

REPUBLIC OF MACEDONIA

IPARD Monitoring Committee

Minutes No. 6

Minutes of the sixth meeting of the IPARD Monitoring Committee

May 28, 2010 / Parliamentarians Club, Skopje

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Skopje

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I. LIST OF PARTICIPANTS

The Chairperson of the IPARD Monitoring Committee, Perica Ivanoski (MSc.), Deputy Minister of Agriculture, Forestry and Water Economy (MAFWE)

The Secretariat of the IPARD Monitoring Committee was presented by: The Head of the IPARD Managing Authority, Ms. Margarita Deleva (MSc.), State Advisor for Rural Development and Secretary of the IPARD Monitoring Committee, Ms. Vasilka Tamburkova, Senior Associate for monitoring of the implementation of IPARD funds and reporting

Presence of members of the IPARD Monitoring Committee and their deputies:

- 1. Ms. Valentina Stojanovik, Chief of Cabinet, Ministry of Agriculture, Forestry and Water Economy
- 2. Mr. Zhivko Brajkovski, Head of EU Department, Ministry of Agriculture, Forestry and Water Economy
- 3. Mr. Abdilgafar Sinani, Head of Agriculture Department, Ministry of Agriculture, Forestry and Water Economy
- 4. Ms. Snezhana Gerasimova Matevska, Ministry of Culture
- 5. Mr. Jordan Kuzmanovski, Director, National Extension Agency of Republic of Macedonia
- 6. Mr. Ljubisa Nikolovski, Head of Sector, Coordination and institutional support, Agency for Support of Entrepreneurship of Republic of Macedonia
- 7. Mr. Zoran Danevski, President of Agribusiness Chamber
- 8. Mr. Saso Ristevski, Secretary, Macedonian Association of Processors
- 9. Mr. Gjoko Danailov, President, Federation of Farmers of the Republic of Macedonia
- 10. Mr. Veljo Tantarov, President, Association of Farmers of Macedonia
- 11. Ms. Stojmirka Taseva, Chamber of Commerce of Republic of Macedonia
- 12. Ms. Natasa Vrteska, Legal Advisor, Association of the Local self-government Units
- 13. Mr. Petar Andonov, Vice President, Movement of Ecologists of Macedonia
- 14. Ms. Olga Stoimenova, President, Association of Women-farmers "Agro-Vinka", Vinica
- 15. Mr. Gjorgji Kocoski, President, Craft Chamber of Republic of Macedonia
- 16. Ms. Evgenija Serafimovska Kirkovski, NIPAC representative, Secretariat for European Affairs, stand-in for the member Mr. Aleksandar Nikolovski

Representatives of the European Commission (EC) in advisory capacity:

1. Mr. Gerard Kiely, Head of Unit G.4., Directorate-general for Agriculture and Rural Development (DG-Agri)

- 2. Ms. Andrea Grajner, Desk Officer, Unit G.4., Directorate-general for Agriculture and Rural Development (DG-Agri)
- 3. Mr. Werner Schiessl, Unit G.4.., Directorate-general for Agriculture and Rural Development (DG-Agri)
- 4. Mr. John Barker, Programme Manager, Delegation of the European Commission in the Republic of Macedonia

Representatives of the IPARD structure:

- 1. Representatives of National Authorising Officer (NAO) and National Fund (NF):
- Ms. Aleksandra Simjanovska, Head of Unit, Ministry of Finance
- 2. Representatives of the IPARD Managing Authority (IPARD MA):
- Mr. Viktor Mladenovski, Senior Associate, Unit for monitoring of IPARD funds and reporting
- Mr. Aleksandar Mitrevski, Senior Associate, Unit for Programming and Evaluation of IPARD funds
- Mr. Stojan Gacov, Advisor, Unit for Programming and Evaluation of IPARD funds,
- Mr. Igor Troshanski, Advisor, Unit for Programming and Evaluation of IPARD funds
- 3. Representatives of the Agency for Financial Support of Agriculture and Rural Development (IPARD Agency):
- Mr. Toni Dimovski, Director of the IPARD Agency.
- Ms. Maja Brajovik, Head of Internal Audit Department
- Mr. Slobodan Dimitrovski, a.c. Head of Accounting

The Attendance Checklist of the members on the IPARD MC meetings is given as Appendix 1 to this document.

The Attendance List of Observers is presented in Appendix 2 to this document.

Comments provided by the EC on the draft Minutes and the Secretariat response are provided as **Appendix 3** to this document.

Results: The Chairperson and 16 members or their representatives with voting right (out of total of 21 members with voting rights) were present at the meeting. Therefore, the quorum was reached and decisions could be taken.

II. AGENDA

The proposed Agenda for this meeting is presented in Appendix 4 to this document.

III. OUTCOMES FROM THE IPARD MONITORING COMMITTEE MEETING:

1. In relation to item 1 of the Agenda: 'Opening of the meeting'

The Chairperson opened the meeting by welcoming the attendees and the presence of the representatives of the European Commission (EC).

In relation to the regular monitoring of presence of the members of the IPARD MC, the following was agreed:

Conclusion No 1:

The IPARD Monitoring Committee entrusted the IPARD Managing Authority regularly to monitor the attendance of the members and observers and if members and observers do not attend meetings in accordance to their mandate, proper reactions according to the Rules of procedure of the IPARD Monitoring Committee to be undertaken

2. In relation to item 2 of the Agenda: 'Approval of the Draft Agenda for the 6th IPARD MC meeting'

The Chairperson elaborated on the draft-Agenda and initiated a discussion on the proposed items in the draft-Agenda asking for comments.

Ms. Deleva proposed to include an additional topic under item 14 Presentation on the establishment of National rural network.

Also it was suggested by Ms. Deleva in agreement with the Chairperson that items 10 and 11 should follow item 6 of the draft – Agenda.

Having no further remarks, the Chairperson adopted the following:

Decision No. 1:

The IPARD Monitoring Committee adopted the Agenda of the 6th IPARD Monitoring Committee meeting as final including the corrections proposed by the present members.

The adopted Agenda is presented in Annex 1.

3. In relation to item 3 of the Agenda: 'Adoption of the Minutes of the previous (5th) IPARD MC meeting, held on 5 of November, 2009'

The Chairperson informed the members that the draft-Minutes of the 5th meeting of the IPARD MC, held on 5th of November, 2009, has been delivered on time to the members and the representatives of the EC. He explained to the participants that the EC handed over their remarks and they are included in the draft-Minutes subject to adoption under this point.

The Chairperson proposed adoption of the improved draft-Minutes of the 5th meeting of the IPARD MC, as well as the supporting materials. Having no further remarks, the Chairperson adopted the following:

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Decision No. 2:

The IPARD Monitoring Committee adopted the draft Minutes of the 5th meeting of the IPARD Monitoring Committee, held on 5th of November, 2009, including the amendments proposed by the EC representatives.

The adopted Minutes is presented in Annex 2.

4. In relation to item 4 of the Agenda: 'Proposal for amending the Rules of Procedure of the IPARD Monitoring Committee meeting'

Ms. Grajner explained that besides the proposed amendments of the Rules of procedure (RoP) by the MA, the amendments should also include proposed suggestions from EC delivered which relate to the mandate of the Chairperson to approve each activity of the Action Plan for implementing the Technical Assistance (Article 7 (1.k.) in accordance with the IPA IR latest amendments.

Ms. Deleva informed the members in detail on the technical and procedural amendments of the Rules of procedure of IPARD MC. The second modification of the RoP of the IPARD MC is part of the supporting materials related to item 4 of the Agenda.

In addition, Ms. Deleva confirmed the reception of the suggestions for additional amendment of the RoP proposed by EC as submitted on the 25th of May, 2010 and further agreed accordingly by explaining that the amendment in Article 14, point 2 is already formulated as such in the adopted RoP.

Having no further remarks, the Chairperson adopted the following:

Decision No.3:

The IPARD Monitoring Committee adopted the proposed amendments of the Rules of procedure of the IPARD Monitoring Committee including the amendments proposed by the EC representatives.

The adopted RoP is presented in Annex 3.

5. In relation to item 5 of the Agenda: 'Information on the implementation of decisions taken at the 5th IPARD MC meeting, held on 5th of November, 2009'

Ms. Deleva reported on the progress that has been made in the implementation of the decisions and conclusions reached at the 5th IPARD MC meeting, held on 5th of November, 2009.

With regard to Conclusion No.4 of Ms Deleva's report Mr. Dimovski informed the members that the IPARD Agency has contacted the Commercial Banks and held a meeting to discuss common approach related to the model Business Plan for applying for IPARD funds. The discussions, he added, were focused on the acceptance of the model IPARD

Business Plan by the Banks so no further expenses are required for preparing two different types of Business Plans by the beneficiaries. Furthermore Mr. Dimovski explained that having consulted with the EC auditors, the IPARD Agency following the accredited procedures is not able to transfer the co-financing amount to an account of the Bank that granted a loan for pre-financing the IPARD project but the financial assistance must be transferred only on the account of the final beneficiaries.

In relation to the weak progress reported on the implementation of the Conclusion No. 5 taken on the 5th IPARD MC meeting, the Chairperson has further reached the following conclusion:

Conclusion No.2:

The IPARD Monitoring Committee entrusted the IPARD Managing Authority to propose the members of three working groups for monitoring the implementation of the IPARD Programme by including representatives of the potential beneficiaries, representatives of public educational and scientific institutions, and within 15 working days to submit their proposal for assignments to the Chairperson of the IPARD Monitoring Committee

In relation to the weak progress reported on the implementation of the Conclusion No. 6 taken on the 5th IPARD MC meeting, the Chairperson has proposed further actions by appointing the IPARD MA to prepare and propose a three-year Program for rural development in accordance with the Law on Agriculture and Rural Development by the end of the year as strategic framework for programming of the IPARD measures and complementary national rural development measures.

Ms.Grajner asked for the draft Program to be delivered to the EC for information, as well Mr. Ristevski further suggested that the Program should be also communicated to the potential beneficiaries to increase the awareness on the forthcoming opportunities for cofinancing under the IPARD Programme.

Mr. Schiessl recommended that the measures "Improvement and development of rural infrastructure" and" Improvement of training" should be prioritized in 2011, whereas in 2012 the measures Preparation and implementation of local rural development strategies" (LEADER) and "Actions to improve the environment and the countryside". He also commented that programming in 2013 is too late for the inclusion of the new measures in the IPARD Programme.

Taking into account the discussions, the Chairperson reached the following new conclusion:

Conclusion No.3:

The IPARD Monitoring Committee entrusted the IPARD Managing Authority to prepare a three-year Programme for rural development in accordance with the Law on Agriculture and Rural Development which shall serve as strategic framework for programming of additional IPARD measures and national rural development measures. The Programme

should be submitted to the members of the IPARD Monitoring Committee and the European Commission for information.

The Progress report is presented in Annex 4.

6. In relation to item 6 of the Agenda: 'Progress report on accreditation and conferral of management of IPARD funds on the IPARD structures by the EC'

Ms. Simjanovska informed the members about the progress made by the IPARD operating structures regarding the national accreditation and conferral of management of powers by the Commission to manage and implement the IPARD funds. She reported that the process of conferral of management by the EC commenced with a Conferral of management Mission of the DG Agri Auditors from 7th to the 18th of September, 2009. After the mission took place, the NAO has delivered the final accreditation package of the IPARD structures on 10th of October, 2009 On 18th of December 2009 the Commission granted by the Commission Decision (C/2009/10123) conferral of management powers for decentralized management without eante control for the implementation of two investment measures and for the diversification measure under the IPARD program..

Ms. Simjanovska addressed the issue of preparing the IPARD operating structures for a new measure –M505 Technical Assistance (TA) Concerning the progress related to preparations for national accreditation of Measure 505 (Technical Assistance), it was noted that the internal manuals of procedures for this measure are finalized and submitted to the EC (on 25th of May, 2010) in draft to facilitate a technical meeting with the DG-AGRI Auditors held from 31st of May to 1st of June, 2010. The official submission of the TA package for conferral review to the DG AGRI Auditors envisaged in the second half of 2010, or in November, 2010

In relation to the financial issues for implementation of the accredited IPARD measures, Ms. Simjanovska informed the MC members that the multi-annual financial agreement (MFA 2007-2010) has been signed and entered into force on 12th of April 2010. It was noted that according to Article 41 of the Sectoral Agreement 30% of EU allocations from the first three years 2007, 2008 and 2009 could be subject of EU prefinancing under the condition that need is being proved by the beneficiary country. On 7th of May, 2010 the NAO sent a request for an amount of 5,7 million euro of the prefinancing to the EC. The Commission informed the members of MC that all the conditions requested under the article 41 of the IPA Implementing Regulation N° 718/2007 can be considered as completed and the beneficiary country can expect the pre-financing in the forthcoming month. According to the needs expressed in the response of final beneficiaries during the first call for proposals the pre-financing will be paid in two installments with the first installment planned to be paid before the summer.

Furthermore, Ms. Simjanovska reported on the capacity of the IPARD structure and stressed the decrease of capacity in the IPARD MA (current 9 employees from previous total number of 13 employees), and the need for strengthening of the capacity of the IPARD Agency bearing in mind the challenges for accreditation of the Technical Assistance and programming of additional measures under the Programme. As a result of the situation with the shortage of staff of the IPARD operating structure, the NIPAC has informed the Government and new employments have been approved.

Ms. Grajner has expressed the EC concerns on the recently outgoing staff which was not replaced for the time being and which could seriously jeopardize Programme implementation and its management and control system. In addition it was also noted that the EC shall be informed regularly on the dynamics of the status of staff under the IPARD OS since the capacity of the IPARD OS is one of the accreditation conditions and any negative change could seriously jeopardizes Programme implementation and the management and control system of IPARD and thus conferral of management by the Commission. Having no further comments on the presented, the Chairperson adopted the following:

Conclusion No.4: The IPARD Monitoring Committee entrusted National Authorisation Officer regularly to inform EC on the number of staff under the IPARD operating structures in order to monitor the respect of the accreditation criteria.

The NAO report and presentation are included as Annex 5.

7. In relation to item 7 of the Agenda: 'Progress report on the first realized call for application for allocation of funds from the IPARD Programme 2007-2013, published on 23rd of December, 2009'

Mr. Dimovski addressed the issue of the results from the first public call for proposals allocating resources from the EU instrument for Pre-accession funds for the IPA V Component (IPARD). He said that the first public call was published on 23rd of December, 2009 and it remained open until 22nd of February, 2010. However the period was extended to 17th of March, 2010, as required by the potential applicants. Mr. Dimovski reported that 133 applications have been received, out of which 58 under the Measure (M101), 41 under the Measure (M103) and 32 under the Measure (M302). It was also noted that the announced funds were cumulative including the IPARD budget for 2007, 2008 and 2009 and accordingly the national co-financing.

Mr. Dimovski also reported on the problems encountered during the assessment of the received applications including the problems with the documentation to be issued from the technical bodies within the national institutions and authorities.

Ms. Grajner asked for the presentation of Mr. Dimovski to be enclosed to the Minutes and to be sent to the DG AGRI/G.4.

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issued by the

In relation to the encountered problems with the supporting documents issued by the national authorities, Ms. Manevska said that the Ministry of Culture had several problems to issue the requested document bearing in mind the length of the legal procedures related to protection of cultural heritage. She further added that the Ministry of Culture issues conservative approvals for protected cultural heritage alone and further documents shall be formulated that are not under the Law on Protection of Cultural Heritage.

In reply, Ms. Deleva reminded that the criteria set in the IPARD Programme was upon request of the Ministry of Culture during the Inter-service consultations and has further asked the representative of the Ministry of Culture to provide further suggestion to overcome this issue bearing in mind that the IPARD Programme is subject to it's 3rd modification. In addition, Ms. Deleva clarified that the Government has passed a Decree for implementation of the IPARD Programme as a base for all required documents and the role of the technical bodies as well as the Ministry of Culture has signed a Memorandum of Understanding with the IPARD Agency which provides sufficient legal basis.

Note: A joint meeting between the IPARD Operating Structure and Ministry of Culture representatives should be held to discuss the related open issue.

Mr. Kiely emphasized the role of the Advisory services in supporting the applicants during the application procedure whilst recommending that the Government should put additional effort into further educating the NEA Advisors to increase their role and capacity to provide support to the potential beneficiaries who apply for the IPARD funds.

In this respect, Mr. Groome added that MAAS Project can offer support to the IPARD MA and the IPARD Agency concerning the organization of training for the enhancement of the expertise of advisory agencies which is also part of the Project period.

Taking into account discussions, the Chairperson reached the following conclusions:

Conclusion No. 5: The IPARD Monitoring Committee entrusted the IPARD Agency, the IPARD Managing Authority and the National Extension Agency to examine the reasons which caused the rejection of the applicants at the "first call" in order to improve the process and provide further support to potential beneficiaries for planned "the second call under the IPARD

Conclusion No. 6: The IPARD Monitoring Committee entrusted the IPARD Managing Authority and the IPARD Agency to inform the European Commission (DG AGRI/G.4) on the planned date for announcing the "second call under the IPARD".

Conclusion No. 7:The IPARD Monitoring Committee entrusted the National Extension Agency to submit reports to the IPARD Monitoring Committee on a regular basis, reporting about the progress and the activities regarding the vocational training of farmers, the progress in enhancing its own structure and the training supported by the

national budget or by any donor means. The progress report should be consist of activities that have been conducted to clarify various issues coming up as result from first call and if it's necessary should be subject of 3rd modification of the Programme.

Conclusion No. 8: The IPARD Monitoring Committee entrusted the IPARD Managing Authority within 15 working days to submit a report to the Government of Republic of Macedonia about the various issues faced by applicants during "the first call under the IPARD Programme" which are under the competences of other Government institutions and authorities and to propose conclusions to the Government for overcoming mentioned open issues.

The IPARD Agency presentation is included as Annex 6.

8. In relation to item 8 of the Agenda: 'Presentation/ Discussion on the third IPARD Programme modification proposals and its approval by the IPARD MC'

The Chairperson presented the summary of proposal regarding the 3^{rd} modifications of the IPARD Programme prepared by the IPARD MA and opened the discussion on the subject.

Ms. Danevski presented the proposals from the Agro business Chamber for modification of the IPARD Programme, however stating that the proposal was sent to the IPARD MA on the day of holding the IPARD MC meeting due to the length of the internal procedure of the Chamber for consulting the members.

Mr. Shaklev also stated that the Association of farmers submitted a written proposal on programme amendments to the Minister of Agriculture, Forestry and Water Economy (MAFWE). In addition he informed the MC members on open issue related to non legality of existing building (e.g. livestock stables) which prevent a vast number of farmers to be potential beneficiaries for related investments under the Programme. He recommended targeting the timing of planned second call under the IPARD which should be lunched once the above mentioned issue on legality of existing building is solved at the national level.

Mr. Tantarov proposed to exclude the criteria by which it is required that all debts towards MAFWE are settled prior applying for IPARD assistance, as the Government has already done so with the other Programmes for financial support as part of the package for anti-crises measures.

Taking into account the discussions, the Chairperson adopted the following:

Decision No. 4:

The IPARD Monitoring Committee, taking into consideration the on-going consultations with the European Commission about the pure technical nature modification of the IPARD Programme, authorized the Chairperson to conduct all activities in the process of adoption of the 3rd modification of the IPARD Programme by the European Commission

Furthermore, the Chairperson adopted the following:

Conclusion No. 9:

The IPARD Monitoring Committee entrusted all members of the IPARD Monitoring Committee to submit their proposals for the modification of the IPARD Programme in written form, within 15 working days, to the IPARD Managing Authority, including adequate supporting arguments and analysis for the proposal. The proposals shall be reviewed by the working group/measure on the level of their acceptance for including in the proposal for modification of the IPARD Programme

9. In relation to item 9 of the Agenda: Information on the signing the agreement on the Multi-annual financial agreement for the IPA component V-Rural development 2007-2010' Information on the MIPD 2010-2012' and item 10 of the Agenda: 'Coordination with the.IRA Monitoring Committee meeting, information from the last (second) IPA Monitoring Committee meeting, held on 25th of November, 2009 and information on the process of decisions taken at the meeting'

Ms. Serafimovska Kirkovski made a brief review of the NIPAC activities with an emphasis on conclusion of MFA 2007-2010between the Commission and the beneficiary country entered into force on April 12th 2010. Furthermore, Ms. Serafimovska Kirkovski referred to the outcome of the second IPA Monitoring Committee meeting held on 25th of November, 2009 by referring to the conclusion that has been reached that the IPA MC cannot have a realistic follow-up of all V components, unless all V components are accredited, i.e. they are formally and legally covered by a Decision of the Commission for conferral of management powers which can enable the monitoring structure to perform it's function to monitor the implementation of the programmes per IPA component. Currently, only three IPA components (3, 4 and 5) are accredited. It was noted that the draft minutes of the 2nd IPA MC Meeting planned to be approved at the 3rd IPA MC meeting, envisaged to be held after the delivery of the EC Country Progress Report.

Ms. Serafimovska Kirkovski provided additional information on the Multiannual Indicative Planning Document (MIPD 2011-2013) while emphasizing the new practice of inducing ownership of the document by the beneficiary country as the established national programming structures are asked by EC to prepare the strategic outline. Noticing on the short deadlines applied for this exercise, she informed that the outlined draft MIPD is planned to be submitted on 25th of June, 2010 and to be approved on at the IPA Committee meeting planned in late September, 2010. Ms. Serafimovska Kirkovski highlighted the need for cooperation between NIPAC and all operative structures in the drawing up of the document.

Having no further comments, the Chairperson adopted the following:

Conclusion No. 10:



The IPARD Monitoring Committee was informed on MFA 2007-2010, MIPD 2011-2013 preparation process and the decisions undertaken from the 2nd IPA Monitoring Committee meeting

The report of NIPAC is presented as Annex 7.

10. In relation to item 11 of the Agenda: 'Progress report on the monitoring and ongoing evaluation system of the IPARD Programme'

Mr. Mladenovski presented information on further progress made in relation to the monitoring system on the ongoing implemented IPARD Programme. The first monitoring data from the first call was received on a monthly basis by the IPARD Agency, in accordance with provisions from the Implementing Agreement between MA and IPARD Agency. In addition it was noted that so far the established system for monitoring the IPARD Programme has enabled effective exchange of data between the MA and the IPARD Agency. Prior to the first monitoring data exchange, the monitoring system was tested through the monitoring of implementation of the National Program for Rural Development for 2009.

Furthermore he informed that the MA has initiated the process of collection of data which are outside the scope of the IPARD Agency such as State Statistical Office, National Bank and other governmental and non-governmental institutions and which are necessary for the monitoring purposes of the IPARD Programme. The collected data shall serve for the preparation of the Annual Report on implementation of the IPARD Programme.

As follow up, Mr. Mitrevski presented the progress of setting-up the system for evaluation of the IPARD Programme. He informed that the Evaluation Strategy and draft-Terms of reference for ongoing evaluation for engaging an independent evaluator have been prepared, with support CARDS 2006 "Support to IPARD Preparations" Project.

Mr. Schiessl recommended to prepare two contracts for engaging two independent evaluators. One contract based on multiannual approach covering, covering the whole IPARD period, and the second contract for the ex-post evaluation planned in 2015Having no further comments, the Chairperson adopted the following:

Conclusion No. 5:

The IPARD Monitoring Committee was informed about the process of accreditation and the Conferral of management of IPARD structures from EC.

On proposal of Commission two independent evaluators are planned to be contracted to cover the ongoing evaluation and ex-ante evaluation of the programme separately.

The Progress Report on the establishment and performance of the monitoring and on-going evaluation system of the IPARD Programme is presented as Annex 8

11. In relation to item 12 of the Agenda: 'Information on the preparations for accreditation of the Technical Assistance measure; Presentation and discussion of Annual Action plan on activities related to the TA for 2010 and its approval by the IPARD MC'

Ms. Deleva informed that the IPARD MA and the IPARD Agency have finalized a set of manuals and procedures of technical assistance for its national accreditation it was noted that currently the support for activities under this measure is covered by the SIP Project (CARDS 2006 project). Furthermore, a study visit to Romania was conducted involving 10 representatives only from the IPARD Agency since the IPARD MA has no capacity for implementing the Technical Assistance measure at this point. In addition, Ms. Deleva informed the members of MC on the planned technical discussions with the DG-AGRI Auditors to be held on 31st of May and 1st of June to clarify certain open issues and questions related to the national accreditation of TA measure.

Mr. Barker confirmed the engagement of technical assistance under the "SIP Project related to the preparatory activities for national accreditation of Measure 501 and expressed deep concerns on the ongoing process if there is no capacity under the TA for implementation of the TA support under the IPARD.

Ms. Deleva, agreed with of EC Delegation concern and expressed hope to improve the situation as the Government has approved 6 new employments. However, she said, the MAFWE should promptly ask for approval from the Ministry of Finance bearing in mind that the training of staff for getting acquaintance with the PRAG procedures is a lengthy process

12. In relation to item 13 of the Agenda:' Follow - up information on the activities undertaken under the Communication and Publicity Plan of the IPARD Programme during 2009'

Ms. Deleva confirmed that during the first call, the IPARD MA and the NEA were focused on providing assistance to the potential users to prepare their applications. She also added that a dedicated IPARD web page has been prepared and activated resulting with approximately 150-200 visits per day. Ms. Deleva also added that the preparations for the next call of the IPARD Programme are ongoing and further seminars and IPARD Info-days will be held prior the call is published.

Ms. Grajner informed the MA that the activities under the Communication and Publicity Plan shall be aligned with the provisions outlined in the Technical Assistance measure.

13. In relation to item 14 of the Agenda: 'Any other business'

14.1. 'Presentation on progress in NPAA and the TAIEX activities related to the IPARD Programme undertaken in 2010'

Ms. Veta presented the progress made on the National Programme for Adopting the Acquis NPAA and the TAIEX activities planned in 2010.

14.2. Presentation of the project activities: "CARDS 2006 Supporting the IPARD preparation"

Ms Schaefer, presented information on the ongoing "SIPP project and its planned activities which should be realized up to second November 2010, when the project is concluded. In terms of planned activities, she emphasized the planned support to the preparation activities for additional measures under the IPARD (e.g. "LEADER as well as the establishment of draft "Agri-environmental Programme" and related "Code of Good Agriculture Practice"). In addition it was noted that the Code of Good Agriculture Practice", shall be finalized by the end of next month.

14.3. Presentation/discussion of the problem of provision of Rural credits (possibilities for final beneficiaries to finance necessary co-financing of IPARD projects)

Ms. Pechinska offered information about Agricultural credit discount fund's aims, the sources of the resources in the fund, the institutional framework, and the main focal point, the issues with which private and legal subjects face during credit approval (including agricultural natural person or legal entity). It was note that available fund has sufficient resources to support the implementation of investment under the IPARD Programme. In conclusion, Ms. Pechinska said that the existing criteria of Agricultural Credit and Discount Fund should be further adjusted to the IPARD Programme eligibility criteria, the capacity of the fund should be increased and combined measures (e.g. adoption of laws and regulations that will enable establishment and operations of "grass level financial institutions" such as small MFI's, Credit Unions, Increased capital investments for infrastructure in rural regions, Regional Development Strategy, Improve the legal and regulatory framework in property titling and registration, improve the efficiency of the judicial and enforcement systems, Expanding the list of items that can be used as collateral, Stimulation of Crop insurance, Development of Credit Bureaus) should be implemented, which will enable a greater credit activity of banks in the rural areas..

14.4. Presentation on the establishment of National rural network

Mr. Gjorgievski (as President of the National Rural Network) presented the progress in setting up of the Rural Development Network", its structure and main objectives. As a conclusion, he presented the current and the future activities of the network for the year 2010 and the strategic aims for the 2010-2014 period.

The presentation of the progress related to the NPAA and TAIEX activities is presented as Annex 9.

The presentation of the progress related to the SIP Project activities is presented as Annex 10.

The presentation of the progress related to the implementation of the Agriculture Credit and Discount Fund is presented as **Annex 11**.

The presentation of the progress in establishment of the National Rural Network is presented as Annex 12.

14. In relation to item 15 of the Agenda: 'Proposals for the Agenda for the next (7th) meeting, agreement on the indicative date'

The Chairperson proposed that the following IPARD MC is planned in November and proposed the regular items of the Agenda for the meeting.

No additional comments were given therefore the Chairperson concluded that the $6^{\rm th}$ meeting of the IPARD MC is closed.

SIGNATURES:

FOR THE IPARD MONITORING COMMITTEE	FOR THE SECRETARIAT
Perica Ivanoski, MSc	Margarita Deleva, MSc
Title: Chairperson	Title: Head of IPARD Managing Authority
Signature:	Signature: Well
Date:	Date: 14/12/2010

Attendance checklist for the IPARD MC members

Title	Title and Name of the	Institution	Present	Absent	Represented	Represented by	Subsequent
nem	member		«\n	a/n	$^{a}\sqrt{^{n}}$		absences
fr. F	Mr. Perica Ivanoski (MSc), Chairperson	MAFWE	7				0
		GOVERNMENT INSTITUTIONS	ENT INSTI	TUTIONS			
Ars.	Mrs. Valentina Stojanovic,	MAFWE	>				0
Mr. 2	Mr. Zivko Brajkovski	MAFWE	7				0
Mr.	Mr. Abdilgafar Sinani	MAFWE	7				0
Mrs.	Mrs. Slavica Jakimovska	MoLS		>			0
Mr. Niko	Mr. Aleksandar Nikolovski	SEA			7	Mrs. Evgenija Serafimovska Kirkovski	0
Mrs. Gerä	Mrs. Snezana Gerasimova-Matevska	MoC	>				0
Mr.	Mr. Ilir Sabani	MoE		7			
Mrs	Mrs. Jadranka Ivanova	MoEPP		7			
			AGENCIES				
Mr.	Mr. Jordan Kuzmanovski	NEA	7				0
Mr.	Mr. Ljubisa Nikolovski	Agency for Support of Entrepreneurship	7				0
		ECONOMIC AND SOCIAL PARTNERS	ND SOCIA	L PARTNE	RS		
Mrs	Mrs Stojmirka Tasevska	Chamber of Commerce of Macedonia	7				

Appendix 1 - Attendance Checklist_6th IPARD Monitoring Committee Meeting



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				7					4
7	7	7	7		7	7	7	7	16
Association of Chambers of Commerce	Macedonian Association of Processors	Federation of Farmers of Macedonia	Association of Farmers of Macedonia	Faculty of Agricultural Sciences and Food	Association of Units of Local Self-government	Movement of Ecologists of Macedonia	Association of women agricultural producers "Agro-Vinka"	Craft Chamber of Republic of Macedonia	AL
Mr. Zoran Danevski	Mr. Saso Risteski	Mr. Gjoko Danailov	Mr. Veljo Tantarov	Mr. Dragi Dimitrievski (PhD)	Mrs. Natasha Vrteska	Mr. Petar Andonov	Mrs. Olga Stoimenova	Mr. Gorgi Kocovski	TOTAL
13.	14.	15.	16.	17.	18.	19.	20.	21.	

Appendix 1 - Attendance Checklist_6th IPARD Monitoring Committee Meeting

List of observers at the 6th IPARD MC meeting:

Representatives from Government institutions:

- Ms. Biljana Kostovska, representative of the Ministry of Agriculture, Forestry and Water Economy in the Mission of the Republic of Macedonia under the Europeans Communities
- 2. Ms. Lidija Cadikovska, Head of Department for International Cooperation, Ministry of Agriculture, Forestry and Water Economy
- 3. Ms. Efimija Dimovska, Agricultural Discount Credit Fond, Ministry of Finance,
- 4. Ms. Vesna Ilievska, National Extension Agency for Support of Agriculture

Representatives from Economic Partners:

1. Mr. Ljupce Danilovski, Association of Rural Tourism, Kicevo

Representatives from Social Partners:

- 1. Mr. Dimce Kitanovski (PhD) Faculty for Biotechnology, Bitola
- 2. Mr. Eftim Saklev, President, Association of farmers
- 3. Mr. Petar Gligorov, President, Association of Agriculture High-Schools
- 4. Mr. Mihajlo Nikolovski, Institute for Agriculture

Representatives from IFI's, Donors and Donor projects:

- Ms. Birgit Schaefer, Team Leader, CARDS 2006 Support to IPARD preparation Project (SIPP), funded by EU
- 2. Ms. Lidija Fajdiga, representative from the German Agency for Technical Cooperation (GTZ)
- Mr. Vasko Hadzievski, Ag-Biz, USAIDA
- 4. Mr. Jeremy Groom, Team Leader, MAASP 2
- 5. Ms.Gordana Stefkovska Veljanovska , SNV
- 6. Mr. Aleksandar Nikolovski, FAGRICOM

EC Comments and Secretariat Response on the EC comments to the Draft Minutes of the 6^{th} IPARD MC Meeting held on 28-th of May 2010

As IPARD MC Secretariat we thank you for your valuable comments which were thoroughly reviewed from our side and most of them are accepted as in the separately attached document 'DRAFT_Minutes_6_MC-09072010 (AG + WS remarks July 2010)_MAcomm(2)'.

EC Comment 1: In relation to the item titles, the EC representatives have commented to include the while title of the Agenda item in the Minutes

MA Response 1: Accepted and introduced in the draft Minutes

EC Comment 2: In relation to the comment on item 3 -'In order to avoid any incorrect interpretation the Commission requested to correct the conclusion No 3 under item 7 (p.6) of the minutes from the 5th IPARD MC meeting. Further explanations on the follow up information related to the "transfer of payments of IPARD Funds to the IPARD beneficiary" were provided by the IPARD Agency under point 5 of this meeting. The representative from the Commission informed the MC members on the incorrect statement (conclusion No 3) under item 7 (p.6) made during the previous MC meeting referring to a proposal for an agreement between the IPARD Agency and the commercial banks "for transfer of payments of IPARD funds to the banks which have granted loans for investments to IPARD beneficiaries". It was noted that such provision would contradict art 31(3) and art 38(8) of the Sectoral Agreement, according to which "the reimbursement should be made to the final beneficiary"

MA Response 2: According to audio records from the 6th IPARD MC, the Secretariat did not find any related statement made by the EC reps. but the following was stated by Mr. Schiessl under item 5 (quote): "I only have got one proposal to delete the word 'Auditors'in this conclusion, because it was not discussed with the Auditors, It was discussed with EC. IPARD Agency has had consultations with the EC Auditors, has had consultation with us, and we are not Auditors. Since, the Secretariat cannot include statements in the Minutes which were not stated at the meeting, we propose to annex the additional comments to the Minutes for the sake of the record.

EC Comment 3: In relation to the comment made on the summary in item 6 the EC representatives commented on the mentioned date of submission of the conferral package by NAO which is after the conferral mission by the EC Auditors.

MA Response 3: As explained by NAO the package was sent in final version on the 10th of October, 2009 after the comments which were made by the EC Auditors during the conferral mission in September, 2009 were included.

EC Comment 4: (4.1.) In relation to the comment made in item 14 for further clarification of the term 'combined measures' and also (4.2) to include this information as 'e.g.' to the text in point 14 in the draft Minutes

MA Response 4.1.: The Secretariat has requested further clarification from the representative of the Agriculture Credit and Discount Fund and received the following: (quote from Ms. Pecinska e-mail: Combined measures are:

- adoption of laws and regulations that will enable establishment and operations of "grass level financial institutions "such as small MFI"s, Credit Unions
- Increased capital investments for infrastructure in rural regions
- Regional Development Strategy
- Improve the legal and regulatory framework in property titling and registration
- improve the efficiency of the judicial and enforcement systems
- Expanding the list of items that can be used as collateral
- Stimulation of Crop insurance
- Development of Credit Bureaus

Response 4.2.: Accepted and the text explaining 'combined measures' is included in point 14 sub-point 14.3.

DRAFT AGENDA of the 6" IPARD Monitoring Committee Meeting

		Locatio		
				Decuments/Annex
No		Time	Subject	
			Color of the World of the Color	
		18 90		
		11:00	Coffee Break	
		44.30		
	1			
		13:00		

17			
	14 30		
	15:15		

Draft Agenda & 19ARD MC Meeting

AGENDA

of the 6th IPARD Monitoring Committee Meeting

Date:

28th of May 2010,

Location:

Parliamentarian Club (Klub na pratenici), Skopje

- 1. Opening of the meeting (Chairperson)
- 2. Approval of the Draft Agenda for the 6^{th} IPARD MC meeting (Chairperson)
- 3. Adoption of the Minutes of the previous (5^{th}) IPARD MC meeting, held on 5 of November, 2009 (Chairperson)
- 4. Proposal for amending the Rules of Procedure of the IPARD Monitoring Committee meeting (Managing Authority (MA)
- 5. Information on the implementation of decisions taken at the 5^{th} IPARD MC meeting, held on 5^{th} of November, 2009 (MA)
- 6. Progress report on accreditation and conferral of management of IPARD funds on the IPARD structures by the EC; (National Authorisation Officer (NAO))
- 7. Progress report on the first realized call for application for allocation of funds from the IPARD Programme 2007-2013, published on 23rd of December, 2009; (IPARD Agency)
- 8. Presentation/ Discussion on the third IPARD Programme modification proposals and its approval by the IPARD MC; (MA)
- 9. Information on the signing the agreement on the Multi-annual financial agreement for the IPA component V-Rural development 2007-2010; Information on the MIPD 2010-2012 (Secretariat for European Affairs (SEA))
- 10. Coordination with the IRA Monitoring Committee meeting, information from the last (second) IPA Monitoring Committee meeting, held on 25h of November, 2009 and information on the process of decisions taken at the meeting (Secretariat for European Affairs (SEA))
- 11. Progress report on the monitoring and on-going evaluation system of the IPARD Programme; (MA)
- 12. Information on the preparations for accreditation of the Technical Assistance measure; Presentation and discussion of Annual Action plan on activities related to the TA for 2010 and its approval by the IPARD MC; (Chairperson)
- 13. Follow up information on the activities undertaken under the Communication and Publicity Plan of the IPARD Programme during 2009 and 2010 (Chairperson)
- 14. AOB (Any Other Business):

- 14.1. Presentation on progress in NPAA and the TAIEX activities related to the IPARD Programme undertaken in 2010; (Ministry of Agriculture, Forestry and Water Economy-MAFWE)
- 14.2. Presentation of the project activities: "CARDS 2006 Supporting the IPARD preparation"; (CARDS 2006 Support to IPARD preparation Project (SIPP), funded by EU)
- 14.3. Presentation/discussion of the problem of provision of Rural credits (possibilities for final beneficiaries to finance necessary co-financing of IPARD projects) Ministry of Finance, (Agricultural Discount Credit Fund/European Commission)
- 14.4. Presentation on the establishment of National rural network (President of the Rural Network)
- 15. Proposals for the Agenda for the next (7th) meeting, agreement on the indicative date (Chairperson/ European Commission)
- 16. Closing of the meeting (Chairperson)