



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 and**  
**IPARD Programme 2021-2027**  
**(for the period until December 2024)**

December, 2024



Ministry of Agriculture, Forestry and Water Economy  
IPARD Managing Authority

*Annual monitoring report on the implementation of the IPARD Programme 2014-2020 and IPARD Programme 2021-2027*

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## 1. Introduction

According to Article 52 of the FFFPA, 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.

Following the N+4 rule granted by the European Commission in December 2023 (Ares (2023)8495615), the implementation of the IPARD Programme 2014-2020 comes to an end. 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 addition, this report presents the start of implementation of the IPARD Programme 2021-2027. The analysis of the implementation is made on the basis of monthly data on output indicators.



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## 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 measure<sup>1</sup>.

Measure indicators		Projected target	Achieved results	Achieved in %
Measure 1	Number of projects supported	3.100	1.802	58,1 %
	Number of agricultural holdings performing modernization projects	3.100	1.802	58,1 %
	Number of economic entities progressively upgrading towards EU standards	1.200	760	63,3 %
	Number of agricultural holdings progressively upgrading towards full compliance to the EU standards for animal welfare	30	9	30 %
	Number of holdings investing in renewable energy	25	2	8 %

<sup>1</sup> 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, 2024. Other indicators on this chart have status as of June 30, 2024.



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	Number of holdings investing in livestock management in view to reduce the N <sub>2</sub> O and methane emissions (manure storage)	50	N/A	N/A
	Total investment in physical capital by agricultural holdings supported	48 million €	43,1 million €	89,8 %
Measure 3	Number of projects supported	220	143	65 %
	Number of enterprises performing modernization projects	220	143	65 %
	Number of economic entities progressively upgrading towards EU standards	200	28	14 %
	Number of enterprises investing in renewable energy	20	20	10 %
	Number of jobs created (gross)	1.300	N/A	N/A
	Total investment in physical capital by beneficiaries supported	52 million €	42,9 million €	82,5 %
Measure 7	Number of projects supported	300	167	55,7 %
	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	N/A	N/A
	Total investment in physical capital by beneficiaries supported	9 million €	25,1 million €	279 %

## 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.

The status of the applications submitted to all public calls for the IPARD Programme 2014-2020 until October 2024 is:





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Measure	Applications							
	Submitted		Rejected	Contracted			Paid	
	No.	EU part		No.	EU part	Canceled contracts	No.	EU part
1	3.251	35.979.297	1.309	1.942	20.626.848	140	1.802	17.217.446
3	283	61.216.850	97	186	26.209.428	53	143	19.762.631
7	698	63.898.035	480	218	19.626.369	51	167	11.103.750
9	33	354.236	0	33	354.236	5	28	277.613
<b>Total</b>	<b>4.265</b>	<b>161.448.418</b>	<b>1.886</b>	<b>2.379</b>	<b>66.301.744</b>	<b>241</b>	<b>2.130</b>	<b>48.361.440</b>

The final stage of implementation of IPARD II Programme increased the pressure of implementation in the Sector for authorization of payments in the IPARD Agency. There was no de-commitment of funds at the end of 2023 due to the received approval for extension for the implementation of the budgetary commitment 2020 by one year (from N+3 to N+4). Therefore, all remaining IPARD II expenditure needs to be implemented (incurred and paid to IPARD recipients) by 31<sup>st</sup> December 2024 at the latest, when the eligibility for a Union contribution for expenditure under the IPARD II programme will end. According the data kept in the Paying Agency and taking in consideration the final date for realization of the investments stipulated in the contracts for allocation of funds signed between the final recipients and the Paying Agency the predication is that 9.9 mil Euros will be unused and de-committed for the whole programming period. Also, cancelation of contracts is being noticed, since the beneficiaries were not able to respond to the requests for realization of the investments due to increased prices, significantly higher than the prices in the contracts, as well as a consequence of COVID.

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<sup>st</sup>, 2024.

Region	Submitted	Contracted			Paid		
	Number (A)	Number (B)	% (B/A)	EU part	Number (C)	% (C/A)	EU part
Pelagonia	1.529	911	60 %	9.654.698	883	58 %	9.885.940
Vardar	973	582	60 %	7.591.123	521	54 %	4.781.772
Northeast	195	87	45 %	917.174	88	45 %	811.170
Southeast	344	167	49 %	9.666.967	143	42 %	6.439.773
Skopje	372	181	49 %	16.873.618	112	30 %	10.348.382
Southwest	244	120	49 %	4.469.429	97	39 %	3.211.421
Polog	175	81	46 %	10.781.546	60	34 %	6.611.275
East	400	217	54 %	6.508.090	208	52 %	5.908.075
<b>Total</b>	<b>4.232</b>	<b>2.346</b>	<b>55 %</b>	<b>66.462.645</b>	<b>2.112</b>	<b>50 %</b>	<b>47.997.808</b>

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



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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 %	6.076.275
Vardar	859	551	64 %	4.169.227	496	58 %	2.802.590
Northeast	146	73	50 %	482.895	76	52 %	460.854
Southeast	240	126	53 %	3.005.789	115	48 %	2.041.458
Skopje	182	102	56 %	2.942.589	62	34 %	1.687.592
Southwest	158	85	54 %	402.035	72	46 %	343.678
Polog	67	27	40 %	1.997.277	21	31 %	1.344.915
East	244	150	61 %	2.276.844	147	60 %	2.376.066
Total	3.251	1.942	60 %	20.626.848	1.802	55 %	17.133.428

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	47	32	66 %	2.683.205	26	55 %	2.421.074
Vardar	41	21	55 %	2.067.234	20	49 %	1.453.293
Northeast	9	6	57 %	232.977	5	56 %	178.573
Southeast	46	29	66 %	4.605.681	19	41 %	3.235.133
Skopje	56	40	66 %	8.061.035	24	43 %	6.001.918
Southwest	15	14	91 %	2.153.112	13	87 %	1.909.802
Polog	31	20	68 %	3.577.447	14	45 %	2.600.351
East	38	24	63 %	2.828.737	22	58 %	1.960.486
Total	283	186	65 %	26.209.428	143	50 %	19.760.630

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 %	1.621.301	44	33 %	1.388.591
Vardar	73	10	14 %	1.354.662	5	7 %	525.889
Northeast	40	8	20 %	201.302	7	18 %	171.743
Southeast	58	12	21 %	2.055.497	9	14 %	1.163.182
Skopje	134	39	29 %	5.869.994	26	18 %	2.658.872
Southwest	71	21	30 %	1.914.282	12	17 %	957.941
Polog	77	34	44 %	5.206.822	25	27 %	2.666.009
East	118	43	36 %	1.402.509	39	30 %	1.571.523
Total	698	218	31 %	19.626.369	167	22 %	11.103.750





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### 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 20.626.848 € EU funds, 1.802 have been implemented so far and 17.133.428 € EU funds have been paid.

Types of agricultural production concerned by the investments in measure 1<sup>2</sup>:

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	599	59 %	6.111.964
Vegetables (glasshouses included)	214	114	53%	965.911	108	50 %	1.858.968
Cereals	1.403	854	61%	6.689.549	774	55 %	6.429.924
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

<sup>2</sup> Data presented in the table are with cutoff date June 2024



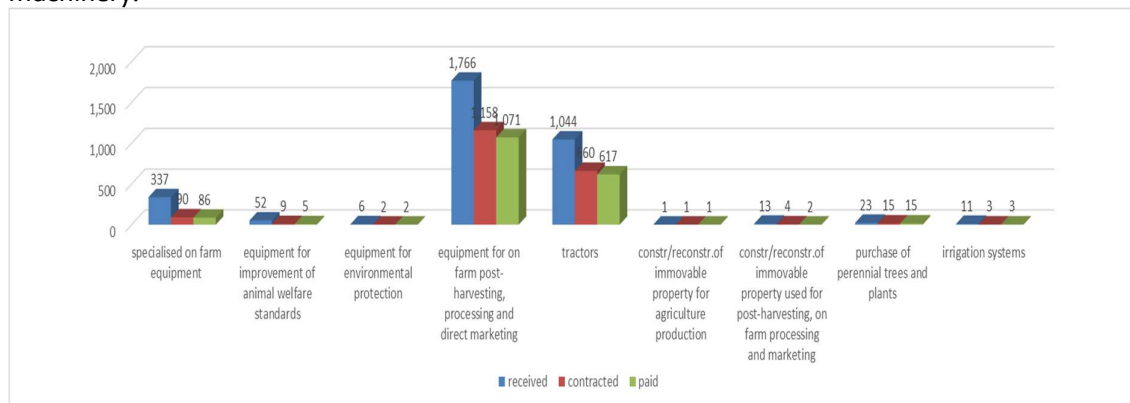




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applications according to the higher cost of the purchased item. in this case equipment or machinery.



### 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 all calls has been completed. The approval rate on the public calls reached 46%, 58%, 80%, 67% and 67%. Out of 186 contracts (26.209.428 € EU funds) 143 have been implemented and paid so far. distributing 19.762.631 € EU funds to the beneficiaries.

Types of agricultural production concerned by the investments in measure 3<sup>3</sup>:

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	14	9	62 %	685.873	7	50 %	532.775
Meat processing	46	37	80 %	4.092.384	28	61 %	3.090.690
F&W collection centers	30	23	77 %	5.700.405	18	60 %	3.877.472
F&W processing	95	60	63 %	9.471.451	41	43 %	8.130.569
Cereals. milling	34	20	59 %	1.063.506	12	35 %	400.753
Oils and fats	5	2	40 %	24.616	1	20 %	9.620
Wine	48	28	58 %	4.198.271	21	44 %	2.944.361

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 waste and wastewater management, improving 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.

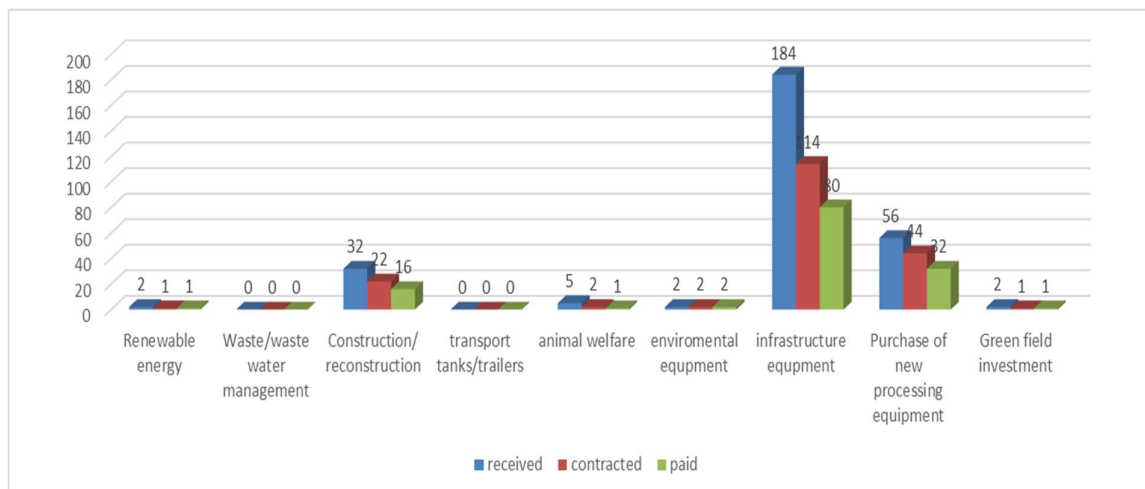
<sup>3</sup> Data presented in the table are with cutoff date June 2024





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### 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 %. The number of paid applications on this call reached 16 (EU contribution of 1.390.949 €). 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 (01/2019). 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 31 %. The number of paid applications on this call reached 71 (EU contribution of 5.071.729 €). At the third public call (01/2021). 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 %. The number of paid applications on this call reached 80 (EU contribution of 4.641.072 €).

A total of 167 projects have been paid (EU contribution of 11.103.750 €)

Types of agricultural production concerned by the investments in measure 7<sup>4</sup>:

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	0 %	0
Animal breeding	7	1	14 %	183.657	1	14 %	173.326
Bee keeping	200	86	43 %	295.890	77	39 %	353.969
Herbs, spices, aromatic crops	27	9	33 %	23.113	4	%	10.616

<sup>4</sup> Data presented in the table are with cutoff date June 2024





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Type of production	Submitted Applications (A)	Contracted Applications (B)	% (B/A)	Contracted EU part	Paid applications (C)	% (C/A)	Paid EU part
Trees for timber and biomass	4	1	25 %	128.277	1	25 %	126.541
Aquaculture and fish farms	5	1	0 %	7.087	1	0 %	7.082
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 %	2.050.314	10	24 %	961.410
Cereals processing	1	0	0 %	0	0	0 %	0
Beverages	8	1	13 %	222.562	1	13 %	3.689
Wood processing	33	15	45 %	2.186.060	12	36 %	1.628.901
Paper and cardboard production	1	1	100 %	270.912	1	100 %	270.783
Furniture production	104	40	38 %	7.118.407	37	36 %	4.902.711
Craft activities	9	4	44 %	506.398	1	11 %	16.331
Veterinary services	31	10	32 %	624.259	6	19 %	152.541
Rental of agri mechanization	2	2	100 %	450.892	2	100 %	433.638
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 %	3.691.270	15	22 %	2.103.415
Catering services	25	3	12 %	390.643	2	8 %	332.185
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.



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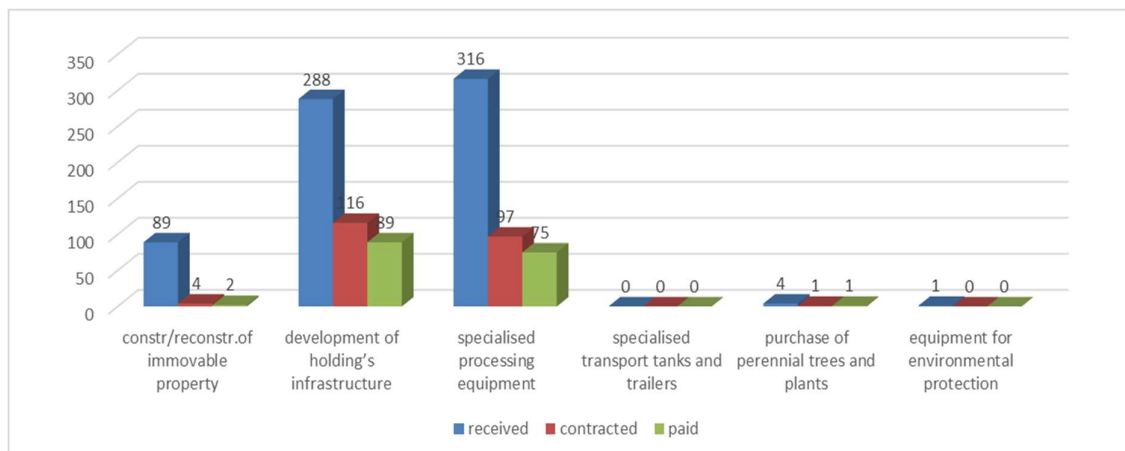
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### 3. Assessment of the progress in implementation of objectives, measures and investments of the IPARD Programme 2021-2027

The IPARD Programme 2021-2027 has been adopted by the Commission Decision (C(2022)1538 of 9 March 2022. The Financial Framework Partnership Agreement was ratified by the Macedonian Parliament in November 2022 with the enactment of the Law on FFPA ratification (Official Journal no. 252/22). IPARD III Sectoral Agreement was signed by both parties and entered into force on 15.02.2023.

Implementation of the Programme started in September 2023 when public call 01/2023 was published. Two measures (1 and 7) were included in this call. The available budget for measure 1 was 18.8 and 11.4 million EUR for measure 7. Due to the high interest of the applicants, although the budget for the measures is higher than the previous public calls, a ranking procedure had to be applied.

Measure 3 public call (01/2024) was published in April 2024, after reviewing the application from the last IPARD II call for this measure.

Results from implementation of IPARD III Programme as of October 2024.

Measure	Submitted appl.	Requested amount	Contracted appl.	Contracted EU amount	Paid appl.	Paid EU amount
1	901	51.029.404	227	6.768.698	1	229.507
3	116	32.304.184	0	0	0	0
7	257	46.179.378	39	6.992.155	0	0
9	14	644.011	6	10.841	0	0
Total	1.274	130.156.977	272	13.771.694	0	0

In addition to the implementation of already accredited measures, the IPARD structures are in the accreditation phase of additional 4 measures that are included in the IPARD III Programme. In that context, it is expected that the accreditation package for the measure 6 (Rural Public Infrastructure) will be delivered to the services of DG AGRI by the end of November 2024, the accreditation packages for measure 4 (Agro-ecology, climate and organic production) and measure 5 (LEADER approach) by the end of 2025 and for the measure 10 (Advisory services) during 2026.



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