



**REPUBLIC OF MACEDONIA**  
**IPARD Monitoring Committee**

**Minutes No.2**

**Minutes of the first meeting of the IPARD Monitoring Committee**

**27 May 2008 / Hotel Arka Skopje**

## **I . LIST OF ATTENDEES**

### **Chairperson of the IPARD Monitoring Committee:**

Pero Dimsoski (PhD)– Deputy Minister, Ministry of Agriculture, Forestry and Water Economy,

### **The Meeting was attended by MC members**

1. MSc Perica Ivanovski - Ministry of Agriculture, Forestry and Water Economy, State Advisor
2. Mr. Zivko Brajkovski - Ministry of Agriculture, Forestry and Water Economy, Head of Sector for European Integration
3. Mr. Abdilgafar Sinani - Ministry of Agriculture, Forestry and Water Economy, Head of Sector for Agriculture
4. Mrs. Rodopi Korneti Jakovljevic – Ministry of Economy, Head of Sector, on the part of the meeting represented by the nominated deputy Mrs. Gordana Sukleva, Advisor for Food and Tobacco Industry – Ministry of Economy
5. Mrs. Slavica Jakimovska – Ministry of Local Self-government, State Advisor
6. Mrs. Gordana Kozuharova – Ministry of Environment and Physical Planning, Head of Sector
7. Mr Aleksandar Nikolovski – Secretariat for European Affairs, Associate for integration in the field of agriculture and food safety, Coordinator of the IPARD component
8. Mr. Zoran Danevski – Association of Chambers of Commerce, President of the Agribusiness Chamber
9. Mr. Saso Ristevski – Macedonian Association of Processors, Secretary
10. Mr. Gjoko Danailov – Federation of Farmers of Macedonia, President
11. Mr. Veljo Tantarov - Association of Farmers of Macedonia, President
12. Mr. Blagoj Ignovski – Movement of Ecologists of Macedonia, President
13. Mr. Gjorgji Kocovski, Craft Chamber of Republic of Macedonia, President;
14. Mr. Ljubisha Nikolovski, Agency for Support of Entrepreneurship of Republic of Macedonia;

### **The meeting was attended by the following deputy members dully representing the members:**

15. Mr. Vasko Ristovski - Chamber of Commerce of Macedonia, Independent Advisor
16. Mr. Stojan Lazarev - Association of Units of Local Self-government
17. Mrs. Irena Angelovik Terzik - National Council of Women of Republic of Macedonia, Coordinator of the Programme for equal opportunities and rural development

### **The Meeting was not attended by MC members (or their representatives):**

1. Mr. Dejan Runtevski - Director of the Veterinary Directorate, Ministry of Agriculture, Forestry and Water Economy;
2. Mrs. Vesna Ilievska – Head of Sector, National Extension Agency for Support of Agriculture;
3. Dragi Dimitrievski (PhD), Proffessor, Faculty of Agricultural Sciences and Food

**Result: A total of 18 members or deputy members with voting rights were present at the meeting, out of a total of 21 members with voting rights. Therefore the quorum was reached and decisions could be taken.**

**European Commission was represented by:**

1. Mrs. Andrea Grajner, General Directorate for Agriculture and Rural Development (DG AGRI), Department for pre accession assistance,
2. Mr. Nafi Saracini, Delegation of the European Commission in Republic of Macedonia;

**IPARD structure was represented by:**

1. Maja Parnargieva (MSc), National Authorizing Officer (NAO);
2. Ms. Aleksandra Nikolovska, representative of the National Fund (NF);
3. Mr. Toni Dimovski, Director of the Agency for Financial Support of Agriculture and Rural Development (IPARD Agency).

**Representatives in role of observers:**

1. Mrs. Slavica Bogoeva, Association of banks, Chamber of Commerce of Republic of Macedonia,;
2. Mr Aleksandar Zarkov, Association of Chambers of Commerce, Coordinator of the Chamber for Agribusiness;
3. Mr. Nikola Naumovski, Unit for Monitoring and Evaluation, Secretariat for European Affairs;
4. Mr. Kostadin Kus-Ivanov, Head of Department, Agency for Financial Support of Agriculture and Rural Development (IPARD Agency);
5. Mrs Dori Pavloska Georgieska, National Coordinator of the Project for Support of Farm Associations of Republic of Macedonia (SFARM), funded by SIDA;
6. Mr. Gian Paolo Caponera, Team Leader, CARDS 2006 Support of programming and implementation of IPARD, funded by EU;
7. Ms. Biljana Kostovska, Advisor to the Deputy Minister, Ministry of Agriculture, Forestry and Water Economy;

**Representatives of the Secretariat of the IPARD Monitoring committee:**

1. Margarita Deleva (MSc) - State Advisor for Rural Development/Head of IPARD Managing Authority, Ministry of Agriculture, Forestry and Water Economy;
2. Ms. Tina Angeleska, Junior Associate, Ministry of Agriculture, Forestry and Water Economy, junior associate;
3. Mrs. Gordana Smileska, Administrative Assistant, Ministry of Agriculture, Forestry and Water Economy;
4. Mr. Viktor Mladenovski, Senior Associate, Ministry of Agriculture, Forestry and Water Economy.

The list of members with a check list for attendance on the Committee's meetings and a list of representatives and observers are given in **Annex 1**.

**II . AGENDA**

The meeting was held with following Agenda:

1. Start of the meeting and welcome

2. Official announcement of the constitution of the Monitoring Committee
3. Approval of the Agenda of the meeting
4. Adoption of the Minutes of the IPARD Monitoring Committee (held on October 31, 2007)
5. Presentation and discussion concerning the Rules of Procedure of the IPARD Monitoring Committee
6. Adoption of the Rules of Procedure
7. Presentation on the state of play with the adoption of the IPA Framework Agreement and the IPARD Sectoral Agreement
8. Information on adoption of the strategic planning document of the European Commission for IPARD: The Multiannual Indicative Planning Document 2008-2010
9. Information for financial allocation (MFA) and financial implementation of IPARD
10. Information on progress in preparation for accreditation of the IPARD operating structures
11. Progress in implementation of the IPARD Programme (accreditation process)
12. Adoption of the IPARD Operational Programme 2007-2013 including the selection criteria
13. Presentation and adoption of the modifications of the IPARD Operational Programme 2007-2013, including the modifications in the financial tables in the Programme according to the MIPD 2008-2010
14. Presentation of monitoring tables and guidelines for monitoring
15. Presentation of the guidelines for ongoing evaluation of the IPARD Programme
16. Information for implementation of the action plan for the measure technical assistance for 2008 and approval of the Communication and Publicity Plan
17. Information on rural credits
18. Information for establishment of a single register of agricultural holdings within the MAFWE, information on the National Rural Development Programme 2008 and the complementarities with IPARD, definition of rural areas
19. Agricultural Credit and Discount Fund
20. AOB (Information on advisory mission of auditors; signing Statements of ethics by the members)
21. Proposals for the agenda of the next meeting/agreement on the new date
22. Closing of the meeting

### **III. Outcome of the IPARD MC Meeting**

#### ***In relation to item 1 of the Agenda:***

The Chairperson of the IPARD Monitoring Committee, Mr. Pero Dimsoski opened the meeting and welcomed the attendants. The Chairperson informed that on December 19, 2007, the National Plan for Agriculture and Rural Development of Republic of Macedonia 2007-2013 under the EU Instrument for Pre-accession Assistance for Rural Development (IPARD) was adopted by the European Commission. The Chairperson informed that the European Commission increased the funds for Republic of Macedonia under the IPARD instrument for additional 12.5 million EUR for 2010 in addition to the 19 million EUR allocated for the period 2007-2009.

#### ***In relation to item 2 of the Agenda:***

The Chairperson informed that during this meeting, there is a session of the Government and the Decision for establishment of the IPARD Monitoring Committee is on the Agenda to be adopted.

***In relation to item 3 of the Agenda:***

Mr. Perica Ivanovski suggested that point 19 of the Agenda that refers to the Agricultural Credit Discount Fund should be placed after point 17 that refers to rural credit because they are connected. There were no additional comments and the Chairperson concluded that the Agenda is adopted with one modification regarding point 19 of the Agenda to be placed after point 17. The adopted Agenda is presented in **Annex 2** of this document.

**Decision No.1**

**The IPARD Monitoring Committee gave a positive opinion on the draft Agenda with one modification regarding point 19 of the Agenda to be placed after point 17.**

***In relation to item 4 of the Agenda:***

Mrs Deleva read the conclusions that were made on the first IPARD Monitoring Committee on October 31, 2007 and reported on progress made on their implementation.

In addition, Mrs. Grajner informed that the European Commission has a positive opinion on the draft Minutes of the meeting of the IPARD Monitoring Committee held on October 31, 2007. Mrs. Grajner clarified that the Commission representatives will express, if necessary, the position of the Commission on the issues raised during the discussions in the meetings. However, only if confirmed in writing it will express the official opinion of the Commission.

There were no other comments on the draft Minutes of the first IPARD MC meeting and the Chairperson concluded that the Minutes are adopted. The adopted Minutes from the are given in **Annex 3** of this document.

**Decision No.2**

**The IPARD Monitoring Committee gave a positive opinion on the draft Minutes of the first IPARD Monitoring Committee held on October 31, 2007**

***In relation to item 5 of the Agenda:***

Mrs. Deleva explained that the Committee is obligated, according to the Sectoral Agreement, to adopt its Rules of Procedure. A template of draft Rules of procedure as provided by the European Commission was disseminated to the members prior the meeting. It was suggested by Mrs. Jakovljevik, that the terminology of the Draft Rules of Procedure needs to be technically improved and than submitted on adoption to the members.

Mrs. Grajner as a representative of the European Commission said that at the present time the ratio of (9:12) between the members of governmental and non -governmental representatives does not respect the balance according to the Implementing Regulation. It was agreed that the balance between the members of the MC must be reached for the proper function of the MC. The agreement was made at the meeting held on 26 May 2008.

***In relation to item 6 of the Agenda:***

**Decision No.3**

**The IPARD Monitoring Committee was consulted and gave a positive opinion on the draft Rules of Procedure with remark that the document should be technically improved by the MC secretariat.**



*Draft Rules of Procedure of the Monitoring Committee are given in **Annex 4** of this document.*

***In relation to item 7 of the Agenda:***

Mr. Nikolovski presented the Framework Agreement between the Republic of Macedonia and the European Commission which describes all the commitments of the involved parties concerning IPA and informed about its adoption and ratification.

In addition Mr. Nikolovski presented the Sectoral Agreement which regulates the cooperation between the Republic of Macedonia and the European Commission from a point of view of the fifth component (IPARD). He informed about the negotiation process and that this Agreement will be signed as soon as possible.

Finally, Mr Nikolovski informed about the IPA Monitoring Committee.

*The full presentation is provided in the **Annex 5** of this document.*

***In relation to item 8 of the Agenda:***

Mrs. Deleva as a Deputy Chairperson of the IPARD Monitoring Committee continued to chair the meeting and introduced the next item on the Agenda concerning the information on the Multiannual Indicative Planning Document 2008-2010 as a strategic document for programming of IPARD. The information was given by Ms. Grajner, representative of the European Commission.

The new proposed Multiannual Indicative Planning Document 2008-2010 got a positive opinion on the IPA Committee held on May 19, 2008 in Brussels. According to this document, additional 12.5 million EUR are allocated for the IPARD Component for Republic of Macedonia. Therefore the total financial package for the period from 2007 to 2010 amounts to 31.5 million EUR that shall be implemented according to the IPARD Programme.

*Draft Multi-annual Indicative Planning Document (MIPD) 2008-2010 is given in **Annex 6** of this document.*

***In relation to item 9 of the Agenda:***

The National Authorizing Officer, informed about the financial allocations for 2009 per measure and informed that a draft allocation for the years 2010 and 2011 is prepared as well.

NAO informed about the methodology for budgeting the funds. According to a Government decision, the IPA funds shall be registered in the National Fund in the Ministry of Finance, while the funds from the national cofinancing shall be registered in the budget of the IPARD Agency.

*The full information related to this item is provided in the **Annex 7** of this document.*

***In relation to item 10 of the Agenda:***

NAO informed the IPARD Monitoring Committee about the action plan for accreditation of the operating structures for the fifth component of IPA.

*The full information related to this item is provided in **Annex 8** of this document.*

***In relation to item 11 of the Agenda:***

The Director of the IPARD Agency presented on the progress in the accreditation process and in the implementation of the IPARD Programme.

*The full presentation is provided in the **Annex 9** of this document*

***In relation to item 12 of the Agenda:***

Mrs. Deleva informed about the content of the IPARD Programme and the process of its adoption by the European Commission.

**Decision No.4**

**The IPARD Monitoring Committee gave a positive opinion on the matrix for modifications of the IPARD Programme as adopted on the 25<sup>th</sup> of February, 2008 by Commission Decision.**

***In relation to item 13 of the Agenda:***

Ms. Grajner, informed that the Commission is in permanent correspondence with the national authorities regarding the on-going modifications of the IPARD Programme. The modifications were initiated in February 2008. At this point the modifications are being finalized. After the IPARD Monitoring Committee gives a positive opinion for the proposal on modified IPARD Programme, it is expected that the modified IPARD Programme will be sent to the Commission via official correspondence. Furthermore, the Commission services shall make efforts for the modified IPARD Programme to be presented at the next Management Committee for Rural Development scheduled in July 2008.

*Executive summary of the IPARD Programme is given in **Annex 10** of this document.*

**Decision No.9**

**The IPARD Monitoring Committee was consulted and gave a positive opinion on the IPARD Programme modifications/updates, modifications of financial tables in the Programme in accordance to the MIDP 2008-2010 and gave the IPARD Managing Authority a mandate to continue with the activities for modifications**

Proposal for first modification of the IPARD Programme 2007-2013 is given in **Annex 11** of this document.

***In relation to item 14 of the Agenda:***

The representative of the European Commission informed that the main guidelines for monitoring and evaluation of the indicators adopted in the IPARD Programme and its modifications shall be presented on a seminar on monitoring and evaluation which will be held in Brussels in the second week of July for all candidate countries.

***In relation to item 15 of the Agenda:***

Regarding the guidelines for evaluation, Mrs. Grajner emphasized that the basic indicators are already adopted in the IPARD Programme. The procedure for evaluation will be implemented according to the Guidelines and according to articles 65, 66 and 67 of the Sectoral Agreement that refer to ongoing evaluation, midterm evaluation and ex-post evaluation. In general, the evaluation will be done by an external independent audit body.

The evaluation will be done on the basis of progress in effectiveness and efficiency of the implementation of the IPARD Programme based on input, output and result indicators.

*On item 15 of the Agenda the Committee decided:*

**Decision No.10**

**The IPARD Monitoring Committee was consulted about the Evaluation guidelines provided by the European Commission.**

Evaluation guidelines provided by the European Commission is given in **Annex 12** of this document.

***In relation to item 16 of the Agenda:***

Mrs. Deleva presented the activities proposed by the IPARD Managing Authority for information and publicity according to the Communication Plan.

*On item 16 of the Agenda the Committee decided:*

**Decision No.11**

**The IPARD Monitoring Committee was consulted and gave a positive opinion on the Information for implementation of the action plan for the measure technical assistance for 2008 and on the Communication and Publicity Plan with remark that it should be further revised for the needs under component V.**

Communication Action plan is given in **Annex 13** of this document.

***In relation to item 17 of the Agenda:***

Mr. Perica Ivanovski, State advisor for agriculture policy presented on the financial services in agriculture and rural areas. He informed that the Government established a new financial instrument for rural crediting that started with implementation in the beginning of 2008 and should enable increased offer of funding for development of agriculture and rural areas. This instrument is implemented through the Agricultural Credit Discount Fund within the Ministry of Finance.

The Presentation is given in the **Annex 14** of this document.

*On item 17 of the Agenda the Committee decided:*

**Decision No.12**

**The IPARD Monitoring Committee gave a positive opinion on the Information on rural credits**

The Presentation is given in the **Annex 15** of this document.

***In relation to item 18 of the Agenda:***

Mr. Ivanovski presented on the farm register that provides an insight in all agricultural holdings in Republic of Macedonia and creates conditions for designing, administrating and monitoring of efficient policies for support of agriculture and rural areas.

In addition, Mrs. Deleva gave short overview of the measures for support of rural areas in the National Programme for Rural Development 2008.

In future new measures will be included in the National Programme for Rural Development according to the principle of piloting the measures with national funds



before they are incorporated in the IPARD Programme in order to learn from the experience.

Regarding the definition of rural areas, Mrs. Deleva pointed out that a Rulebook for defining rural areas has been prepared and is in procedure of adoption.

Mr. Tantarov, a representative of the Association of agricultural producers of Macedonia asked a question regarding the farm register. Mr. Tantarov emphasized that the register of agricultural holdings is of high importance for utilization of the IPARD funds and the funds from the budget of Republic of Macedonia. According to the agricultural census from 2007, the number of agricultural households is 190 000. He asked how many of them have already submitted a request for registration.

Mr. Ivanovski answered that the number of agricultural producers that applied for financial support for tobacco production is 25 000. This number is accurate because the payment for tobacco is finished. The number of agricultural producers in the other sectors supported by measures for financial support of agriculture, organic production and fishery up to now amounts to 30 000, which makes a total of 50 000 together with the tobacco producers. This number is expected to increase considering the fact that the application deadline is extended and there still are agricultural producers in application procedure. This number shall be increased with the agricultural holdings applying for the Rural Development Programme which are not registered. 70 000 requests for registration are printed and distributed through the regional offices of MAFWE, the Agency for Financial Support of Agriculture and Rural Development and through advisors especially engaged for closer presentation of the policies on the field. The process of gathering the applications is ongoing and the number of requests for registration is slightly smaller than the number of applications for financial support. Mr. Ivanovski concluded that so far around 50 000 agricultural producers applied for registration. The process for registration is not directly connected to the process for application for one of the support programmes and it shall continue after the deadline for application for financial support. The registration will be a permanent activity of updating the register.

In addition, Mr. Dimovski, the Director of the Agency for Financial Support of Agriculture and Rural Development, pointed out that the payment of subsidies is done in phases. The first phase is over and the data about the applicants in this phase is evident. The second phase is still running and after it finishes, analysis shall be performed and the number of agricultural producers that applied will be more accurate.

Mrs. Korneti-Jakovljevik asked how many applicants applied for cereals, regarding the fact that the deadline for application for cereals was set at the end of March.

Mr. Ivanovski explained that the deadline is extended until the end of June, for the cereals as well. The agricultural holdings that planted cereals and perennials in autumn 2007 have already received subsidies, while the deadline for the cereals planted in spring 2008 is extended up to the end of June. Mr. Ivanovski said that at the moment he does not have an accurate information regarding the number of applications for cereals and that he can provide this information in writing after this meeting.

Mr. Danailov, President of the Federation of Farmers of Macedonia pointed out that the applicants for financial support apply for registration, while the others do not. The agricultural holdings excluded from the support scheme shall be left out of the register. Mr. Palankov asked for a way for these agricultural holdings to be included as well.

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Mrs. Deleva agreed with this remark and answered that the Programme for Rural Development shall stimulate those agricultural holdings not supported with subsidies. For instance, in order to receive subsidies, an applicant must own at least 0.3 ha of a certain type of cereal, while to be eligible for refinancing according to the Rural Development Programme a total of 3 ha of cereals is sufficient. In contrast to the 190 000 agricultural households registered with the census 2007 when the criteria were set very low and each person with a garden was registered as agricultural producer, the number of 50 000 agricultural holdings refers to the real agricultural producers. She pointed out that there will be a campaign for registration, repeated once again that the measures are implemented in phases and said that the implementation of the Law is permanent and will surely provide a realistic number of agricultural holdings and shall enable all agricultural holdings to meet the criteria for application for the IPARD funds in terms of registration.

Regarding this question, Mr. Ivanovski answered that even though at this stage the registration is connected to the application for financial support, the registration will continue after the deadline for application for financial support. Mr. Ivanovski informed that a campaign for registration will take place independently from the process of applying for financial support. He emphasized that the associations have a crucial role in the registration process. As an additional motivation for registration, Mr. Ivanovski mentioned the fact that starting from 2009, a basic criterion for using financial support from the Programmes of the MAFWE and the loans from the Agricultural Credit Discount Fund will be for the beneficiary to be registered. Mr. Ivanovski said that at least an agricultural producer can do in order to benefit from the financial support that is increasing throughout the years, is to provide MAFWE with the basic data on the agricultural holding.

*On item 18 of the Agenda the Committee decided:*

**Decision No.13**

**The IPARD Monitoring Committee gave a positive opinion on the Information on establishment of farm register of MAFWE, national rural development programme and complementarities with IPARD Programme, rural areas definition.**

***In relation to item 19 of the Agenda:***

Mrs Pecinska from the Agricultural Credit and Discount Fund presented the activities of the fund and possibilities for rural credits.

*On item 19 of the Agenda the Committee decided:*

**Decision No.14**

**The IPARD Monitoring Committee gave a positive opinion on the Information on rural credits**

The Presentation is given in the **Annex 15** of this document.

***In relation to item 20 of the Agenda:***

Mrs. Deleva asked the members of the Committee to sign statements of ethical conduct of the members of the IPARD Monitoring Committee. The members signed the statements.

***In relation to item 21 of the Agenda:***

Mr. Pero Dimsoski pointed out that the MAFWE in consultation with the Commission proposes the next meeting to be held in December 2008. Additional information about the specific date will be provided to all members and observers. There were no objections to this proposal and Mr. Dimsoski concluded that the following meeting of the IPARD Monitoring Committee shall take place in December 2008.

Regarding the issues to be included in the agenda of the next meeting, Mrs. Korneti-Jakovljevik referred to Article 13 of the rules of Procedure of the Committee where establishment of advisory working groups is envisaged in order to help the functioning of the Committee. Mrs. Korneti-Jakovljevik said that it is very probable that the members of the Committee shall need such working groups by measures and sectors in an advisory capacity and suggested the issue about determining the members of these groups to be discussed at the end of this meeting.

Mr. Dimsoski accepted the proposal for establishment of working groups and asked for other comments on this issue.

The representative of the European Commission pointed out that the advisory bodies are being established when there are specific needs and open issues according to which the members of the Committee need additional analysis.

Mr. Dimsoski said that Article 13 of the Rules of Procedure clearly states that the IPARD Monitoring Committee may establish advisory groups. However, considering the recommendation from the representative of the Commission, he suggested that the issue for establishment of advisory groups should be postponed for the following meeting when the need for advisory assistance for the Committee shall be more specifically defined.

*On item 21 of the Agenda the Committee decided:*

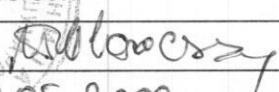
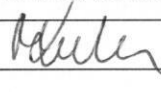
**Decision No.15**

**The IPARD Monitoring Committee decided the next Monitoring Committee to be held in December 2008**

***In relation to item 22 of the Agenda:***

The Chairperson closed the meeting of the IPARD Monitoring Committee.

**SIGNATURES:**

<b>FOR THE IPARD MONITORING COMMITTEE</b>	<b>FOR THE SECRETARIAT</b>
Perica Ivanoski (MSc)	Margarita Deleva (MSc)
Title: Chairperson	Title: Head of IPARD Managing Authority
Signature: 	Signature: 
Date: 20.05.2008	Date: