



Republic of North Macedonia

Agency for Financial Support  
of the Agriculture and Rural Development

# 1. Human Resources report

## Staff situation in AFSARD

- 285 systematized work posts
- 221 employees in total + Director and Deputy director
  - 206 permanently employed (of these, 147 are working on IPARD)
  - 15 employed on temporary basis (of these, 5 are working on IPARD)
    - 1 working in the Sector for registers, 2 working in Sector for financial affairs, 1 working in Sector for IT and 1 working in Sector for on-the-spot Control and 10 working on the National programs)
    - 3 employed on contractual basis (for the implementation of the National programs)
- 147 employees working on the IPARD Program 2021-2027
  - 142 permanently employed
  - 5 employed on temporary basis

## On-going procedure for employment

Procedure for employment / Under the Vacancy Call for employment procedure for 13 (thirteen) persons, 1 (one) junior clerk, 2 (two) senior clerks, 9 (nine) Junior Associates, 1 (one) Head of Unit for permanent employment for the specified positions have been announced the Decisions for employment, but due to the current presidential and parliamentary elections the procedure is on hold .

## Staff situation per organizational unit (IPARD structure):

- Sector for Project Approval – 32 administrative civil servants,
- Sector for Authorization of Payments – 21 administrative civil servants,
- Sector for on-the-spot Control – 42 administrative civil servants,
- Sector for Financial Affairs – 12 administrative civil servants,
- Sector for Internal Audit – 5 administrative civil servants,
- Sector for General and Legal Affairs – 11 administrative civil servants,
- Sector for Registers – 12 administrative civil servants,
- Sector for Analytics – 3 administrative civil servants
- Sector for IT- 6 administrative civil servants
- Unit for Human Resources Manager – 3 administrative civil servants

**Employee motivation** Starting from January 2024, all employees who working in AFSARD are paid a raising of 15% of the basic salary

## Financial data regarding implementation of the IPARD III Program;

Till this moment no contracts have been signed under IPARD 2021-2027 Program for the investment measures 1,3 and 7.

As for the risk of de-commitments of funds, 15.000.000 euros must be spent till end of 2025. Taking into consideration the number of received applications of the first public call, this amount is reasonable to be duly spent.

## Status with accreditation of the rural public infrastructure measure

Regarding the accreditation of the rural public infrastructure measure, the following activities have been agreed with the National Fund and the Managing Authority:

- finalization of the necessary employments for the realization of this measure by end of 2023 - the WLA for 2023 takes into account the workload for this measure and the projected number of 177 employees for IPARD in 2023 includes the new employments for this measure, and
- harmonization of the working procedures for implementing the rural public infrastructure measure with the comments of the European Commission's Directorate-General for Agriculture and Rural Development by 15.09.2023.

### Status with regard to implementation of the accredited measures 1, 3 and 7

AFSARD has launched the first public call from IPARD 3 programming period for the measures 1 and 7 on 01.09.2023 and was opened till 30.10.2023. The measure 3 was not included in this call due to the fact that Agency has announced a public call for this measure under the IPARD 2 program on 30.09.2023.

The total number of received applications, the breakdown of the received applications per sector, and the total requested amount for financial support is presented in the table below.

Agency has started with processing of the applications immediately after receiving of the files in the Agency.

Public call 01/2023 (all the prices are in Euros)

Measure	Sector	Total number of applications	Total requested amount (EU+NKF)	No. of rejected applications
M1	01	829	39.159.260,27 €	287
M1	02	50	8.613.162,55 €	26
M1	03	3	62.741,05 €	2
M1	04	17	3.147.929,00 €	4
M1	05	1	46.311,32	1
Total on	25.04.2024	900	51.029.404,19 €	320

Measure	Sector	Total number of applications	Total requested amount (EU + NKF)	No. of rejected applications
M7	01	37	2.431.001,15 €	24
M7	02	4	942.548,70 €	1
M7	03	11	1.415.694,81 €	7
M7	04	94	20.915.674,52 €	43
M7	05	3	247.009,14 €	1
M7	06	23	2.780.459,54 €	8
M7	07	26	3.633.400,23 €	10
M7	08	56	13.643.999,17 €	17
M7	09	2	169.590,45 €	2
Total on	25.04.2024	256	46.179.377,71 €	113

The budget of the public call for the measure 1 is 18.893.333,33 EUR and for measure 7 equals to 11.400.000 EUR. In the budget of the measures were taken into calculations the financial years 2021, 2022, 2023 and 2024.

Agency has immediately started with processing of the received applications as were received. Mostly, due to incompleteness of the applications and incomparability of the offers, 320 applications have been rejected from M1 and 113 from M7.

Due to the large number of received applications and the higher amount requested for financial support available then the budget of in the public call, ranking of the eligible projects shall be applied according to the selection criteria from the IPARD 3 Program.

Draft rank list has been created and eligibility check of the high ranked applications is performed. Once the reference prices for these applications are obtained Agency will start with contracting of the eligible applications.

## **2. On-the-spot controls (Since December 2023 - ongoing)**

### **On-the-spot Controls prior approval**

Sector for on-the-spot control within AFSARD since December 2023 has carried out total of 127 on-the-spot controls prior approval at investments under the Call for Applications 23/01 from IPARD 2 2014-2020 (Measure 3) as well as Call for Applications 23/01 from IPARD 3 2021-2027 (Measure 1 and Measure 7). In addition, there is a table with carried out OTSC divided by calls for applications.

<b>Call for applications 23/01 (IPARD 2 ) (Measure 3)</b>	
16 OTSC	
<b>Call for applications 23/01 (IPARD 3) (Measure 1)</b>	
84 OTSC	
<b>Call for applications 23/01 (IPARD 3 )(Measure 7)</b>	
27 OTSC	
<b>Total No of OTSC</b>	<b>127 OTSC</b>

### **On-the-spot Controls before payment**

Sector for on-the-spot control within AFSARD since December 2023 has carried out total of 13 on-the-spot controls before payment at investments under the Call for Applications 19/01, 20/01, 21/01 and 22/01 from IPARD 2 2014-2020.

In addition, there is a table with carried out OTSC divided by Calls for Applications

<b>Call for applications 19/01 (Measure 7)</b>	
2 OTSC	
<b>Call for applications 20/01 ( Measure 1)</b>	
2 OTSC	
<b>Call for applications 21/01 ( Measure 7)</b>	
5 OTSC	
<b>Call for applications 22/01 ( Measure 3)</b>	
4 OTSC	
<b>Total No of OTSC</b>	<b>13 OTSC</b>

## Ex-post

Sector for on-the-spot control within AFSARD since December 2023 has carried out total of 52 ex-post on-the-spot controls at investments under IPARD 2 2014-2020.

Sector for on-the-spot control has carried out additional ex-post OTSC following on audit recommendations. In addition, there is a table with carried out OTSC divided by measures

Ex-post OTSC (IPARD 2 2014-2020 )	
<u>Measure</u>	<u>Number of carried out ex-post OTSC per measure</u>
1	50 regular ex-post OTSC 1 OTSC for checking functionality
7	1 OTSC for checking functionality
<b>Total No of OTSC</b>	<b>52 OTSC</b>

## Most common discrepancies i.e. findings and differences established during OTSC since December 2023 and ongoing are the following:

### **Prior approval:**

- No major discrepancies have been established while performing OTSC prior approval at investments from Call for Applications 23/01 Measure 3 which only include purchase of equipment.
- At one investment from Measure 7 which includes reconstruction of existing building, during the OTSC prior approval it was established that parts of the planned investment which were part of the offer and the bill of quantities were already built meaning the investment has already started,
- At investments from Measure 1, which envisage the purchase of tractors or agricultural machinery, as well as investments in irrigation systems and planting perennials, the most common discrepancies are in wrong crops declarations, size of land parcels, wrong LPIS or Cadaster No . declared. They are mostly of a technical nature and are resolved on the spot with a statement of a technical error or by providing additional corrected documentation (Farm registry, cadastre, LPIS, etc.

### **Before payment:**

- differences in the technical characteristics of the purchased equipment between the contract, invoice and OTSC mostly due to technical errors, made when issuing the necessary documentation for the equipment by the supplier/manufacturer;
- absence of certain data to be clearly marked on the equipment itself (year of manufacture, country of origin, serial number, model), and in certain cases absence of any markings at all (equipment and machinery without plates with technical data - mostly in the case of machinery and equipment) from domestic production);
- non-functionality of part or all of the equipment (equipment which during the OTSC was determined not to be in a functional state, i.e. disassembled into parts or not connected to electricity or with a certain defect) and

in such cases a certain remedy period is given for the equipment to be put in function and OTSC is performed again (all users where this condition was established, managed to put the equipment into function);

- the equipment that is the subject of investment (bee-keeping cases, processing equipment, irrigation equipment, etc.) is not functional. It is stored in parts in warehouses or a certain part is only used according to its purpose. In certain cases, the equipment is of seasonal type and it depends on when it was purchased and when the control has been performed. Beneficiaries make statements that the equipment will be put into function as soon as the weather conditions permit, that is, according to the season. In other cases, it is about specific equipment that is used for a specific type of production (plastic materials, metal processing, etc.) and depends on market demand and current orders and demands from customers.
- damaged mechanization/equipment during use (beneficiaries submit written evidence that a service was performed and that the defect was removed, and that the equipment/mechanization is used without problems);
- equipment that should be used for providing services for third parties in agriculture (Measure 7) is used for beneficiary's own needs and purposes.

#### **EX-post OTSC:**

During the execution of these controls, no major discrepancies were determined. All beneficiaries keep the equipment/mechanization, it is used according to the intended purpose and it is marked according to the contract.

As a result of audit findings by the NF and the Audit Authority, ex-post OTSC were carried out in order to determine the functionality of the investment or a part of the investment that was not in use during the audit. Usually, in such situations, the users are contacted, a certain remedy period is given to put the investment into function, and after OTSC is performed. In addition to determining the functionality of the investment, a regular ex-post OTSC is carried for the whole investment.