming, its socio-economic impact and its impact on the defined objectives and priorities. They shall identify the factors that contributed to the success or failure of the implementation of the IPARD II Programme, including the sustainability of actions and identifications of best practices.

In accordance to the evaluation plan for the IPARD II Programme drawn up by the Managing Authority and approved by the Monitoring Committee, the Managing Authority shall report each year on the results achieved under the evaluation plan to the IPARD II Monitoring Committee.

Responsibilities and coordination

In order to ensure that the monitoring and evaluation system is able to deliver results a well-designed and robust governance and coordination system is a prerequisite. The Framework and Sectoral Agreements are setting the legal requirements and defining responsible bodies for implementation of the monitoring and evaluation tasks.

The overall responsibility for organizing the process of evaluation of the IPARD II Programme is in the Unit for IPARD Programming and Evaluation, within the IPARD Managing Authority. They are responsible for drawing up an evaluation plan and coordinate its implementation. The Managing Authority is also responsible for communicating each evaluation to the European Commission and for making evaluation reports public. In addition, the Head of the Managing Authority is chairing the Evaluation Steering Committee, facilitating cooperation amongst the monitoring and evaluation stakeholders and ensuring capacity building of stakeholders. The MA is also directly involved in collecting and processing monitoring data.

The Monitoring Committee has the responsibility to monitor the implementation of the programme and progress towards its objectives, principally with indicators, and considers and approves the Agriculture Implementation Reports (AIRs) before they are sent to the EC. The Monitoring Committee shall examine activities and outputs related

to the progress in the implementation of the evaluation plan and may issue recommendations to the MA regarding programme implementation and evaluation and then monitor actions taken as a result of its recommendations.

The Paying Agency has an important role in evaluation activities as they hold information regarding applications, supported projects, payments and controls. In other words, much of the basic data required for conducting evaluation processes are hold in the Paying Agency. Therefore, the procedures and the Implementing Agreement between the Paying Agency and the Managing Authority shall secure the timely access and delivery of the data for evaluation purposes.

The annual reports on the activities taken under the Evaluation plan should express the results but also to explain the needs with respect to the implementation of the indicative timeframe presented in the Evaluation plan for IPARD 2014 - 2020. Equally important, these reports should help the MA, Commission and the IPARD Monitoring Committee to identify needs for accompanying/thematic horizontal evaluations, studies or other activities in relation to specific measures/challenges.

Evaluation plan 2014 - 2020

The following indicative outline explains the time plan for evaluation activities for the IPARD II Programme:

- 2016 - Identifying Programme-specific evaluation needs, defining Programme-specific evaluation questions and indicators, identifying evaluation data requirements and screening data sources; deciding on the data to be collected for evaluation through the monitoring system from application forms, payment requests and other monitoring tools.
- 2017 - The Managing Authority observe the progress of the Programme and collect beneficiary data via monitoring systems for output, target and complementary result indicators, in order to prepare the AIR; preparation of the ToR and tendering and contracting procedures for external evaluators/experts.
- 2018 - The external evaluator/experts are contracted to collect additional information/data to fill data and information gaps and to conduct ad hoc evaluations to prepare inputs for the AIR 2018.
- 2019 - The Managing Authority conducts a quality control of evaluation findings and of any other input the evaluator provides; evaluation results discussed among evaluation steering group and with the Monitoring Committee; regarding the evaluation findings if there is a need the MA shall prepare IPARD II Programme modification proposal.

- 2020 - Conducting ad hoc evaluation studies if needed;
- 2021 - The Managing Authority ensures that the necessary resources are available to undertake evaluation tasks until 2024.
- 2022 - Preparation of the ToR and conducting tendering procedure, to ensure that adequate time is given to the external evaluator to conduct a quality ex post evaluation.
- 2023 - All projects contracted under the IPARD 2014–2020 programming period will be finalized, including the collection of monitoring data on beneficiaries for output, target and complementary result indicators. In addition, data on non-beneficiaries are collected, processed and synthesized in line with the selected evaluation methods and reporting requirements, in order to enable the assessment of Programme impacts and achievement towards the EU and rural development objectives in the IPARD ex post evaluation of 2024.
- 2024 - By June 30th 2024 the MA prepares and submits the standard 2024 AIR (covering the year 2023) and by December 31st 2024 the Ex post evaluation report.

Report on the evaluation activities undertaken

- At the 1st MC meeting held in February 2016, MA reported on the activities for setting – up of the evaluation system for the IPARD Programme 2014-2020 in terms of structuring phase i.e. assessment of the monitoring data requirements against the Programme indicators and preparation of the evaluation plan for the IPARD Programme 2014 - 2020.
- At the 2nd MC held in December 2017, MA has reported on the requirement from the Evaluation plan to observe the progress of the Programme and collect beneficiary data via monitoring system. However, the Public call 01/17 for IPARD II was in the initial phase and the required data for more detailed observations was not yet available.
- At the (3rd) MC meeting in May 2018, MA has reported limited progress on evaluation activities due to absence of technical support to the limited capacity of MA for conducting the evaluation actions and a prolonged procedure for sustainable information on the results from the Public call 01/17.
- Concerning the planned activity for 2018 (Evaluation Plan for IPARD 2014 – 2020) – “engagement of an external evaluator/experts to collect additional information/data to fill data and information gaps and to conduct ad hoc evaluations”, the Managing Authority has prolonged the timing for this activity in order to initially receive the results from Public call 01/17.

- The risk of delayed data from the first public call is stressed since it contributes to further delays in improvement of other legal or programme requirements and overall upgrading of the IPARD II implementation processes.

I. Results and impact of implementation of the IPARD Programme through the analysis of the indicators in terms of achievement of the measure targets

I.1. Evaluation activities-Investments in physical assets of agricultural holdings (Measure 1)

Following is the information extracted from the available data on the results of implementation of the Public call 01/17 - first IPARD II public call submitted by AFSARD, elaborating the interest for drawing applications under the measure 1 and analysis on the results achieved in comparison to the expected targets under this measure.

The analysis has shown that the interest for investments under this measure is mainly in the crop sector (97% of all received applications under measure 1) and the rate of applications requesting support for purchase of tractors is still significantly exceeding the other investment opportunities.

Consequently, as reported from the PA, the available budget for tractors which is 20% of the total envisaged funds for this measure for the whole period of the Programme implementation (page 162) have been reached and is likely to be used under the first public call.

Proposing investment in livestock sector shows much less interest between potential recipients with 30 applications or around 2% of all received applications. On farm processing as a subsector is represented with 4 applications and finally just two applications are related to investment in renewable energy.

Table I-I

Public call/ Sub-sector	Submitted applications	Total requested amount (€)	Approved applications	Rejected applications	Total Public Expenditure of the contracted projects (€)	Total Public Expenditure EU contribution (€)
01/2017	1,404	18,003,385.00	910	486	9,833,185.89	7,374,889.42
Crop	1,368	14,889,439.42				
Livestock	30	2,933,227.64				
On-farm	4	163,161.79				

processing						
Renewable energy	2	17,556.15				

* 8 applications are still in the approval phase

Source: AFSARD, November 2018

As reported from the IPARD Paying Agency, main reason for the high number of rejected applications under Measure 1 in most of the cases is incomplete documentation (see Annex 2 to this document – Reasons for rejection of applications).

Regarding the achievement of the Programme specific indicators and quantified targets for this measure, (see IPARD Programme page 162) the results from the Public call 01/2017 are still subject to processing by the IPARD Agency.

Table I-II

Measure target	Programme expected	Achieved with the first public call
Number of projects supported	(3 100)	
Number of agriculture holdings performing modernisation projects	(3 100)	
Number of economic entities progressively upgrading towards EU standards	(1 200)	
Number of agriculture holdings progressively upgrading towards full compliance to the EU standards for animal welfare	(30)	
Number of holdings investing in renewable energy production	(25)	
Number of holdings investing in livestock management in view of reducing the N20 and methane emissions (manure storage)	(50)	
Total investment in physical capital by agriculture holdings supported	(48 mill EUR)	

* The results from the public call 01/2017 are still subject to processing by the IPARD Agency.

As soon as the MA receive efficient and relevant data for monitoring and evaluation purposes in order to be able to complete the table above, the information on the status of achievement of the measure targets will be delivered to the members of the Monitoring Committee.

I.2. Evaluation activities –“Investments in physical assets concerning processing and marketing of agriculture and fishery products” (Measure 3)

The interest for investments under the Measure 3, with analysis of the data from the first implemented public call is summarized in the following table:

Table II-I

Public call	Submitted applications	Total requested amount (€)	Approved applications	Rejected applications	Total Public Expenditure of the contracted projects (€)	Total Public Expenditure EU contribution (€)
01/2017	57	13,027,728.39	31	24	6,621,696.00	4,966,272.00
Milk	8	683,398.03				
Meat	12	3,144,333.53				
F&V	21	6,836,976.59				
Cereal	5	145,896.92				
Oils and fats	2	143,098.55				
Grape wine	8	2,074,024.77				
Renewable energy	0	0				

* 2 applications are still in the approval phase

Source: AFSARD, November 2018

The analysis is showing that the interest for investments under measure 3 varies among different sub-sectors but still dominant is the interest for investments in fruit and vegetable sub-sector.

The Paying Agency has reported that not eligible applications (beneficiaries) because of the size of the company (SME) and incomplete applications are main reasons for rejection of applications (see Annex 2 to this document - Reasons for rejection of applications).

Regarding the achievement of the Programme specific indicators and quantified targets (table below) for this measure (see IPARD Programme page 175), the results from the public call 01/2017 are still subject to processing in the Paying Agency and therefore the MA has not yet received any relevant data in order to be able to complete this information.

Table II-II

Measure target	Programme Expected	Achieved with the first public call
Number of projects supported	(220)	
Number of enterprises performing modernisation projects	(220)	
Number of economic entities progressively upgrading towards EU standards	(200)	
Number of enterprises investing in renewable energy production	(20)	

Number of jobs created (gross)	(1300)	
Total investment in physical capital by enterprises supported	(52 mill EUR)	

* The results from the public call 01/2017 are still subject to processing by the IPARD Agency.

As soon as the MA receive efficient and relevant data for monitoring and evaluation purposes in order to be able to complete the table below, the information on the status of achievement of the measure targets will be delivered to the members of the Monitoring Committee.

I.3. Evaluation activities “Farm Diversification and Business Development” (Measure 7)

Measure 7 has as a general objective the support for investments, destined to the establishing micro-enterprises in rural areas and construction/reconstruction of on and off-farm buildings for business purposes.

The table below is summarizing the interest shown by the potential beneficiaries for investments under the measure 7, on the first IPARD II public call 01/2017.

Table III-I

Public call/ Sub-sector	Submitted applications	Total requested amount (€)	Approved applications	Rejected applications	Total Public Expenditure of the contracted projects	Total Public Expenditure EU contribution
01/2017	187	42,558,585.14	0	160		
Alternative agriculture production	39	1,707,838.91				
Food products /beverages	20	2,617,842.07				
Non-food products	35	10,866,666.79				
Crafts activities	5	609,063.15				
Services to agriculture	4	62,381.44				
Services for Rural pop.	7	1,628,245.59				
Rural tourism	32	6,871,062.09				
Renewable energy	46	18,195,485.10				

* 27 applications are still in the approval phase

Source: AFSARD, November 2018

For the implementation of the Measure 7, the Paying Agency is reporting that high rejection rate under this measure is due to the problems that the applicants encountered during the process of completion of the application and the low degree of quality of submitted projects (economically not viable investments) (see Annex 2 to this document - Reasons for rejection of applications).

Regarding the achievement of the Programme specific indicators and quantified targets (table below) for this measure (see IPARD Programme page 200), the MA has not yet received any relevant data in order to be able to complete this information. The results from the public call 01/2017 are still subject to processing and therefore this information will be delivered to the Monitoring Committee members immediately after obtaining the final data from the first public call.

Table III-II

Measure target	Programme Expected	Achieved with the first public call
Number of projects supported	(300)	
Number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas	(70)	
Number of beneficiaries investing in renewable energy	(25)	
Number of jobs created (gross)	(1 000)	
Total investment in physical capital by beneficiaries supported	(9 mill. EUR)	

* The results from the public call 01/2017 are still subject to processing by the IPARD Agency.

II. Actions to improve the quality and implementation of the IPARD II Programme

Mainly, the limited capacity and knowledge in evaluation methods, including the methods for primary data collection in MA and the delays in data delivery from AFSARD are remaining as a main obstacle towards the implementation of the evaluation system, which shall support the improvement of the overall implementation of the programme. The delay of information and data transfer from the IPARD Agency due to manual processing of data, further delays the MA activities and prevents timely actions for improving the legal documents related to the programme implementation.

The available assistance for provision of external service contractor for evaluation is the use of Technical assistance measure. However, the planned activity under the Evaluation plan for 2018 for engagement of external evaluator/experts to collect

additional information/data to fill data and information gaps and to conduct ad hoc evaluations to prepare inputs for the AIR's was not part of the APTA 2018. Therefore, the referenced and delayed activity from the Evaluation plan is expected to be realized in the second half of 2019. Consequently, the activity for quality control of evaluation findings and of any other input the evaluator provides will be discussed with the evaluation steering group and with the Monitoring Committee. If there is, a need arising from the evaluation findings the MA shall prepare and propose remedy actions for all detected deficiencies.

For most of the difficulties encountered and reported during the implementation of the first public call under IPARD II, the Managing Authority and IPARD Agency are having discussions for possible improvements and have already taken corrective actions within the first modification proposal of the IPARD II Programme.

Furthermore, at the next MC the Committee members shall be informed on the results from the implementation of the public call 01/17 the first IPARD II public call with additional information on achievement of the Programme specific indicators and quantified targets of the reasons for rejection of applications, problematic documents, eligibility issues etc.

The Action plan for evaluation activities for 2019 is presented as Annex 1 to this document.

Annex 1 - Draft Annual action plan for evaluation activities for 2019

No.	Action	Responsible	Timing
1.	Administrative matters		
1.2.	Finalize the Terms of reference for external evaluator/experts to collect additional information/data to fill data and information gaps and to conduct ad hoc evaluations	MA, MAFWE	January-February 2019
1.3.	Procurement procedure	MA, MAFWE	March – April 2019
1.4.	Tender evaluation and award of contract	MA, MAFWE	May-June 2019
1.5.	Start of project services for ad hoc evaluation	MA, MAFWE	June-July 2019
2.	Evaluation activities		June – September 2019
2.1.	Evaluation of the 1st public call results	MA	July – August 2019
2.2.	Submission of draft Report on evaluation of the first public call and examination of the results and findings from the contracted services	IPARD Agency	October 2019
2.3.	Improvement of the IPARD processes and documents on the basis of the evaluation findings	MA, MAFWE	November – December 2019
2.4.	Examination of implementation progress at the Monitoring Committee meeting	MA	December 2019-April 2020

Annex 2 - Reasons for rejection of Applications – (preliminary analysis)

All of the results in the following tables are not final and due to the low quality of the data available shall be attentively examined.

Measure 1 - *Investments in physical assets of agricultural holdings*

Table IV-I

SN	*Reasons for rejection in completeness M1	Number of projects	Rate (%)
1	The applicant doesn't submit reply according notification for completing the Application	233	61%
2	Doesn't submit all asked doc. with Notification	96	25%
3	The Applicant cancelled from the application process	13	3%
4	Debts against contractual obligations with MAFWE	10	3%
5	Production capacity is below minimum	7	2%
6	TEE is below min	4	1%
7	The applicant is not representing agriculture holding	2	1%
8	The applicant is not registered in FR	2	1%
9	The applicant does not submit Application form	2	1%
10	Not eligible crop	2	1%
11	Registered production capacity is below minimum	2	1%
12	Two application under measure 1	1	0.3%
13	Not fulfilment of Environmental standards	1	0.3%
14	Capital connection between suppliers	1	0.3%
15	Land/building is not in the property of the applicant	1	0.3%
16	Non comparable offers	1	0.3%
17	Legal entity is not registered in CR	1	0.3%
18	TOTAL	379	100%

*Source: AFSARD, November 2018

The main reason for rejection of the applications during completeness check is that “The applicant doesn't submit reply according notification for completing the application” where 233 applicants or around 61% of all rejected during completeness did not respond to the Notification;

96 rejected applications or around 25% of all rejected for completeness are due the fact for not submitting all required documents asked with Notification for completing the Application;

13 applicants or around 3 % are cancelled from the application process;

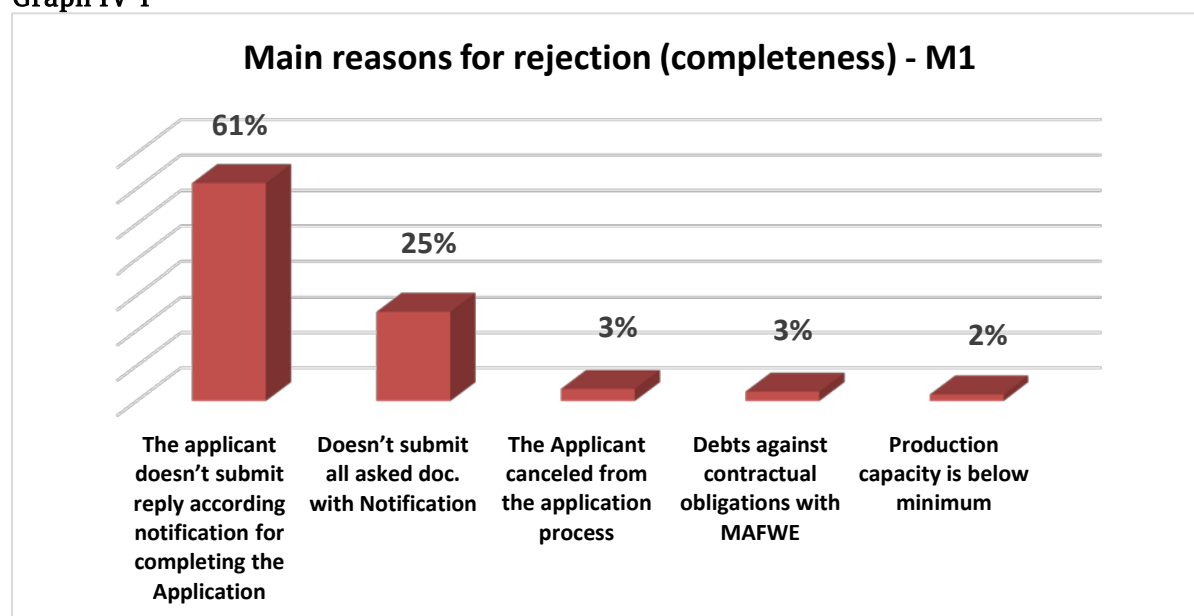
10 applicants or around 3 % have debts against contractual obligations with MAFWE;

7 applicants or around 2% had proposed investment not satisfying criteria for minimum registered production capacity.

The main question is: Why 321 applicants did not respond on the notification for completing the application?

To answer on this question deeper analysis is needed, for the reasons on the applicant's side why they did not respond to complete their applications.

Graph IV-I



*Source: AFSARD, November 2018

In the graph IV-I main reasons for rejection of the applications are presented, where 61% of the applicants does not submit reply according received notification for completing the applications (25% does not submit requested documents at all).

Table IV-II

SN	Reasons for rejection in eligibility M1	Number of projects	Rate (%)
1	Registered production capacity is below minimum	29	30%
2	TEE is below min.	14	15%
4	Not eligible crop	12	13%
3	Debts against contractual obligations with MAFWE	11	11%
5	The Applicant cancelled from the application process	11	11%
6	Negative TPP	7	7%
7	The applicant does not submit Application form	2	2%
8	Not eligible investment	2	2%
9	Application is submitted after deadline	1	1%
10	Two application under measure 1	1	1%
11	The Applicant doesn't sign contract	1	1%
12	Doesn't submit all asked documents	1	1%
13	The applicant is not registered inFR	1	1%
14	Non comparable offers	1	1%

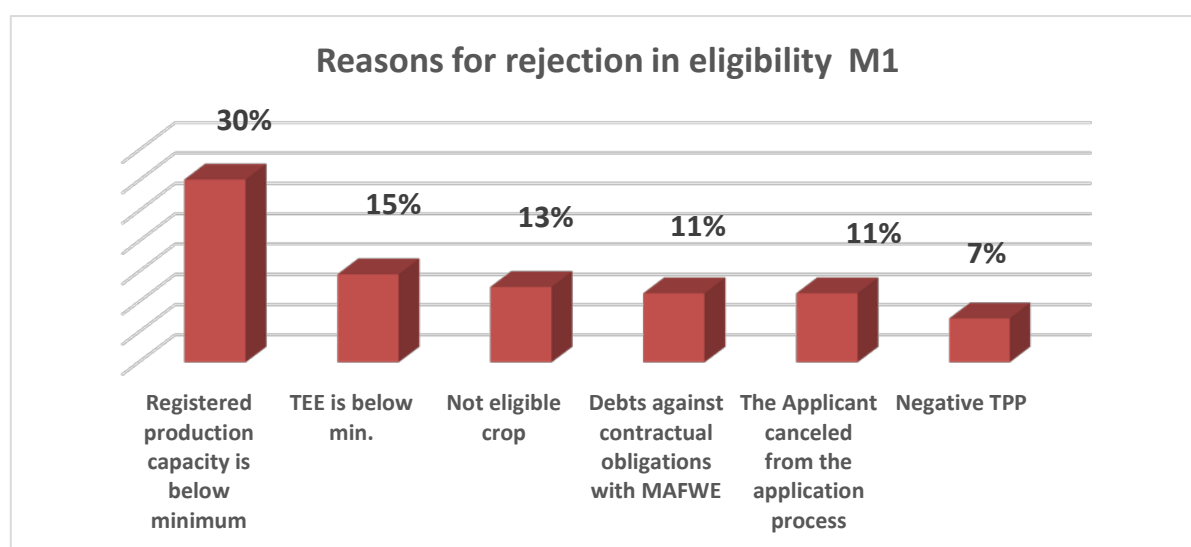
15	Not independent suppliers	1	1%
16	Business plan assessment	1	1%
17	TOTAL	96	100%

*Source: AFSARD, November 2018

According to the presented data in table IV-II, 96 applications under measure 1 are rejected in the phase of eligibility check. 29 projects around 30% are rejected not satisfying criteria for registered production capacity, 14 projects (15%) not satisfying criteria for Total eligible expenditures, and 11 applicants or around 11 % have debts against contractual obligations with MAFWE.

Detailed description of the reasons for rejection are prescribed in the table above and shall be cautiously reviewed.

Graph IV-II



*Source: AFSARD, November 2018

Measure 3 - Investments in physical assets concerning processing and marketing of agriculture and fishery products

For measure 3, the Paying Agency has reported that not eligible applications (beneficiaries) because of the size of the company (SME) and incomplete applications are main reasons for rejection of applications.

Table V-I

SN	Reasons for rejection in completeness M3	Number of projects	Rate (%)
1	The applicant doesn't submit reply according notification for completing the Application	5	42%
2	Doesn't submit all asked doc. with Notification	5	42%
3	Building permit	1	8%

4	Not independent suppliers	1	8%
5	TOTAL	12	100%

*Source: AFSARD, November 2018

On the completeness side, 10 out of 12 applications are rejected because of the incomplete documentation, for one application the reason for rejection is not obtaining building permit and 1 was rejected because of “connected suppliers” (see table V-I). In general, 50% of the applications under measure 3 are rejected in the completeness phase.

Table V-II

SN	Reasons for rejection in eligibility M3	Number of projects	Rate (%)
1	The applicant is not in range of small and medium enterprise	4	33%
2	The applicant is micro enterprise	3	25%
4	The applicant is cancelled	2	17%
5	Not comparable 3 offers	1	8%
6	Not eligible supplier	1	8%
7	TEE is below minimum	1	8%
8	TOTAL	12	100%

*Source: AFSARD, November 2018

Reasons for rejection of the applications under measure 3 during eligibility check are prescribed in the table above, where four applications are rejected due to the fact that the applicants are not in a range of small and medium enterprises and three applicants are in range of micro enterprises. All of them covers around 60% of all rejected application in the eligibility check phase under measure 3.

Measure 7 - Farm Diversification and Business Development

Table VI-I

SN	**Reasons for rejection in completeness M7	Number of projects	Rate (%)
1	PB assessment *	12	29%
2	Not in range of small/micro enterprise	12	29%
3	Two application under measure 7	3	7%
4	Not eligible investment	3	7%
5	The Application is not covered in envelope	2	5%
6	Capital connection between suppliers	2	5%
7	Location of the investment is not in rural areas	2	5%
8	The applicant doesn't submit reply according notification for completing the Application	1	2%
9	The Applicant is in the process of deletion in the Central register	1	2%

10	Doesn't submit all asked doc. with Notification	1	2%
11	Not active enterprise according Current situation	1	2%
12	Not legally acquired property	1	2%
13	The applicant is not registered in CR	1	2%
14	TOTAL	42	100%

*Source: AFSARD, November 2018

Based on the results of the implementation of measure 7 "Farm Diversification and Business Development" under the Public call 01/17 reported from the Paying Agency, 42 applications are rejected in the completeness phase, where 12 applications are rejected because of ascertained economically not viable investment during BP assessment. Second main reason for rejection is that the applicants are not in range of small/ micro enterprises (12).

Both reasons cover around 60 % of all rejected applications in completeness check of the applications (see table VI-I).

Table VI-II

SN	**Reasons for rejection in eligibility M7	Number of projects	Rate (%)
1	The applicant doesn't submit reply according notification for completing the Application	82	69%
2	Doesn't submit all asked doc. with Notification	30	25%
3	The Applicant cancelled from the application process	5	4%
4	Not eligible crop	1	1%
5	TOTAL	118	100%

*Source: AFSARD, November 2018

Detailed description of the reasons for rejection are prescribed in the table above and shall be cautiously reviewed.