



REPUBLIC OF MACEDONIA  
IPARD Monitoring Committee

*Minutes No. 17*

*Minutes of the 17th meeting of the IPARD Monitoring Committee  
February 17th*

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Date: 09.02, 2017

Skopje

## I. LIST OF PARTICIPANTS

Biljana Kostovska, Head of Department for management of EU's pre-accession funds for rural development (IPARD).

### Members present at the IPARD Monitoring Committee:

1. Igor Zlatkov, Director, National Extension Agency;
2. Abdilgafar Sinani, Head of the Department of Agriculture, Ministry of Agriculture, Forestry and Water Economy;
3. Sonja Trajkova, Cabinet of the Minister, Ministry of Agriculture, Forestry and Water Economy;
4. Biljana Petkoska, Ministry of Environment and Physical Planning;
5. Snezana Gerasimova- Mateska, Advisor, Ministry of Culture;
6. Blazo Janevski, Head of Department, Agency for Food and Veterinary;
7. Stevanche Jordanoski, President of the Federation of Farmers in the Republic of Macedonia;
8. Veljo Tantarov: Union of Farmers;
9. Natasha Vrteska, Legal Advisor to the Association of Local Government units;
10. Robertina Brajanoska, Executive Director of the Macedonian Ecological Society;
11. Eftim Shaklev, President, Association of Farmers;
12. Petar Georgiev, President of the Rural Development Network of R.M;
13. Sasho Ristevski, Secretary, Macedonian Association of Processors;
14. Olga Stoimenova, Association of Women Farmers "Agro-Vinca ", Vinica;

### *Present deputy members of the IPARD Monitoring Committee:*

1. Dana Petreska, SEA;
2. Luqman Shaqiri, Ministry of Economy;
3. Biljana B.Zlateska MAFWE;
4. Nikola Tanevski APERM;
5. Ana Kotevska, Faculty of Agriculture and Food.

*Representatives of the European Commission (EC) in an advisory role:*

1. Gerard Kiely, Directorate for Agriculture and Rural Development (DG-Agri);
2. Elitsa Zhivkova, Directorate for Agriculture and Rural Development (DG-Agri).

Representatives of the European Delegation

1. Olivier Maes, Delegation of European Union in the Republic of Macedonia
2. Marulo Di Veroli, Delegation of European Union in the Republic of Macedonia.

Representatives of IPARD structure:

Representatives from the NAO and NF:

1. Aleksandra Simjanoska, National Fund, Ministry of Finance.

Representatives of the IPARD Managing Authority (MA):

1. Biljana Kostovska, Head of IPARD Department;
2. Mladen Kolaric, Head of Unit for monitoring of the implementation of IPARD funds and reporting;
3. Viktor Mladenovski, Acting Head of Unit for implementation of Technical Assistance of IPARD funds;
4. Vasilka Tamburkova, Unit for monitoring of the implementation of IPARD funds and reporting;
5. Oliver Stefanovski, Unit for Technical Assistance of IPARD funds;
6. Jasmina Hadzhibulic, Junior Associate, Unit for monitoring of the implementation of IPARD funds and reporting;
7. Zlatko Kolevski, Unit for Technical Assistance of IPARD funds;
8. Angel Karapetrov, Unit for Technical Assistance of IPARD funds;
9. Sadzide Demiri, Unit for coordination of preparatory activities for agri-environmental measures and "LEADER" under IPARD funds;
10. Dusko Jakimovski, Unit for programming and evaluation of IPARD funds;
11. Мухадин Лимани, Unit for programming and evaluation of IPARD funds;
12. Gordana Smileska, Unit for monitoring of the implementation of IPARD funds and reporting;
13. Gabriela Petrova, Unit for Technical Assistance of IPARD funds

*Representatives from the Agency for Financial Support to Agriculture and Rural Development (AFSARD):*

1. **Biljana Vukovic**, Director, Agency for Financial Support in Agriculture and Rural Development (AFSARD);
2. **Maja Brajovic**, Head of Internal Audit, Agency for Financial Support in Agriculture and Rural Development (AFSARD);

*Results: Deputy Chairperson of the Committee, 14 members and 5 deputy members with voting right (out of a total of 24 members with a right to vote) participated in the meeting. A quorum of 2/3 of the members with a right to vote (or their replacements) was achieved to hold the meeting in accordance with the Rules of Procedure Article 9 paragraph 4.*

*The Checklist for presence of members from the meetings of the IPARD Monitoring Committee is shown in Appendix 1 of these minutes.*

*The List of observers is shown in Appendix 2 of these minutes.*

## II. AGENDA

### III. RESULTS OF THE IPARD MONITORING COMMITTEE MEETING:

#### **1. In reference to Item 1 of the Agenda: „Adoption of the draft agenda of the 17<sup>th</sup> meeting of the IPARD Monitoring Committee"**

The meeting was opened by Ms. Kostovska - Head of Department for management of EU's pre-accession funds for rural development (IPARD), welcoming all the present at the meeting and also apologized on behalf of the Chairman of the IPARD Monitoring Committee- Mr. Kostadinovski who due to urgent commitments, was unable to attend the meeting. The members of the IPARD Monitoring Committee were informed about the draft agenda for the seventeenth meeting of the IPARD Monitoring Committee.



On her own initiative in the draft agenda under point 4: „ Status of implementation of the IPARD Program 2007-2013” , a sub point was added i.e. 4.2: „ **Activities undertaken to improve the absorption of IPARD funds**”.

The representative of the Association of Farmers Mr. Shaklev commented regarding the submission of the materials and the fact that two meetings are held on the same day, i.e. there is not enough time to read them and that has been asked all materials to be submitted by post mail.

Ms. Kostovska apologized for the late submission but also explained that the materials are not submitted on the same day, respectively, for the 17<sup>th</sup> meeting of the IPARD Monitoring Committee 2007- 2013, they were submitted 10 days before the meeting, while for the meeting of the IPARD Monitoring Committee 2014- 2020- 5 days before the meeting. In terms of maintaining two meetings of the IPARD Monitoring Committee in the same day, Ms. Kostovska noted that it was previously agreed with the EC. For the next meeting of the Committee such delays will be avoided and efforts will be made to the members who requested, the materials to be submitted by post mail.

In absence of comments, the IPARD MC members adopted the following decision:

**Decision No.1:** The IPARD Monitoring Committee adopted the Agenda for the 17<sup>th</sup> of the IPARD Monitoring Committee.

*The adopted Agenda is attached in Annex 1.*

**2. In reference to point 2 of the Agenda: “Adoption of the Minutes of the 16<sup>th</sup> IPARD MC meeting, held on 7<sup>th</sup> of July 2015”**

The Head of IPARD Sector informed that the draft-Minutes from the 16<sup>th</sup> meeting of the IPARD Monitoring Committee has been submitted to all members of the Committee and to the representatives of the European Commission.

Having no further comments, the following decision was adopted:

**Decision No. 2:** *“The IPARD Monitoring Committee adopted the draft Minutes of the 16<sup>th</sup> (spring) meeting of the IPARD Monitoring Committee, held on 07<sup>th</sup> of July, 2015, as final.”*

*The adopted Minutes is presented in Annex 2.*

3. In reference to point 3 of the Agenda: "Information for implementation of decisions/conclusions adopted at the previous (16th) meeting of the IPARD Monitoring Committee"

Ms.Kostovska, reported on the progress of implementation of the Decisions /Conclusion adopted on the previous 16<sup>th</sup> IPARD Monitoring Committee meeting, held on 07<sup>th</sup> of July, 2015, noting which of them are implemented and which will be further realized.

Having no further comments, the following conclusion was taken:

**Conclusion No.1:** *The IPARD Monitoring Committee 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.*

*Progress Report on the Decisions/Conclusions is presented in Annex 3.*

4. In reference to point 4 of the Agenda: „ State of play of implementation of the IPARD Programme 2007-2013"

4.1. „ Presentation of the results of the IPARD Programme via monitoring indicators/data"

The representative from MA, Mr. Kolarikj presented the progress and results of the implementation of the IPARD Program 2007- 2013 and the realization of the goals of the Programme.

In addition to this point, the Director of IPARD Agency Mrs.Vukovic informed regarding submitted applications, realized contracts and contracts in progress.

Regarding this point, the representative of the Union of Farmers, Veljo Tantarov, asked a question whether the criteria for submitting a document which will serve as a proof to the applicant that he is a member of an agrarian cooperative or association, will be a reason for rejection of farmers. As an explanation for requesting the previously mentioned document, the Director of AFSARD Biljana Vukovic said that this year for the first time we have more applications and less money available. As a result, ranking of the applications is



needed. Applications that have a sufficient number of points will get funds. Additional documents required, serve as evidence whether farmers will get points.

Shaklev added that also, there is a problem about the requirement of proof regarding where the applicant will sell gardening products and where will he get raw materials. The representative of IPARD Agency, Mr. Dimitrov explained that, what was previously mentioned, is prescribed in the Programme, criterias for scoring are very clear, both necessary documents that are required are exclusively for a scoring as a result of the new situation.

Also Mr. Tantarov opened a discussion about the authenticity of documents submitted by farmers as a proof that they are members of an association, since many associations do not actually function. Head of IPARD Department Biljana Kostovska, noted that the idea of scoring is not creation of fictitious members of associations or fictitious members of cooperatives i.e. through national policies, support to cooperative movement and cooperatives is given, believing that united farmers are strong farmers, and therefore priority to those farmers who are in associations and that are in associations will be given. Policy of Ministry of Agriculture is to promote cooperative movement, the actual associations that work and that are true representatives of the farmers. Associations are needed to MAFWE and AFSARD. Furthermore she added that with the regional units a working group is made together with the Agency for support of Bitola, established by the Minister and began with meetings where they communicate with the Agency and with regional offices in order to achieve better cooperation and involvement during the info days. Mr. Shaklev pointed out that during collecting all the required documents, applicants should be addressed to associations formed and registered under the law and have concluded cooperation agreements with the ministry.

The representative of the Directorate of Agriculture and Rural Development, Gerard Kiely, regarding the data of the report emphasized that we should pay attention to the large number of rejected applications and eliminate the reasons for that, which in the next period would lead to a situation where the number of acceptable applications is increased and limited resources. In such a case, the Operating structures will be making decisions regarding the way of ranking and criteria that will be required.

The representative of the Directorate of Agriculture and Rural Development, Gerard Kiely addresses the data of the report and emphasized that we should pay attention to the large number of rejected applications and eliminating the reasons for that in the next period

would lead to a situation where an increasing number of acceptable applications and limited resources. In such a case, the operating structures will be making decisions on the manner of ranking criteria.

The representative of the Ministry of Culture Snezana Gerasimova-Mateska informed that the utilization of Measure 302 in terms of cultural heritage is minimal, because rural areas do not have a detailed urban plan, and it slows down the process of obtaining the necessary documents, the applicants are facing a problem of timely submission of complete documentation. Rural areas are not covered by general acts regulating the countryside and it is reflected in this measure. She said that from the Ministry of Culture opinion or consent to the project documentation is requested and opinion whether it is cultural heritage. Unless if it isn't cultural heritage, opinion can not be given. Otherwise, in case of cultural heritage, people start giving up because procedures are too complex, too long (even if there is an urban plan), and their document must be the vanguard of a building permit. For this purpose, she asked for contacts or meetings and to make some contacts with MAFWE to undertake concrete actions and to reach agreements. HoD stressed that in the new IPARD program a special accent on this measure is put, and in terms of the necessary documentation the representative of AFSARD Nikola Dimitrovski, added that with the new IPARD II program, all the problems that were mentioned by the representative of the Ministry of Culture will be overcome i.e. the document required whether it is culturally protected area- will not be required by the new IPARD II program and the building permit can not be delivered at the beginning but at a later stage of decision making.

The representative of the Directorate of Agriculture and Rural Development, European Commission Elitsa Jivkova proposed to make a detailed analysis of the reasons for rejecting the projects and to establish a working group which will discuss the changes that need to be taken regarding criterias, because interest for this measure has been increased, and number of implemented projects is very small.

Based on the detail analyses on the implementation of the IPARD 2007- 2013 Programme, IPARD MC adopted the following conclusion:

**Conclusion No. 2:** The IPARD Monitoring Committee has reviewed the results from the implementation of the IPARD Programme through indicators and data for monitoring the programme for the period January 2015- May 2015.



*Semi-annual monitoring report (status 31.12.2016) is shown in Annex 4.*

#### **4.2. In relation to item 4.2 of the Agenda: „ Activities undertaken to improve the absorption of the IPARD Programme“**

Biljana Kostovska informed about the activities undertaken to improve the absorption of IPARD, i.e. the guarantee fund established in cooperation with USAID, by which 50% of the mortgage required for loans that will issuing banks for projects of IPARD will be covered, as well as other projects in agriculture and processing industry. ProCredit Bank started issuing loans through the Guarantee Fund, and during March first report of this bank is expected (how many loans are issued and what kind) and also it is expected a cooperation with Stopanska Banka, Komercijalna banka and saving banks Moznosti and FULM Savings house Skopje. In order to inform farmers promotional days, along with info-days will be held.

She also informed that the National Programme for Rural Development in 2016 funds and a national measure to subsidize interest rates are provided. This measure is designed exclusively for the IPARD investment. Subsidization will be generally subsidizing loans on which the interest rate is not higher than 8%, and will be intended to IPARD. Of those 8%, the Ministry will subsidize half and the maximum amount will be 500.000 €. Also MAFWE in cooperation with external consultants has made standard investment projects (according to IPARD rules) of which one part are ready, and some are under construction, and will be freely available to farmers.

Mr. Kiely said that three important steps are made: guarantee fund, subsidizing interest rate and standard investment projects. He asked about the possibilities of expanding credit facilities and publicity in that direction.

Biljana Kostovska answered that in terms of the Guarantee Fund informative days have been realized with representatives from Pro Credit Bank taking into account that the Ministry can not interfere in the policy of the banks and info days in next three months have been envisaged. This information will be available on the websites of MA and NEA.

Mr. Shaklev noted that farmers are informed about the guarantee fund, and that some of them have applied and received loans from ProCredit Bank, and proposed info days to be organized with all representatives involved in the program, representatives of the major distributors of machinery and banks. He also asked about the possibility to subsidize

interest for projects of the National Programme for Rural Development. Head of IPARD Department in this regard informed that the utilization of funds from the program is high and there is no need for that.

Mr. Kiely commented that from the perspective of the banks, among successful IPARD projects, where we have more than half grant funds, the risk of banks is minimal and they are a great investment. For these reasons, should be negotiated with the banks to provide more opportunities for access to credit.

#### **4.3 In reference to point 4.3: Results of announced public calls; Report on approved/rejected projects with reasons for rejection"**

The Director of IA-Biljana Vukovic informed that the number of applications submitted has increased, and thus slows the process of their processing. The largest number i.e. 90% of applications were submitted for machinery and tractors. She also informed that IPARD Agency is making efforts as soon as possible to sign agreements in order not to overlap IPARD I Programme and IPARD II Programme.

In relation to this item followed Mr. Shaklev who requested information about the publication of another call IPARD I program that determines the percentage of 20% of the funds for machinery and that if they stay means the measure 101 will return EU or can be reallocated.

Mrs.Vukovic replied that there won't be calls for IPARD 2007- 2013 Program, the percentage of 20% on machinery is determined in the program and there will not be refunding because all will be used.

Mr. Tantarov followed the discussion regarding the criteria for ownership of land when submitting an application for machinery, where the Head of IPARD Department informed that under the IPARD II program every farmer who owns 1 hectare will have the right to apply.

Based on this item IPARD Monitoring Committee adopted the following conclusions:

**Conclusion No.3:** IPARD Monitoring Committee was informed on the latest findings from the implementation of projects focusing on the problems identified in the execution of controls IPARD Agency.



**Conclusion No.4:** IPARD Monitoring Committee oblige IPARD MA to make a detailed analysis of the reasons for rejection of projects by the end of June 2016.

**In relation to point 4.4: „Report on the signing of amendments to the Sectoral Agreement"**

Regarding this point, Ms. Gerasimova said official report was submitted with supporting documentation to the Directorate General for Agriculture and Rural Development of the European Commission regarding changes to the transfer of funds from IPA component 5 to IPA Component 1. The decision is approved, but final approval of the transfer is expected.

IPARD Monitoring Committee adopted the following conclusion:

**Conclusion No.5:** IPARD MC was informed about the amendments to the Sectoral Agreement

**5. In reference to point 5 of the Agenda: "Information of the IPA Monitoring Committee"**

SEA representative informed about the IPA Committee held on 12.11.2015, and on the conclusions adopted at that meeting.

In the absence of comments, the IPARD MC adopted the following decision:

**Conclusion No. 6:** The IPARD Monitoring Committee was informed about the IPA Monitoring Committee held on 12.11.2015.

**6. In reference to point 6 of the Agenda: Information regarding the VII Modification of IPARD 2007- 2013 Programme and discussion about new modification"**



Head of IPARD Department informed about the seventh modification of the IPARD I program which was approved by the IPARD MC members by written procedure. Amendment is adopted by the IPA Committee on 17/11/2015, while official EC decision has been taken on 11.12.2015.

**7. In relation to item 7 of the Agenda: "Information on functioning of the IPARD management and control system of IPARD"**

The representative of the National Authorising Officer, Alexandra Simjanoski informed the IPARD Monitoring Committee about the functioning of the management and control system. During 2015, 4 verification visits and internal audits were performed, out of which in National Fund of the Ministry of Finance 1 internal audit was made, within the IPARD Agency 7 audits were conducted while in the IPARD MA 2 internal audits have been conducted. The Audit Authority has issued an unqualified opinion on the functioning of the system.

Following conclusion was adopted:

**Conclusion No. 7:** The IPARD Monitoring Committee was informed on the operation of the system for management and control

**8. In relation to item 8 of the Agenda: "Technical Assistance Measure Activities "**

**8.1 of the Agenda: „ Progress on APTA Activities"**

The representative of the IPARD MA-Viktor Mladenovski, informed the IPARD Monitoring Committee about the progress on the activities of APTA (Action Plan for Technical Assistance).

Following conclusion was adopted:

**Conclusion No. 8:** The IPARD Monitoring Committee was informed about the progress of the accreditation for Measure 501 – Technical Assistance from the IPARD Programme"

**8.2 of the Agenda: "Information on the progress on the activities related to the Communication and Publicity of the IPARD 2007- 2013 Programme for 2015"**

Mr. Karapetrov informed about the progress on the implementation of the Annual Communication and Publicity Plan for 2016

Regarding this point, the IPARD MC adopted the following conclusion:

**Conclusion No. 9:** The IPARD Monitoring Committee was informed about the progress of the activities regarding the implementation of the communication and publicity of the IPARD 2007- 2013 Programme for the period July- December 2015.

**8.3 of the Agenda : „ Adoption of the Annual Communication Plan for 2016"**

The representative of the managing IPARD Angel Karapetrov, presented the Annual Communication Plan for 2016.

Regarding this point, the IPARD MC adopted the following conclusion:

**Decision No. 3:** IPARD MC approved the Annual Communication Plan for 2016.

**9. In relation to point 9 of the Agenda: Information/ discussion about ongoing evaluation"**

Ms. Kostovska informed about the ongoing evaluation, i.e. the first meeting of the Steering Committee held in July 2015. Draft Minutes has been prepared and submitted for comments to all members of the Committee.

Regarding this point, following conclusion was adopted:

**Conclusion No.10:** IPARD Monitoring Committee was informed about the ongoing evaluation of the IPARD 2007- 2013 Programme.

**10. In relation to point 10 of the Agenda: AOB"**

In relation to this point, a discussion was not raised.

11. In relation to point 11 of the Agenda: „Proposals for the Agenda of the next (18<sup>th</sup>) spring IPARD MC meeting / agreement on indicative new date"

Ms. Kostovska proposed the agenda of the next IPARD Monitoring Committee, whereas the exact date of the meeting would be agreed in consultation with European Commission representatives.

FOR THE IPARD MONITORING COMMITTEE:	FOR THE SECRETARIATE:
Vancho Kostadinovski	Biljana Kostovska, MSc.
Title: Chairperson	Head of IPARD Managing Authority
Signature: 	Signature: 
Date: 	Date: 13.12.2016



*Appendix 1: Checklist for presence of members from the meetings of the IPARD Monitoring Committee*

No	Title and name of member	Institution	Present "✓"	Absent "✓"	Representative "✓"	Replacement	Number of absences
1.	Vancho Kostadinovski Chairman	MAFWE			✓	Biljana Kostovska	0
Government Institutions							
2.	Mrs. Sonja Trajkova	MAFWE	✓				0
3.	Mr. Zivko Brajkovski	MAFWE			✓	Mrs. Biljana B. Zlatevska	0
4.	Mr. Abdilgafar Sinani	MAFWE	✓				0
5.	Mr. Ullusi Serifi	MLSG		✓			4
6.	Mrs. Snezana Gerasimova-Mateska	MC			✓	Mrs. Dana Petreska	0
7.	Mrs. Ardiana Abazi -Ramadani	ME			✓	Mr. Lukman Sakiri	0

8.	Mr. Blazo Janevski	Agency for food and veterinary	✓					0
9.	Mrs. Biljana Petkoska	MESP	✓					0
AGENCIES								
10.	Mr. Igor Zlatkov	NEA	✓					0
11.	Mr. Ljubisha Nikolovski	Agency for support of entrepreneurship				✓	Mr. Nikola Tanevski	0
ECONOMIC AND SOCIAL PARTNERS								
12.	Mr. Vasko Ristovski	Macedonian Chamber of commerce		✓				2
13.	Mr. Ognjen Orovchanec	Agrobiz chamber at the Association of Chambers of commerce of RM		✓				1
14.	Mr. Sasho Risteski	Macedonian association of processors	✓					0
15.	Mr. Stevanche Jordanovski	Faculty of agricultural sciences and food	✓					0
16.	Mr. Veljo Tantarov	Association of farmers of Macedonia	✓					0
17.	Ms. Natasha Vrteska	Association of local self-government units	✓					0

18.	Prof. Dr. Dragi Dimitrievski	Faculty of agricultural sciences and food				✓	Prof. Dr Ana Kotevska	0
19.	Mrs. Olga Stoimenova	Association of women farmers Agrovinka, Vinica	✓					0
20.	Mrs. Olivija Shterjova	Chamber of craftsmen		✓				2
21.	Проф д-р Душан Спасов Prof. Dr Dusan Spasov	Faculty of agricultural sciences and food- UGD Shtip		✓				3
22.	Mr. Eftim Shaklev	Farmers' association	✓					0
23.	Mr. Petar Gjorgiev	Rural network of RM	✓					0
24.	Mrs. Robertina Brajanoska	Macedonian ecological group	✓					0
Total			14	6	5			



#### **Representatives from government institutions:**

- Andrijana Velevska- MAFWE;
- Maja Lazarevska- MAFWE;
- Aleksandar Andovski – Cabinet of the Deputy Prime Minister for Economic Affairs, Government of the Republic of Macedonia
- Katerina Krstevska - Cabinet of the Prime Minister of the Government of the Republic of Macedonia;
- Elena Gotovska - Cabinet of the Prime Minister of the Government of the Republic of Macedonia;
- Pance Arsov- IPARD Agency;
- Vlatko Popovski- IPARD Agency;
- Jordan Bugariski- IPARD Agency;
- Slavce Milosevski- IPARD Agency;
- Vladimir Hristov- IPARD Agency;
- Nikola Dimitrovski- IPARD Agency;

#### **Representatives of the Audit Authority:**

- Vesna Mladenovska – Sector for audit for component V – SAO;
- Elizabeta Sazdovska - Sector for audit for component V – SAO

#### **Representatives of the IPA project for introduction of new IPARD measures LEADER and Advisory services:**

Donald Aquilina – Expert for advisory services.