



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

**ANNUAL MONITORING REPORT
for the implementation of the IPARD Programme 2014-2020
(as of end of October 2019)**

(In accordance with Article 52(7) of the Sectoral Agreement)

Sixth meeting of the IPARD Programme 2014-2020 Monitoring Committee

December 2019



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1. Introduction

The IPARD II Monitoring Committee satisfies itself as to the effectiveness and quality of the implementation of the IPARD Programme 2014-2020 in order to attain the IPARD Programme's objectives. The IPARD II MC examines the results of the IPARD Programme 2014-2020 in particular the achievement of the targets set for the different measures and the progress on utilization of the financial allocations to those measures and allocations to sub-measures within measures where the IPARD Programme 2014-2020 includes such allocations. In this regard, the Managing Authority (MA) shall ensure that all relevant information on the progress of measures and, as appropriate, sub-measures, is made available to the Monitoring Committee members. For this purpose, MA prepares this Monitoring Report.

The semi-annual data for monitoring the IPARD Programme 2014-2020 implementation (June - January) are presented in the annual Monitoring Report, which MA submits to the IPARD II Monitoring Committee and is integral part of the Annual Report on implementation of IPARD Programme. The annual data for monitoring (January – June) are presented in this Monitoring Report.

In order to provide more detailed information on the implementation of the Programme, this Monitoring Report shall present output indicators with status from 31st of October¹. Indicators that provide information per type of production or type of investments are delivered by the IPARD Agency semi-annually and have status till 30th of June 2019.

¹ Only output indicators on number of applications/financial amount received, contracted and paid is presented with status 31st of October 2019.





2. Assessment of the progress in the implementation of the objectives, measures and investments of the IPARD Programme 2014-2020

2.1 Objectives of the IPARD Programme 2014-2020

Even though the Programme will potentially be serving more than one objective under IPA II and its consistency with the National Strategy for Agriculture and Rural Development (NARDS) 2014-2020, the objectives of the Programme are grouped into the following priority areas:

- Enhancing farm viability and competitiveness of all types of agriculture and primary food processing, while progressively aligning with the Union standards. Objective shall be reached implementing measures “Investment in physical assets of agricultural holdings” and “Investments in physical assets concerning processing and marketing of agriculture and fishery products”.
- Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry.
- Promoting balanced territorial development in rural areas. Objective shall be reached implementing measures “Improvement and development of rural infrastructure” and “Farm diversification and business development”.
- Transfer of knowledge and strengthening public administration capacity in implementation of rural development programmes.

The measure “Technical Assistance” is a horizontal measure, which supports the successful implementation of the whole Programme, therefore this measure could not be directly linked to a special objective.

Measure objectives achievement is measured by a set of specific indicators defined and targeted for each measure².

Measure specific indicator		Projected target	Achieved results	Achieved in %
Measure 1	Number of projects supported	3.100	670	21,6
	Number of agriculture holdings performing modernization projects	3.100	670	21,6
	Number of economic entities progressively upgrading towards EU standards	1.200	122	10,1
	Number of agriculture holdings progressively upgrading towards full compliance to the EU standards for animal welfare	30	0	0,0
	Number of holdings investing in renewable energy production	25	2	8,0
	Number of holdings investing in livestock management in view of reducing the N ₂ O and methane emissions (manure storage)	50	0	0,0
	Total investment in physical capital by agriculture holdings supported	48 mill. EUR	9,5 mill. EUR	19,8
Measure 3	Number of projects supported	220	21	9,5
	Number of enterprises performing modernization projects	220	21	9,5
	Number of economic entities progressively upgrading towards EU standards	200	8	4,0
	Number of enterprises investing in renewable energy production	20	/	/
	Number of jobs created (gross)	1.300	/	/

² Indicators on number of projects supported, number of agriculture holdings/enterprises performing modernization projects and number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas have status from 31st of October 2019. Other indicators in this table have status from 30th of June 2019.





	Total investment in physical capital by enterprises supported	52 mill. EUR	5,9 mill. EUR	11,3
Measure 7	Number of projects supported	300	0	0,0
	Number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas	70	0	0,0
	Number of beneficiaries investing in renewable energy	25	0	0,0
	Number of jobs created (gross)	1.000	0	0,0
	Total investment in physical capital by beneficiaries supported	9 mill. EUR	0 mill. EUR	0,0

2.2 Analysis of the process of implementation per measure

The implementation of the IPARD Programme 2014-2020 started in April 2017 with submission of applications under the first call (all 3 measures included). Since then additional 3 calls were announced:

- Public call 01/2018 was for submission of applications under Measure 3,
- Public call 02/2018 was for submission of applications under Measure 1, and
- Public call 01/2019 was for submission of applications under Measure 7 (still active in the time of preparation of this report).

The status with the applications received so far is following:

Measure	Submitted		Contracted		Paid	
	Number	EU funds	Number	EU funds	Number	EU funds
1	2.503	36.295.214	928	8.521.476	670	4.502.864
3	122	28.334.403	62	7.465.910	21	2.164.195
7	187	41.342.988	23	3.231.985	0	0
9	8	142.348	8	142.351	3	3.836
Total	2.820	106.114.953	1.021	19.361.722	694	6.670.895

Analysis on the implementation of the Programme by regions made by Managing Authority is based on data from the monitoring system and with cutoff date 31st October 2019.

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	1.113	489	5.027.733	347	2.487.222
Vardar	690	226	2.906.382	162	1.264.788
North-East	131	51	443.807	33	168.286
South East	240	84	2.697.040	52	651.311
Skopje	186	37	3.509.730	17	1.052.444
South West	156	52	2.147.000	38	243.297
Polog	77	21	1.366.288	11	291.721
East	219	53	1.121.391	31	507.990
Total	2.812	1.013	19.219.371	691	6.667.059

The data and results in the above table can be supported with the fact that regions like Pelagonia, Vardar and South East have more advanced agricultural production led predominantly by crop production (cereals, orchards and vineyards and vegetables). In addition, investments in crop production, especially in purchase of new machinery and equipment, are less complicated to implement (no need for construction/reconstruction permits or in case of tractors no need for proof for environmental standards).



Measure 1 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	1.065	470	3.592.618	342	2.034.337
Vardar	646	219	2.044.421	159	922.932
North-East	116	47	368.027	33	168.286
South East	201	74	895.630	51	576.225
Skopje	119	20	263.340	13	108.718
South West	129	45	248.368	37	196.788
Polog	46	9	295.203	6	34.073
East	181	44	813.869	29	461.505
Total	2.503	928	8.521.476	670	4.502.864

Measure 3 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	23	13	1.068.975	5	452.885
Vardar	16	6	497.589	3	341.856
North-East	5	2	73.382	0	0
South East	19	9	1.402.704	1	75.086
Skopje	21	10	1.629.760	4	943.726
South West	7	6	1.897.745	1	46.509
Polog	15	10	634.857	5	257.648
East	16	6	260.899	2	46.485
Total	122	62	7.465.910	21	2.164.195

Measure 7 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	25	6	366.140	0	0
Vardar	28	1	364.372	0	0
North-East	10	2	2.398	0	0
South East	20	1	398.707	0	0
Skopje	46	7	1.616.630	0	0
South West	20	1	887	0	0
Polog	16	2	436.228	0	0
East	22	3	46.623	0	0
Total	187	23	3.231.985	0	0



a. Measure 1 implementation

There were two public calls for Measure 1 so far (01/2017 and 02/2018). Contracting for the first public call has been completed and the approval rate for the first public call is 65 per cent. Out of 906 contracts, 670 have been implemented and paid so far. Contracting for the applications submitted on the second public call is ongoing and 22 contracts have been concluded so far.

Types of production concerned by the investment in Measure 1³:

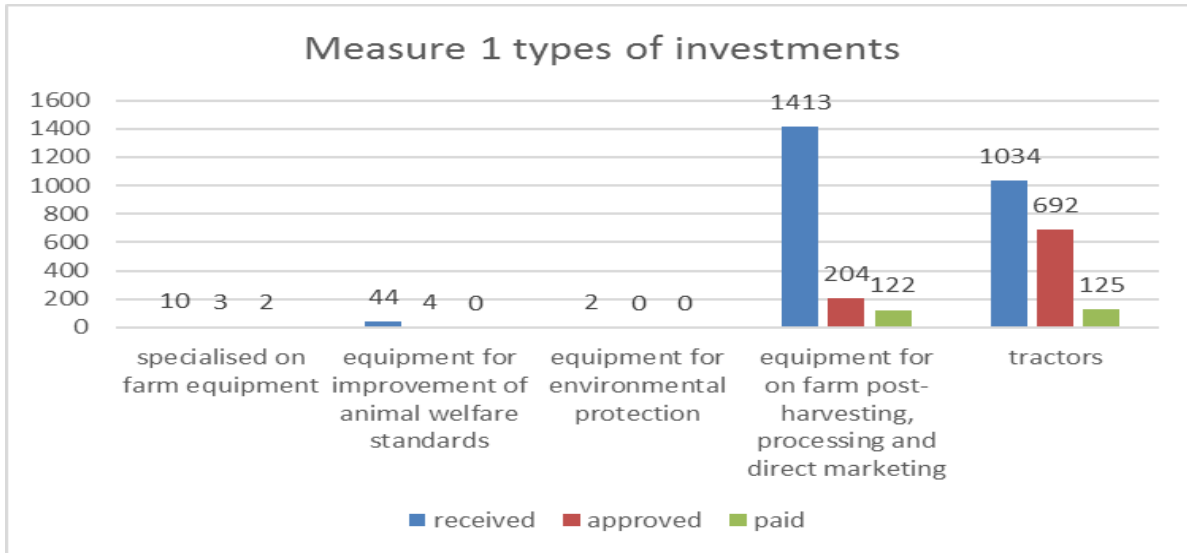
Type of production	Submitted applications	Contracted applications	Contracted EU funds	Paid applications	Paid EU funds
Vineyards	345	123	1.113.192	94	341.385
Orchards	710	308	3.370.977	39	571.951
Vegetables incl. glasshouses	170	9	56.849	3	14.364
Cereals	1.170	392	4.008.836	100	735.034
Industrial crops	30	9	110.977	2	37.061
Milk production	37	4	72.770	0	0
Meat production	15	3	925.682	0	0
Eggs production	8	2	595.024	0	0
On-farm processing	8	1	17.053	0	0
Renewable energy production	4	2	4.200	2	8.480

The interest and utilization of IPARD support for the types of investment activities in Measure 1 is primarily for the procurement of equipment and machinery. There is no interest in investment activities for the construction or reconstruction of farm facilities, development of farm infrastructure or facilities for post-harvest activities and direct farm marketing. The reason for this situation is the inability of applicants to obtain building/reconstruction permits. Legalization of farms, lack of detailed urban plans in the villages and the weak capacities of the rural municipalities responsible for this issue are additional problems that hinder the process of obtaining construction or reconstruction approval. In order to mitigate small portion of the problem, Managing Authority prepared Guidelines on the procedure for construction of facilities on agricultural land in October 2019. By the time of preparation of this report the Guideline was still in consultation stage within the Ministry of agriculture, forestry and water economy.

Also, no interest was shown for investments in irrigation systems, harvesters, specialized agricultural transport trailers and vehicles and purchase of perennial trees and plants. Investments in irrigation have lower value and they are usually combined with other equipment and machinery. In order to avoid double counting of projects, the monitoring system registers these mixed applications by the higher cost of the procured item, in this case the equipment or machinery.

³ Data presented in the table are with cutoff date June 2019





b. Measure 3 implementation

There were two public calls for Measure 3 so far (01/2017 and 01/2018). Contracting for the first public call has been completed and the approval rate for the first public call is 54 %. Out of 31 contracts, 21 have been implemented and paid so far. Contracting for the applications submitted on the second public call (01/2018) has also finished and 31 contracts have been concluded so far (approval rate 48%).

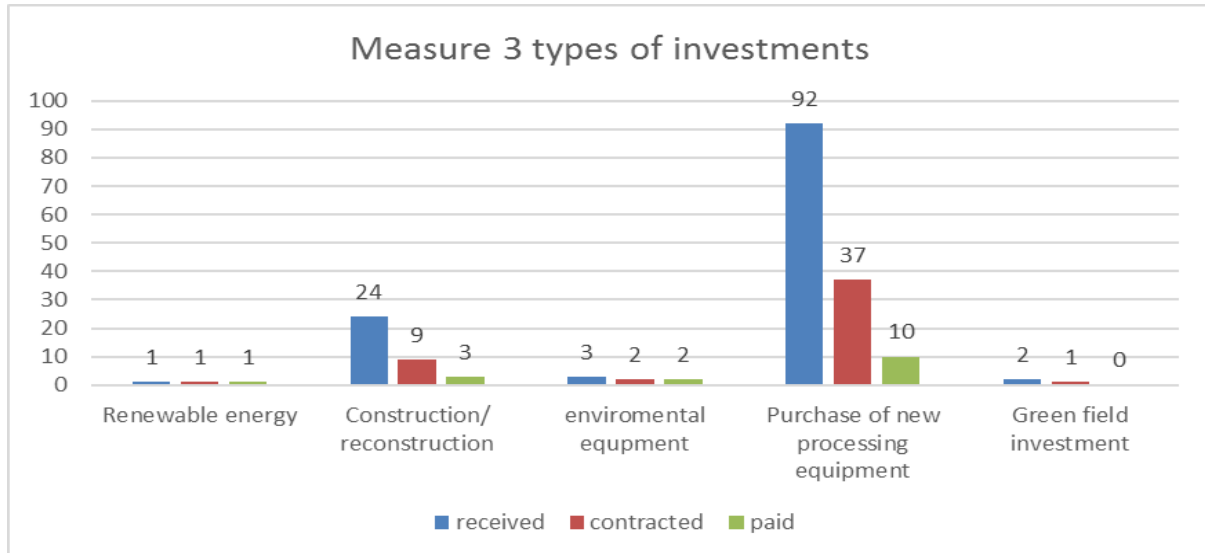
Types of production concerned by the investment in Measure 3⁴:

Type of production	Submitted applications	Contracted applications	Contracted EU funds	Paid applications	Paid EU funds
Milk collection	9	5	303.880	4	226.944
Dairy processing	12	4	204.110	0	0
Cattle fattening	16	11	2.553.725	5	472.137
F&V collection centers	21	10	1.727.013	5	538.302
F&V processing	30	10	904.183	0	0
Cereals, milling	16	4	132.470	1	48.012
Oils and fats	3	1	9.619	1	8.783
Wine	15	5	518.884	0	0

Similar to Measure 1, most types of investments in this Measure are in procurement of machinery and equipment for specialized production activities. Yet, there were 24 applications and 9 contracts for projects that included investments in construction/reconstruction of operational facilities. No interest shown by the applicants for investing in improvement of animal welfare standards, waste water management, improvement of holdings infrastructure and specialized transport trailer and vehicles.

⁴ Data presented in the table are with cutoff date June 2019





c. Measure 7 implementation

Second public call 01/2019 for this Measure was announced in October 2019 and the deadline for submission of applications under the call was prolonged until 3rd of December. Contracting for the first public call has been completed and the approval rate for the first public call is 12 %. None of 23 contracts has been implemented and paid so far.

Types of production concerned by the investment in Measure 7⁵:

Type of production	Submitted applications	Contracted applications	Contracted EU funds
Cultivation of mushrooms and truffles	1	0	0
Horticulture	3	0	0
Seeds and seedling materials	2	1	73.847
Animal breeding	6	1	183.657
Bee keeping	1	0	0
Herbs, spices, aromatic crops	20	8	11.146
Trees for timber and bio-mass	3	0	0
Aquaculture and fish farms	3	0	0
Milk processing	17	1	20.549
F&V processing	2	0	0
Cereals processing	1	0	0
Beverages	1	0	0
Wood processing	33	6	130.249
Crafts activities	5	0	0
Veterinary services	4	1	9.055
Repair and maintenance services	1	0	0
Social services	1	0	0
Training and education services	4	1	487.158
Transportation services	1	0	0
Other services	1	0	0
Tourism accommodation	17	2	594.301
Catering services	1	0	0
Rural museums	13	2	549.112
Recreational activities	1	0	0
Solar, wind, water, geothermal energy	39	0	0
Bio-fuel production	1	0	0

⁵ Data presented in the table are with cutoff date June 2019





Energy for self-consumption	5	0	0
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In this measure, there is a prevailing interest in investing in the construction and reconstruction of operational facilities for the respective economic activities as well as investments in improving the infrastructure of applicants.

