



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

ANNUAL MONITORING REPORT
for the implementation of the IPARD Programme 2014-2020
(for the period up to November 2021)

November 2021



Contents:

1. Introduction	3
2. Assessment of the progress in the implementation of the objectives, measures and investments of the IPARD Programme 2014-2020	4
2.1 Objectives of the IPARD Programme 2014-2020	4
2.2 Analysis of the process of implementation per measure	5
a. Measure 1 implementation.....	8
b. Measure 3 implementation	9
c. Measure 7 implementation	10





1. Introduction

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

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

In order to provide more detailed information on the implementation of the Programme, this Monitoring Report shall present output indicators with status from 31st of October¹ 2021. Indicators that provide information per type of production or type of investments are delivered by the IPARD Agency semi-annually and have status until 30th of June 2021.

¹ Only output indicators on number of applications/financial amount received, contracted and paid is presented with status 31st of October 2021.





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

2.1 Objectives of the IPARD Programme 2014-2020

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

- Enhancing farm viability and competitiveness of all types of agriculture and primary food processing, while progressively aligning with the Union standards. Objective shall be reached implementing measures “Investment in physical assets of agricultural holdings” and “Investments in physical assets concerning processing and marketing of agriculture and fishery products”.
- Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry.
- Promoting balanced territorial development in rural areas. Objective shall be reached implementing measures “Improvement and development of rural public infrastructure” and “Farm diversification and business development”. Conferral of management power for measure “Improvement and development of rural public infrastructure” has not been granted by DG AGRI due to lack of human capacities in the IPARD Agency.
- Transfer of knowledge and strengthening public administration capacity in implementation of rural development programmes.

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

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

Measure specific indicator		Projected target	Achieved results	Achieved in %
Measure 1	Number of projects supported	3.100	1.516	48,9%
	Number of agriculture holdings performing modernization projects	3.100	1.516	48,9%
	Number of economic entities progressively upgrading towards EU standards	1.200	400	33,3%
	Number of agriculture holdings progressively upgrading towards full compliance to the EU standards for animal welfare	30	113	376,7%
	Number of holdings investing in renewable energy production	25	2	8%
	Number of holdings investing in livestock management in view of reducing the N ₂ O and methane emissions (manure storage)	50	/	/

² Indicators on number of projects supported, number of agriculture holdings/enterprises performing modernization projects and number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas have status from 31st of October 2021. Other indicators in this table have status from 30th of June 2021.





	Total investment in physical capital by agriculture holdings supported	48 mill. EUR	20,0 mill. EUR	41,7%
Measure 3	Number of projects supported	220	75	34,1%
	Number of enterprises performing modernization projects	220	75	34,1%
	Number of economic entities progressively upgrading towards EU standards	200	15	7,5%
	Number of enterprises investing in renewable energy production	20	1	5%
	Number of jobs created (gross)	1.300	/	/
	Total investment in physical capital by enterprises supported	52 mill. EUR	22,3 mill. EUR	42,8%
Measure 7	Number of projects supported	300	46	15,3%
	Number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas	70	/	/
	Number of beneficiaries investing in renewable energy	25	/	/
	Number of jobs created (gross)	1.000	/	/
	Total investment in physical capital by beneficiaries supported	9 mill. EUR	4,8 mill. EUR	53,3%

2.2 Analysis of the process of implementation per measure

The implementation of the IPARD Programme 2014-2020 started in April 2017 with submission of applications under the first call (all 3 measures included). Since then additional 6 calls were announced:

- Public call 01/2018 for submission of applications under Measure 3,
- Public call 02/2018 for submission of applications under Measure 1,
- Public call 01/2019 for submission of applications under Measure 7,
- Public call 02/2019 for submission of applications under Measure 3,
- Public call 01/2020 for submission of applications under Measure 1 and
- Public call 01/2021 for submission of applications under Measure 7.

The status with the applications received so far is following:

Measure	Submitted		Contracted		Paid	
	Number	EU funds	Number	EU funds	Number	EU funds
1	3.251	57.306.327	1.844	18.521.425	1.516	10.223.729
3	183	45.098.137	118	20.305.488	75	8.048.817
7	698	117.654.878	101	10.071.189	46	2.235.885
9	17	318.318	17	318.318	11	140.179
Total	4.149	220.377.660	2.080	49.216.420	1.648	20.648.610

Analysis on the implementation of the Programme by regions made by Managing Authority is based on data from the monitoring system and with cutoff date 31st of October 2021.





Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	1.572	865	11.780.817	728	7.867.322
Vardar	955	545	5.983.775	425	2.267.317
North-East	225	77	1.440.703	69	516.548
South East	314	136	6.681.997	120	3.005.902
Skopje	316	123	8.995.018	50	2.223.170
South West	222	95	2.934.436	85	2.226.393
Polog	182	51	5.916.238	34	1.174.862
East	346	171	5.165.119	126	1.226.917
Total	4.132	2.063	48.898.102	1.637	20.508.431

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

Measure 1 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	1.355	814	6.251.705	689	5.355.884
Vardar	859	528	3.234.553	417	1.781.561
North-East	146	71	1.235.541	65	441.620
South East	240	112	1.803.779	102	1.066.453
Skopje	182	83	1.702.386	31	158.978
South West	158	78	364.397	75	336.514
Polog	67	22	1.480.710	20	85.100
East	244	136	2.448.354	117	997.619
Total	3.251	1.844	18.521.425	1.516	10.223.729

Measure 3 support by statistical regions:

Region	Submitted	Contracted		Paid	
	Number	Number	EU funds	Number	EU funds
Pelagonia	34	27	3.722.387	23	1.970.903
Vardar	25	13	2.022.835	6	481.800
North-East	5	2	73.382	2	72.920
South East	33	21	3.864.596	10	1.298.913
Skopje	32	18	3.951.701	10	1.496.397
South West	8	7	1.910.267	8	1.888.459
Polog	20	15	2.813.817	11	654.092
East	26	15	1.946.504	5	185.333
Total	183	118	20.305.488	75	8.048.817

Measure 7 support by statistical regions:

Region	Submitted	Contracted	Paid
--------	-----------	------------	------





	Number	Number	EU funds	Number	EU funds
Pelagonia	183	24	1.806.725	16	540.535
Vardar	71	4	726.387	2	3.956
North-East	74	4	131.780	2	2.008
South East	41	3	1.013.622	8	640.536
Skopje	102	22	3.340.931	9	567.795
South West	56	10	659.772	2	1.420
Polog	95	14	1.621.711	3	435.670
East	76	20	770.261	4	43.965
Total	698	101	10.071.189	46	2.235.885





a. Measure 1 implementation

There were three public calls for Measure 1 so far (01/2017, 02/2018 and 01/2020). Contracting process for the first and second public call has been completed and still ongoing for the last public call. The approval rate is 60 % on the first public call (01/2017), 58% on the second public call (02/2018) and reaches nearly 48% on the last call with contracting process still opened. Out of 1.844 contracts (18.521.425 € EU contribution), 1.516 have been implemented so far and 10.223.729 € EU contribution has been paid.

Types of production concerned by the investment in Measure 1³:

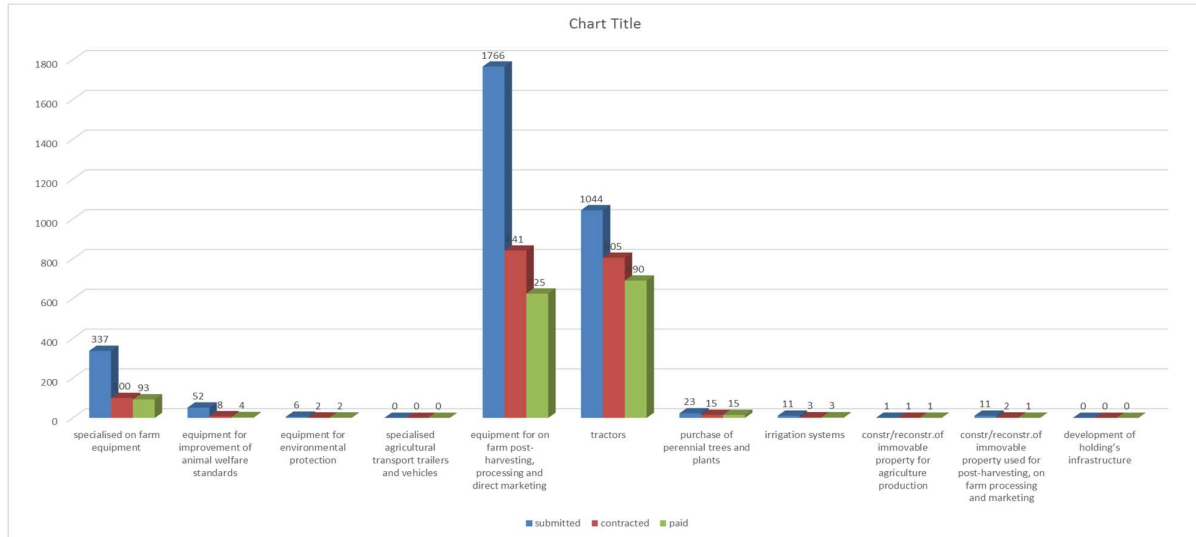
Type of production	Submitted applications	Contracted applications	Contracted EU funds	Paid applications	Paid EU funds
Vineyards	476	278	1.716.621	241	1.061.237
Orchards	1.009	539	5.562.238	417	2.784.921
Vegetables incl. glasshouses	214	103	628.140	91	538.528
Cereals	1.403	823	6.131.647	660	4.180.317
Industrial crops	52	15	100.014	12	93.588
Milk production	43	7	250.644	4	91.392
Meat production	28	5	2.062.363	4	871.706
Eggs production	10	2	446.268	1	321.981
On-farm processing	11	3	50.318	1	12.786
Renewable energy production	5	2	6.353	2	6.353

The interest and utilization of IPARD support for the types of investment activities in Measure 1 is primarily for the procurement of equipment and machinery. There is no interest in investment activities for the construction or reconstruction of farm facilities, development of farms infrastructure or facilities for post-harvest activities and direct farm marketing. The reason for this situation is the inability of applicants to obtain building/reconstruction permits. Legalization of farms, lack of detailed urban plans in the villages and the weak capacities of the rural municipalities responsible for this issue are additional problems that hinder the process of obtaining construction or reconstruction approval.

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

³ Data presented in the table are with cutoff date June 2021





b. Measure 3 implementation

There were three public calls for Measure 3 so far (01/2017, 01/2018 and 02/2019). The contracting process on all public calls is completed. The approval rate on the first public call reached 54%, 58% on the second and 80% on the last public call. Out of 118 contracts (20.305.488 € EU contribution), 75 have been implemented and paid so far, distributing 8.048.817 € EU contribution towards the beneficiaries.

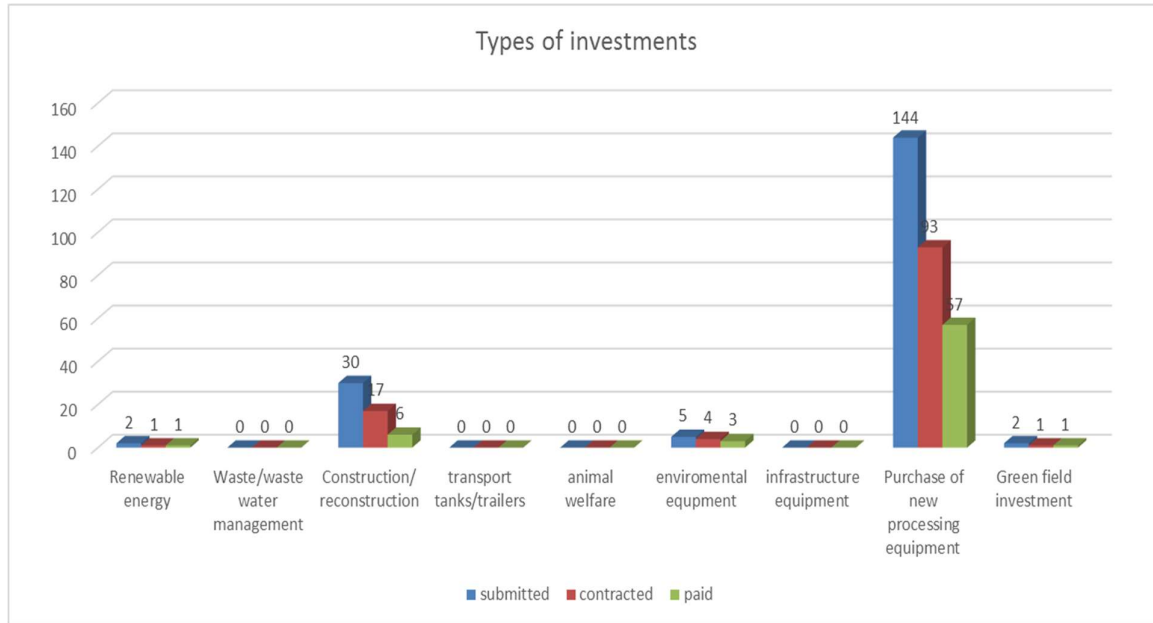
Types of production concerned by the investment in Measure 3⁴:

Type of production	Submitted applications	Contracted applications	Contracted EU funds	Paid applications	Paid EU funds
Milk collection	10	6	912.043	5	296.171
Dairy processing	13	8	685.873	6	471.128
Cattle fattening	21	16	2.743.340	9	2.129.980
Pig fattening	4	4	326.394	6	416.675
F&V collection centers	30	19	5.300.272	9	1.322.949
F&V processing	56	36	6.683.570	18	1.698.545
Cereals, milling	21	10	497.145	6	175.604
Oils and fats	3	2	24.616	1	9.620
Wine	25	16	2.996.724	8	1.034.879

Similar to measure 1, most types of investments in this measure are in procurement of machinery and equipment for specialized production activities. Yet, there were 30 applications and 17 contracts for projects that included investments in construction/reconstruction of operational facilities. No interest was shown by the applicants for investing in improvement of animal welfare standards, waste and wastewater management, improvement of holdings infrastructure and specialized transport trailer and vehicles. In 32 occasions contracts were canceled upon request by the applicant.

⁴ Data presented in the table are with cutoff date June 2021





c. Measure 7 implementation

Also for this measure, three public calls were announced. First public call (01/2017) had 23 contracted applications (EU contribution of 3.232.074 €) and approval rate of 12,6%. Great number of applications (46) for investments in production of renewable energy were submitted on this call. All these applications were rejected since they did not met the Programme criteria. Investment in production of renewable energy was later excluded from the second public call (01/2019). 261 application were submitted on the second public call (01/2019) and 78 contracts were signed - EU contribution of 6.839.115 €. On the last IPARD public call (01/2021) in this programming period, 250 applications were submitted (32.490.820 € EU contribution). Applications are still being processed in the Agency.

In total 46 applications were paid (EU contribution of 2.235.885 €)

Types of production concerned by the investment in Measure 7⁵:

Type of production	Submitted applications	Contracted applications	Contracted EU funds	Paid applications	Paid EU funds
Cultivation of mushrooms and truffles	1	0	0	0	0
Horticulture	5	1	185.623	0	0
Seeds and seedling materials	2	1	73.847		
Animal breeding	7	1	183.657	0	0
Bee keeping	98	26	57.101	12	14.921
Herbs, spices, aromatic crops	22	8	11.146	2	5.662
Trees for timber and bio-mass	4	0	0	0	0

⁵ Data presented in the table are with cutoff date June 2021





Aquaculture and fish farms	3	0	0	0	0
Milk processing	17	1	20.549	1	19.301
F&V processing	24	3	262.852	0	0
Cereals processing	8	6	321.747	0	0
Beverages	2	1	222.562	0	0
Wood processing	33	12	1.795.993	3	474.256
Production of furniture	68	18	3.596.970	4	632.112
Crafts activities	6	0	0	0	0
Veterinary services	11	4	33.009	2	14.225
Repair and maintenance services	2	0	0	0	0
Social services	3	0	0	0	0
Training and education services	4	1	487.158	0	0
Transportation services	1	0	0	0	0
Other services	8	1	410.708	0	0
Tourism accommodation	39	10	1.319.359	0	0
Catering services	7	3	390.643	0	0
Rural museums	13	2	549.110	1	147.717
Seminars and trainings	8	0	0	0	0
Recreational activities	6	0	0	0	0
Solar, wind, water, geothermal energy	40	0	0	0	0
Bio-fuel production	1	0	0	0	0
Energy for self-consumption	5	0	0	0	0

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

