



**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
(for the period up to November 2020)**

November, 2020



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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 2020. 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 2020.

¹ Only output indicators on number of applications/financial amount received, contracted and paid is presented with status 31st of October 2020.





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	1.020	32,9%
	Number of agriculture holdings performing modernization projects	3.100	1.020	32,9%
	Number of economic entities progressively upgrading towards EU standards	1.200	252	21%
	Number of agriculture holdings progressively upgrading towards full compliance to the EU standards for animal welfare	30	0	0%
	Number of holdings investing in renewable energy production	25	2	8%
	Number of holdings investing in livestock management in view of reducing the N ₂ O and methane emissions (manure storage)	50	/	/
	Total investment in physical capital by agriculture holdings supported	48 mill. EUR	13,7 mill. EUR	28,5%
Measure 3	Number of projects supported	220	53	24,1%
	Number of enterprises performing modernization projects	220	53	24,1%
	Number of economic entities progressively upgrading towards EU standards	200	8	4%
	Number of enterprises investing in renewable energy production	20	1	5%
	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	16,5 mill. EUR	31,7%
Measure 7	Number of projects supported	300	12	4%
	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	1,1 mill. EUR	12,2%

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 5 calls were announced:

- Public call 01/2018 for submission of applications under Measure 3,
- Public call 02/2018 for submission of applications under Measure 1,
- Public call 01/2019 for submission of applications under Measure 7,
- Public call 02/2019 for submission of applications under Measure 3 and
- Public call 01/2020 for submission of applications under Measure 1.

The status with the applications received so far is following:

Measure	Submitted		Contracted		Paid	
	Number	EU funds	Number	EU funds	Number	EU funds
1	3.251	57.306.327	1.485	14.207.820	1.020	6.509.136
3	183	45.098.137	85	13.522.467	53	5.840.202
7	448	85.164.058	44	4.445.858	12	643.472
9	8	142.348	8	142.351	7	9.319
Total	3.890	187.710.870	1.622	32.318.493	1.092	13.002.129

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 of October 2020.

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	1.458	667	6.764.044	498	4.120.288
Vardar	933	436	4.028.577	293	1.898.072
North-East	175	65	479.421	49	404.018
South East	311	119	4.258.924	75	1.466.110
Skopje	304	84	6.732.909	36	1.737.516
South West	216	80	2.383.143	57	2.003.425
Polog	139	36	5.067.859	18	555.193
East	346	127	2.461.269	59	808.188
Total	3.882	1.614	32.176.145	1.085	12.992.810

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	1.355	638	4.340.322	481	2.899.643
Vardar	859	425	2.763.047	288	1.457.039
North-East	146	61	403.641	46	330.175
South East	240	105	1.771.310	68	696.723
Skopje	182	61	1.289.321	24	141.650
South West	158	69	323.518	51	271.237
Polog	67	16	1.435.404	9	55.985
East	244	110	1.881.257	53	656.684
Total	3.251	1.485	14.207.820	1.020	6.509.136

Measure 3 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	34	17	2.027.632	13	1.061.304
Vardar	25	8	677.462	5	441.033
North-East	5	2	73.382	2	72.920
South East	33	13	2.088.907	7	769.387
Skopje	32	15	3.620.741	9	1.157.429
South West	8	7	1.910.270	5	1.731.301
Polog	20	14	2.718.282	8	497.715
East	26	9	405.792	4	109.113
Total	183	85	13.522.467	53	5.840.202

Measure 7 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	69	12	396.090	4	159.341
Vardar	49	3	588.068	0	0
North-East	24	2	2.398	1	923
South East	38	1	398.707	0	0
Skopje	90	8	1.822.847	3	438.437
South West	50	4	149.355	1	887
Polog	52	6	914.173	1	1.493
East	76	8	174.220	2	42.391
Total	448	44	4.445.858	12	643.472



a. Measure 1 implementation

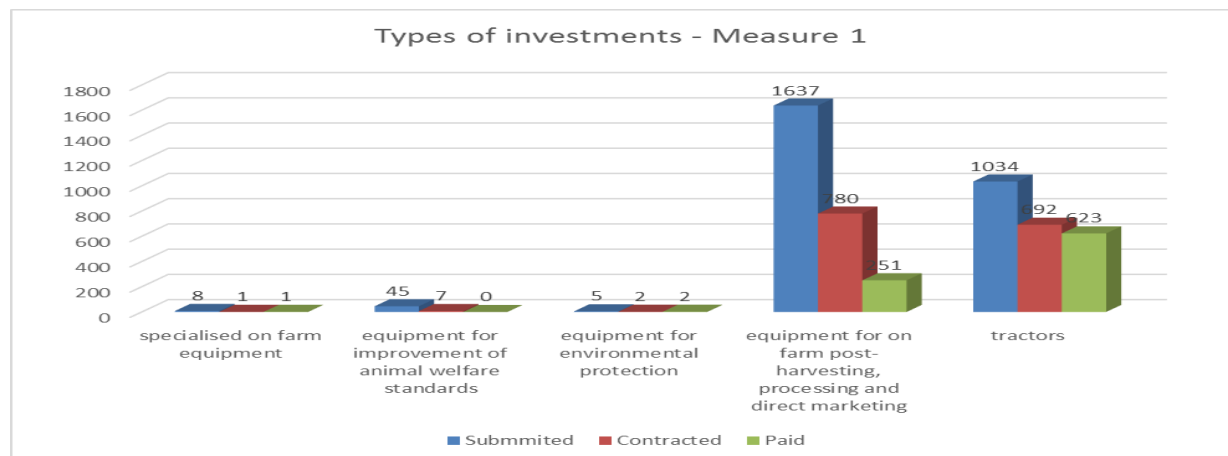
There were three public calls for Measure 1 so far (01/2017, 02/2018 and 01/2020). Contracting process for the first and second public call has been completed. The approval rate is 58 % on the first public call (01/2017) and 60% on the second public call (02/2018). The applications submitted on the third public call are being processed by the Agency. Out of 1.485 contracts, 1.020 have been implemented so far and 6.509.136 € EU contribution has been paid.

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	394	258	2.290.219	137	932.159
Orchards	795	406	6.336.273	300	2.926.733
Vegetables incl. glasshouses	184	101	797.656	56	436.166
Cereals	1.239	689	5.906.675	368	3.310.040
Industrial crops	37	12	129.859	8	105.948
Milk production	37	6	194.001	3	66.341
Meat production	16	4	2.779.811	2	43.917
Eggs production	8	2	595.024	0	0
On-farm processing	8	1	17.053	1	17.048
Renewable energy production	5	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.

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 2020





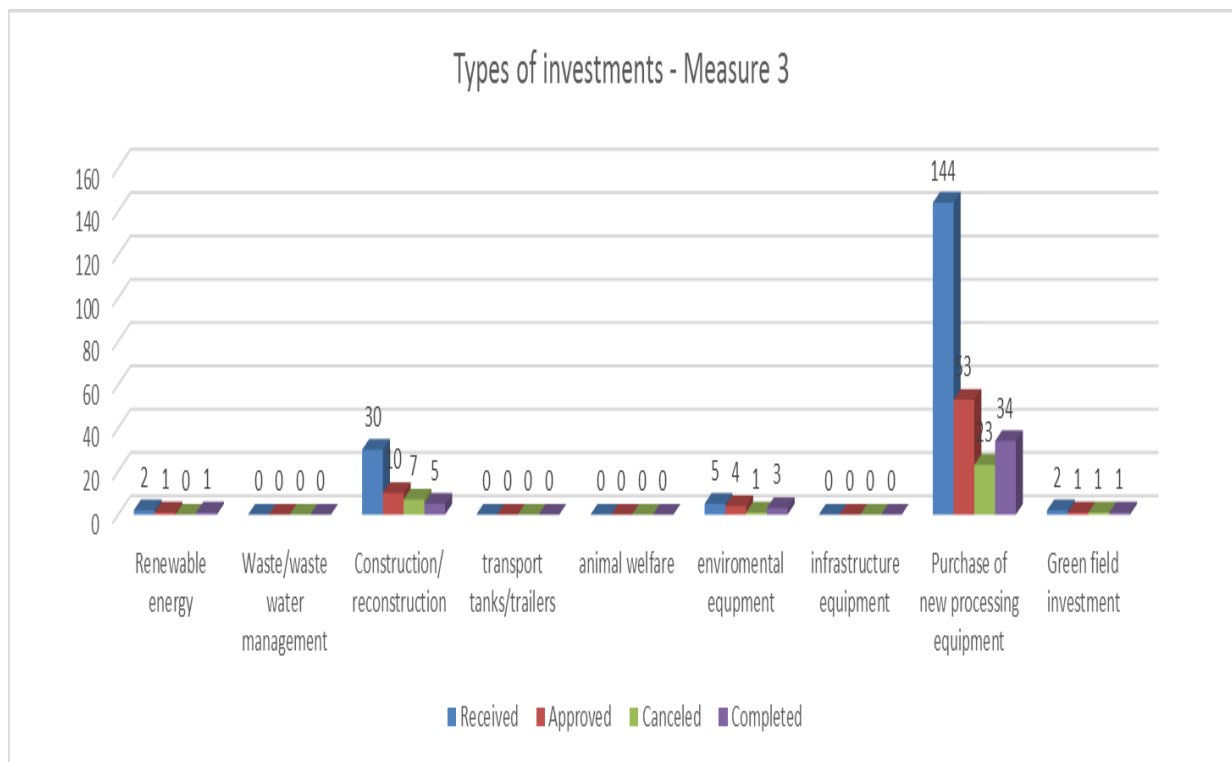
b. Measure 3 implementation

There were three public calls for Measure 3 so far (01/2017, 01/2018 and 02/2019). The contracting process for the first and second public call is completed. The approval rate on the first public call reached 54% and 58% on the second public call. First 11 contracts were signed from the applications submitted on the third public call (contracting process just started for this call). Out of 85 contracts, 53 have been implemented and paid so far, distributing 5.840.202 € EU contribution towards the beneficiaries.

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	10	5	405.173	5	394.894
Dairy processing	13	7	829.351	3	215.479
Cattle fattening	23	13	3.589.284	10	2.971.242
Pig fattening	2	/	/	/	/
F&V collection centers	28	11	4.092.627	4	971.598
F&V processing	58	17	4.937.206	15	1.515.231
Cereals, milling	21	6	327.978	2	98.757
Oils and fats	3	2	32.821	1	12.826
Wine	25	8	1.413.831	4	648.913

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 30 applications and 10 contracts for projects that included investments in construction/reconstruction of operational facilities. No interest was shown by the applicants for investing in improvement of animal welfare standards, waste and wastewater management, improvement of holdings infrastructure and specialized transport trailer and vehicles. In 32 occasions contracts were canceled upon request by the applicant.



⁴ Data presented in the table are with cutoff date June 2020



**c. Measure 7 implementation**

Two public calls were announced for this Measure. First public call (01/2017) had 23 contracted applications (EU contribution of 3.232.074 €) and approval rate of 12,6%. Great number of applications (46) for investments in production of renewable energy were submitted on this call. All these applications were rejected since they did not met the Programme criteria. Investment in production of renewable energy was later excluded from the second public call (01/2019). 261 application were submitted on the second public call and 21 contracts were signed - EU contribution of 1.213.784 € (contracting process for this call has not ended).

In total 12 applications were paid (EU contribution of 643.472 €)

Types of production concerned by the investment in Measure 7⁵:

Type of production	Submitted applications	Contracted applications	Contracted EU funds	Paid applications	Paid EU funds
Cultivation of mushrooms and truffles	1	0	0	0	0
Horticulture	5	3	0		
Seeds and seedling materials	2	1	73.847		
Animal breeding	7	1	183.657		
Bee keeping	98	0	0	1	1.614
Herbs, spices, aromatic crops	22	8	11.146	4	4.712
Trees for timber and bio-mass	4	0	0		
Aquaculture and fish farms	3	0	0		
Milk processing	17	1	20.549		
F&V processing	24	0	0		
Cereals processing	1	0	0		
Beverages	2	0	0		
Wood processing	33	5	1.298.085	2	451.103
Production of furniture	75	0	0	0	0
Crafts activities	6	0	0		
Veterinary services	11	2	14.220	2	14.225
Repair and maintenance services	2	0	0		
Social services	3	0	0		
Training and education services	4	1	487.158		
Transportation services	1	0	0		
Other services	8	0	0		
Tourism accommodation	39	2	594.301		
Catering services	7	0	0		
Rural museums	13	2	549.112		
Seminars and trainings	8	0			
Recreational activities	1	0	0		
Solar, wind, water, geothermal energy	40	0	0		
Bio-fuel production	1	0	0		
Energy for self-consumption	5	0	0		

⁵ Data presented in the table are with cutoff date June 2020



In this measure, there is a prevailing interest in investing in the construction and reconstruction of operational facilities for the respective economic activities, investments in improving the infrastructure of applicants, as well as investments in specialized processing equipment.

