



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

ANNUAL MONITORING REPORT
on the implementation of the IPARD Programme 2014-2020
(for the period until December 2023)

December, 2023



Content:

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



**Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority**

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

1. Introduction

According to Article 52 of the FFPA, the IPARD III Monitoring Committee takes over any outstanding matters concerning effectiveness and quality of the implementation of the IPARD Programme 2014-2020 in order to achieve the goals of the Programme.

The Monitoring Committee examines the results of the IPARD Programme 2014-2020, in particular the achievement of the objectives set for the various measures and the progress in the use of the financial allocations of those measures and the distributions of the sub-measures within the measures where such allocations are included. In this regard, the IPARD Managing Authority (IPARD MA) ensures that all relevant information on the progress of measures and sub-measures is made available to the members of the Monitoring Committee. For this purpose, IPARD MA prepares this monitoring report.

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

In order to provide more detailed information on the implementation of the Programme, this monitoring report will present output indicators with a status of October 31, 2023. The indicators that provide information on the type of production or the type of investments are submitted by the IPARD Agency on a semi-annual basis and have a status until June 30, 2023.



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

2.1 Objectives of the IPARD Programme 2014-2020

The Programme potentially serves more than one objective according to 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:

- Strengthening the sustainability of agricultural holdings and the competitiveness of all types of agriculture and primary food processing, while progressively complying with the standards of the Union. Objectives will be achieved by implementing the measures for "Investments in physical assets of agricultural holdings" and "Investments in physical assets for processing and marketing of agricultural and fish products".
- Restoring, preserving and strengthening ecosystems dependent on agriculture and forestry.
- Promoting balanced territorial development in rural areas. The objective will be reached by implementing the measure "Improvement and development of rural infrastructure" and "Diversification of farms and business development".
- Knowledge transfer and strengthening of public administration in the implementation of rural development programs.

The measure "Technical assistance" is a horizontal measure, which supports the successful implementation of the entire Programme; therefore, this measure cannot be directly linked to a specific objective.

The achievement of the objectives of the measure is measured by a set of specific indicators defined and targeted for each measure¹.

Measure indicators		Projected target	Achieved results	Achieved in %
Measure 1	Number of projects supported	3.100	1.798	57,9%
	Number of agricultural holdings performing modernization projects	3.100	1.795	57,9%
	Number of economic entities progressively upgrading towards EU standards	1.200	686	57,1%
	Number of agricultural holdings progressively upgrading towards full compliance to the EU standards for animal welfare	30	140	466%
	Number of holdings investing in renewable energy	25	2	8%
	Number of holdings investing in livestock management in view to reduce the N ₂ O	50	/	/

¹ The indicators for the number of supported projects, the number of agricultural holdings/enterprises that carry out modernization projects and the number of agricultural holdings/enterprises that develop additional or diversified sources of income in rural areas have the status of October 31, 2023. Other indicators on this chart have status as of June 30, 2023.



Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

	and methane emissions (manure storage)			
	Total investment in physical capital by agricultural holdings supported	48 million €	40 million €	83,3%
Measure 3	Number of projects supported	220	116	52,7%
	Number of enterprises performing modernization projects	220	116	52,7%
	Number of economic entities progressively upgrading towards EU standards	200	8	4%
	Number of enterprises investing in renewable energy	20	1	5%
	Number of jobs created (gross)	1.300	/	/
	Total investment in physical capital by beneficiaries supported	52 million €	38 million €	73,0%
Measure 7	Number of projects supported	300	154	51,36%
	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 million €	28,4 million €	315%

2.2 Analysis of the process of implementation by measure

The implementation of the IPARD Programme 2014-2020 started in April 2017 with submission of applications under the first public call (which included all 3 measures). Since then, 8 additional public calls have been published:

- Public call 01/2018 for submission of requests for measure 3,
- Public call 02/2018 for submitting requests for measure 1,
- Public call 01/2019 for submitting requests for measure 7,
- Public call 02/2019 for submitting requests for measure 3,
- Public call 01/2020 for submitting requests for measure 1,
- Public call 01/2021 for submission of requests for measure 7,
- Public call 01/2022 for submitting requests for measure 3 and
- Public call 01/2023 for submitting requests for measure 3.

Having in mind the derogation from the N+3 rule for the financial allocation for 2020 and in order to meet the demands of the processing industry and to make the not approved funds of the Programme (as well as the funds from the canceled contracts/projects (on applicants request – increase in the market prices previously approved by the IPARD Agency)) available for the beneficiaries, the last public call (01/2023) was published in September 2023. For this purpose, before the announcement of the public call, the IPARD Managing Authority prepared modifications to the Programme. The deadline for submission of applications on the last public



Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

call finished on 31st of October, so the results from this call will be reported in next monitoring report.

The status of the submitted applications is as follows:

Measure	Submitted		Contracted		Paid	
	Number	EU part	Number	EU part	Number	EU part
1	3.251	35.979.297	1.942	20.626.848	1.795	15.637.235
3	225	57.257.461	146	22.862.260	116	17.331.911
7	698	63.898.035	218	19.892.670	154	8.811.037
9	41	384.604	27	343.396	23	224.391
Total	4.215	157.519.397	2.333	63.458.873	2.091	42.004.574

The analysis of the implementation of measures 1, 3 and 7 from the Programme by region is made by the IPARD Managing Authority and is based on data from the monitoring system and with a data validity date of October 31, 2023.

Region	Submitted	Contracted			Paid		
	Number (A)	Number (B)	% (B/A)	EU part	Number (C)	% (C/A)	EU part
Pelagonia	1.520	904	59 %	9.388.891	881	58 %	9.039.005
Vardar	965	579	60 %	7.264.148	513	53 %	4.144.854
Northeast	193	85	44 %	846.531	87	45 %	794.232
Southeast	336	163	49 %	9.443.990	142	42 %	5.849.593
Skopje	360	170	47 %	15.597.321	104	29 %	8.095.082
Southwest	240	116	48 %	4.262.940	91	38 %	3.154.282
Polog	166	76	46 %	10.524.076	61	37 %	5.709.553
East	394	213	54 %	5.787.580	201	51 %	4.985.582
Total	4.174	2.306	55 %	63.115.477	2.080	50 %	41.772.183

The data and results of the above table can be supported by the fact that regions like Pelagonia, Vardar and Southeast have more advanced agricultural production led mostly by crop production (cereals, fruit growing and vineyards and vegetables). In addition, investments in crop production, especially in the purchase of new machinery and equipment, are less complicated to implement (no need for construction/reconstruction permits or in the case of tractors no need for proof of environmental standards). The success of implementation in the Skopje region, especially in measure 3, is due to the headquarters of the applicant. Most of the IPARD beneficiary companies are based in Skopje, but the location of the investment may be in another region.

Measure 1 support by statistical regions:

Region	Submitted	Contracted			Paid		
	Number (A)	Number (B)	% (B/A)	EU part	Number (C)	% (C/A)	EU part
Pelagonia	1.355	828	61 %	5.350.192	813	60 %	5.865.435
Vardar	859	551	64 %	4.169.227	495	58 %	2.509.893
Northeast	146	73	50 %	482.895	76	52 %	460.854
Southeast	240	126	53 %	3.005.789	114	48 %	1.661.580
Skopje	182	102	56 %	2.942.589	61	34 %	1.207.714
Southwest	158	85	54 %	402.035	72	46 %	343.678



Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

Polog	67	27	40 %	1.997.277	21	31 %	1.283.660
East	244	150	61 %	2.276.844	146	60 %	2.296.421
Total	3.251	1.942	60 %	20.626.848	1.798	55 %	15.629.235

Measure 3 support by statistical regions:

Region	Submitted	Contracted			Paid		
	Number (A)	Number (B)	% (B/A)	EU part	Number (C)	% (C/A)	EU part
Pelagonia	38	25	66 %	2.417.398	26	68 %	1.888.151
Vardar	33	18	55 %	1.740.259	13	39 %	1.109.072
Northeast	7	4	57 %	162.334	4	57 %	161.635
Southeast	38	25	66 %	4.382.704	20	53 %	3.235.133
Skopje	44	29	66 %	6.784.738	19	43 %	4.729.719
Southwest	11	10	91 %	1.946.623	7	64 %	1.852.663
Polog	22	15	68 %	3.319.977	19	86 %	2.467.193
East	32	20	63 %	2.108.227	20	63 %	1.888.345
Total	225	146	65 %	22.862.260	128	57 %	17.331.911

Measure 7 support by statistical regions:

Region	Submitted	Contracted			Paid		
	Number (A)	Number (B)	% (B/A)	EU part	Number (C)	% (C/A)	EU part
Pelagonia	127	51	40 %	1.681.301	42	33 %	1.285.419
Vardar	73	10	14 %	1.394.662	5	7 %	525.889
Northeast	40	8	20 %	221.302	7	18 %	171.743
Southeast	58	12	21 %	2.155.497	8	14 %	952.880
Skopje	134	39	29 %	5.869.994	24	18 %	2.157.649
Southwest	71	21	30 %	1.954.282	12	17 %	957.941
Polog	77	34	44 %	5.206.822	21	27 %	1.958.700
East	118	43	36 %	1.408.810	35	30 %	800.816
Total	698	218	31 %	19.892.670	154	22 %	8.811.037



a. Implementation of measure 1

Three public calls for measure 1 (01/2017, 02/2018 and 01/2020) were announced. The applications approval process is complete. The approval rate is 60% on the first public call (01/2017), 58% on the second public call (02/2018) and 61% on the third public call (01/2020). Out of 1.942 contracts in the amount of 22.626.848 € EU funds, 1.798 have been implemented so far and 15.629.235 € EU funds have been paid.

Types of agricultural production concerned by the investments in measure 1²:

Type of production	Submitted Applications (A)	Contracted Applications (B)	% (B/A)	Contracted EU part	Paid applications (C)	% (C/A)	Paid EU part
Vineyards	476	305	64 %	3.813.485	284	60 %	1.761.349
Orchards	1.009	626	62 %	6.116.211	598	59 %	5.492.579
Vegetables (glasshouses included)	214	114	53%	965.911	107	50 %	716.027
Cereals	1.403	854	61%	6.689.549	768	55 %	5.764.093
Industrial crops	52	22	42%	187.455	22	42%	139.846
Milk production	43	8	19%	266.920	5	12%	196.535
Meat production	28	5	18%	2.062.363	4	14%	871.706
Eggs production	10	2	20%	446.268	1	10%	321.981
ON-farm processing	11	4	36%	72.333	1	9%	12.786
Renewable energy production	5	2	40%	6.353	2	40%	6.353

The interest and utilization of IPARD support for the types of investment activities in measure 1 is primarily for the purchase of equipment and machinery. There is no interest in investment activities for construction or reconstruction of agricultural facilities, development of farm infrastructure or facilities for post-harvest activities and direct marketing of farms. The reason for this situation is the inability of the applicants to obtain building/reconstruction permits. The legalization of farms, the 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 approval for construction or reconstruction.

Also, no interest was shown in investments in irrigation systems, harvesters, specialized trailers and vehicles for agricultural transport and procurement of perennial trees and plants. Irrigation investments have a lower value and are usually combined with other equipment and machinery. In order to avoid double counting projects, the monitoring system registers these mixed

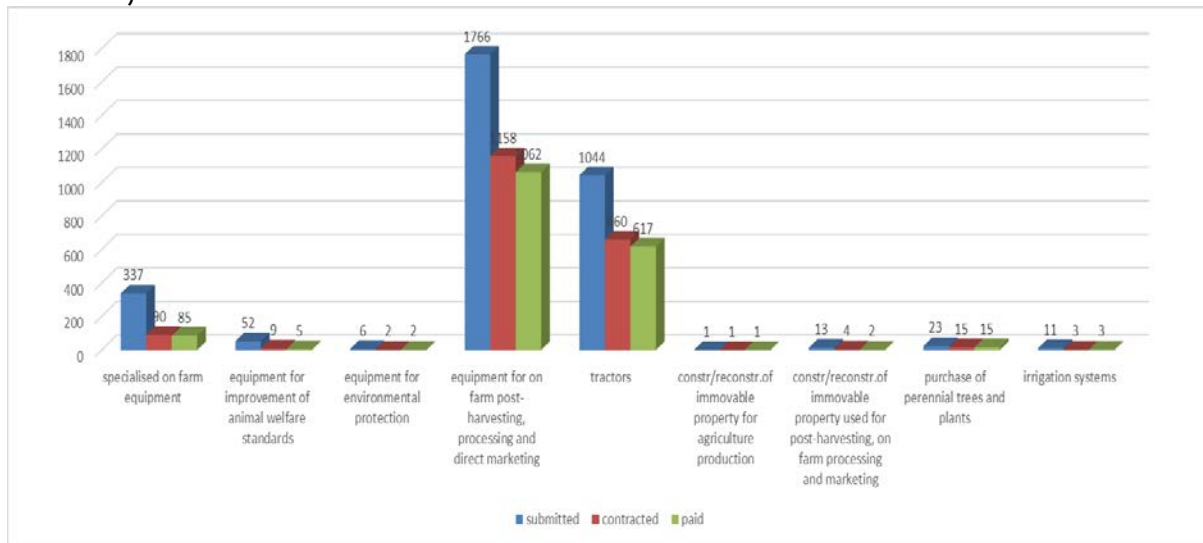
² Data presented in the table are with cutoff date June 2023



Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

applications according to the higher cost of the purchased item, in this case equipment or machinery.



b. Implementation of measure 3

There have been five public calls for measure 3 (01/2017, 01/2018, 02/2019, 01/2022 and 01/2023). The process of approving the applications of the four calls has been completed. The approval rate on the first public call reached 46%, 58% on the second and 80% on the third and 67% on the fourth public call. Out of 146 contracts (22.862.260 € EU funds), 116 have been implemented and paid so far, distributing 17.331.911 € EU funds to the beneficiaries. Having in mind that the last call under the measure (also last call under IPARD II Programme) ended on 3rd of October, the applications under this call are still processed in the Agency.

Types of agricultural production concerned by the investments in measure 3³:

Type of production	Submitted Applications (A)	Contracted Applications (B)	% (B/A)	Contracted EU part	Paid applications (C)	% (C/A)	Paid EU part
Milk collection centers	11	7	64 %	972.966	5	50 %	296.171
Milk processing	13	8	62 %	685.873	6	46 %	471.128
Meat processing	35	27	77 %	3.376.837	23	66 %	2.910.755
F&W collection centers	30	22	73 %	5.500.405	16	53 %	3.169.365
F&W processing	69	43	62 %	7.670.252	41	59 %	6.881.904
Cereals, milling	25	13	52 %	663.429	7	28 %	240.874
Oils and fats	4	2	50 %	24.616	1	25 %	9.620
Wine	38	24	63 2%	3.967.882	14	37 %	2.375.622

Similar to measure 1, most types of investments in this measure are in the purchase of machinery and equipment for specialized production activities. However, there were 30 applications and 10 contracts for projects involving investments in the construction/reconstruction of operational facilities. No interest is shown by applicants to invest in improving animal welfare standards, waste and wastewater management, improving

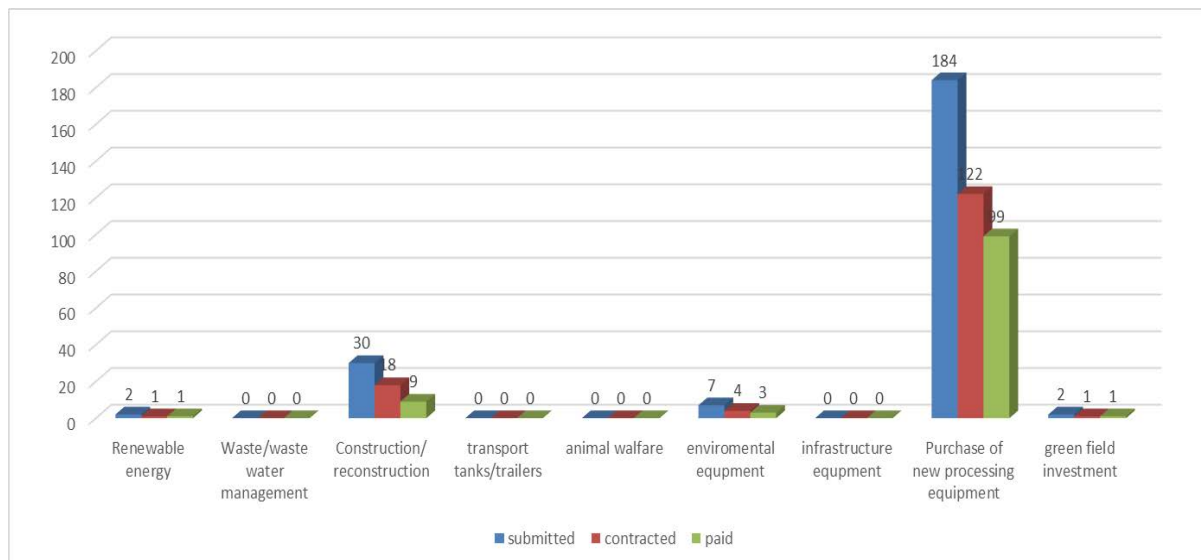
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Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

farm infrastructure and specialized transport trailers and vehicles. On 45 occasions, the contracts were canceled at the request of the applicants, usually due to significant increase in prices.



c. Implementation of measure 7

Three public calls were published for this measure. The first public call (01/2017) has 23 approved applications (EU contribution of 3.222.895 €) and an approval rate of 12,6 %. A large number of applications (46) for investments in renewable energy production were submitted on this call. All were rejected for not meeting the criteria of the Programme. Investments in renewable energy production were later excluded from further public calls. At the second public call, 261 applications were submitted and 80 contracts were signed (EU contribution of 6.470.773 €). The rate of approval of the applications of this public call is 30,6 %. At the third public call, 250 applications were submitted and 115 contracts were signed (EU contribution of 9.932.701 €). The rate of approval of the applications of this public call is 46,0 %.

A total of 154 projects have been paid (EU contribution of 8.811.037 €)



Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

Types of agricultural production concerned by the investments in measure 7⁴:

Type of production	Submitted Applications (A)	Contracted Applications (B)	% (B/A)	Contracted EU part	Paid applications (C)	% (C/A)	Paid EU part
Cultivation of mushrooms and truffles	1	0	0 %	0	0	0 %	0
Horticulture	9	1	11 %	185.623	0	0 %	0
Seeds and seedlings materials	3	1	33 %	73.847		0 %	
Animal breeding	7	1	14 %	183.657	1	14 %	173.326
Bee keeping	200	90	45 %	295.890	76	38 %	114.278
Herbs, spices, aromatic crops	27	9	33 %	23.113	5	18 %	17.708
Trees for timber and biomass	4	0	0%	0	0	0 %	0
Aquaculture and fish farms	5	0	0%	0	0	0 %	0
Milk processing	17	1	6%	20.549	1	6 %	19.301
Meat processing	1	0	0%	0	0	0 %	0
F&W processing	46	21	46%	2.185.678	11	24 %	525.162
Cereals processing	1	0	0%	0	0	0 %	0
Beverages	8	1	13%	222.562	0	0 %	0
Wood processing	33	15	45 %	2.186.060	12	36 %	1.628.901
Furniture production	105	40	38 %	7.839.941	18	17 %	2.339.349
Craft activities	9	4	44 %	506.398	1	11 %	16.331
Veterinary services	33	10	30 %	624.259	4	12 %	33.039
Repair and maintenance services	2	0	0 %	0	0	0 %	0
Social services	5	0	0 %	0	0	0 %	0
Training and educational services	8	2	25 %	503.362	2	25 %	14.974
Transportation services	1	0	0 %	0	0	0 %	0
Other services	8	1	13 %	410.708	0	0 %	0
Tourist accommodation	67	16	24 %	3.928.155	10	15 %	1.409.647
Catering services	25	3	12 %	390.643	0	0 %	0

⁴ Data presented in the table are with cutoff date June 2023



Ministry of Agriculture, Forestry and Water Economy
IPARD Managing Authority

Annual monitoring report on the implementation of the IPARD Programme 2014-2020

Rural museums	14	2	14 %	549.110	1	7 %	147.717
Seminars and trainings	8	0	0 %	0	0	0 %	0
Recreational activities	7	0	0 %	0	0	0 %	0
Solar, wind, water, geothermal energy	40	0	0 %	0	0	0 %	0
Bio-fuel production	1	0	0 %	0	0	0 %	0
Energy for self-consumption	5	0	0 %	0	0	0 %	0

In this measure, interest prevails in investing in the construction and reconstruction of operational facilities for the corresponding economic activities, investments to improve the infrastructure of the applicants and investments in specialized equipment for processing.

