



*Republic of North Macedonia*

*Agency for Financial Support of the Agriculture and Rural Development*

## **Human Resources report**

### Staff situation in AFSARD

- 285 systematized work posts
- 220 employees in total + Director and Deputy director
  - 218 permanently employed (of these, 147 are working on IPARD)
  - 2 employed on temporary basis (of these, 5 are working on IPARD)
    - 1 working in the Sector for on-the-spot control and 1 working in Sector for financial affairs 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
  - 147 permanently employed
  - 147 employed on temporary basis

### On-going procedure for employment

#### 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

## **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.

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

## 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	No. of rejected applications	No. of contracted projects	Total Public Expenditure of the contracted projects
M1	01	831	39,571,352.40	378	285	9,264,391.83
M1	02	50	8,862,395.91	26	13	3,261,555.39
M1	03	3	62,741.05	2	0	0.00
M1	04	17	3,108,396.89	5	5	963,560.45
M1	05	1	46,740.90	1	0	0.00
Total on	18.11.2024	902	51,651,627.14	412	303	13,489,507.67

Measure	Sector	Total number of applications	Total requested amount	No. of rejected applications	No. of contracted projects	Total Public Expenditure of the contracted projects
M7	01	37	2,445,215.28	34	3	532,926.54
M7	02	4	951,314.38	3	1	279,640.61
M7	03	11	1,415,910.28	9	0	0.00
M7	04	94	20,881,354.28	73	19	3,860,847.89
M7	05	3	247,009.14	3	0	0.00
M7	06	23	2,792,191.81	18	5	1,639,756.62
M7	07	26	3,633,400.23	21	4	390,352.25
M7	08	57	13,742,723.09	39	12	3,208,298.55

M7	09	2	169,590.45	2	0	0.00
Total on	18.11.2024	257	46,278,708.94	202	44	9,911,822.46

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 as well as due to the lack of finances (ranking), 412 applications have been rejected from M1 and 202 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 was 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 were obtained Agency started with contracting of the eligible applications.

On 13.04.2024 was announced the second public call from the IPARD 3 Program 02/2024 which was opened only for investment related to measure 3. In the table below are presented the figures from the call:

Measure	Sector	Total number of applications	Total requested amount	Total requested amount (according Programme)	No. of rejected applications	No. of contracted projects	Total Public Expenditure of the contracted projects
M3	01	4	299,364.76	299,364.76	1	0	0.00
M3	02	11	1,926,495.30	1,926,495.30	3	0	0.00
M3	03	31	17,439,325.87	17,439,325.87	2	0	0.00
M3	04	14	2,518,890.36	2,518,890.36	1	0	0.00
M3	05	2	872,081.96	872,081.96	0	0	0.00
M3	06	15	4,594,599.99	4,594,599.99	1	0	0.00
M3	07	2	145,249.03	145,249.03	0	0	0.00
M3	08	2	343,502.33	343,502.33	0	0	0.00
M3	09	35	4,164,674.37	4,164,674.37	9	0	0.00
Total on	18.11.2024	116	32,304,183.97	32,304,183.97	17	0	0.00

Authorization of payments

In the period of March -November 2024 from IPARD II programme 40 new claims for payment have been received from measure 3 (Investments in physical assets concerning processing and marketing of agriculture and fishery products) with total requested amount of 284.372.763 MKD (4.488.317,00€). During this period 23 claims for payment has been authorized with total amount of 1.880.065,00 €.

In the period of March -November 2024 form IPARD III programme 30 new claims for payment has been received for measure 1 (Investments in physical assets of agricultural holdings) with total requested amount of 47.261.011,00 MKD (768.471,00 €).

Three (3) new claims for payment has been received from measure 7 (Farm diversification and business development) with total amount of 5.304.241,00 денари ( 86.248,00 €).

Seven (7) claims for payment for advanced payment has been received in the amount of 105.577.076, 00 MKD (1.716,700,00 €). One (1) claim for advanced payment has been paid in the amount of 18.860.903,00 MKD (230.705,00 €)

In the table below there is data for implementation for the IPARD 2 Program

Measure	Total number of applications	Total requested amount	No. of rejected applications	No. of contracted projects (decision for allocation of funds is issued)	Total Public Expenditure of the contracted projects	Total Public Expenditure -IPARD II contribution of the contracted projects	No. of submitted claim for payments	Claimed amount for co-financing (TPE)	Claimed amount for co-financing, IPARD II contribution	No. of authorized claims for payments	Authorized amount for co-financing, IPARD II contribution	IPARD II amount paid to the recipients
M1	3251	56.845.115,19 €	1182	1982	27.839.255,71 €	20.879.441,78 €	1848	25.172.856,00 €	18.879.642,00 €	1805	17.222.828,31 €	17.217.448,00 €
M3	225	49.656.090,82 €	75	118	26.790.568,16 €	20.092.926,12 €	173	33.276.885,00 €	24.957.663,75 €	157	21.102.641,16 €	19.213.185,00 €
M7	698	118.933.776,95 €	467	215	25.736.822,45 €	19.302.616,84 €	175	17.238.430,00 €	12.928.822,50 €	167	11.036.235,00 €	11.036.132,00 €
M9	41	- €	16	22	384.604,13 €	326.913,51 €	31	347.931,00 €	278.344,80 €	29	277.618,00 €	277.613,00 €
	<b>Total on 10.03.2023</b>	<b>225.434.982,96 €</b>	<b>1740</b>	<b>2337</b>	<b>80.751.250,45 €</b>	<b>60.601.898,25 €</b>	<b>2227</b>	<b>76.036.102,00 €</b>	<b>57.044.473,05 €</b>	<b>2158</b>	<b>49.639.322,47 €</b>	<b>47.744.378,00 €</b>
<b>Total</b>											<b>62.021.391,29 €</b>	<b>59.652.711,20 €</b>

## On-the-spot controls (Since June 2024 - ongoing)

### On-the-spot Controls prior approval

Sector for on-the-spot control within AFSARD since June 2024 has carried out total of 181 on-the-spot controls prior approval at investments under the Call for Applications 23/01 from IPARD 2 2014-2020 (Measure 1 and Measure 7) as well as Call for Applications 24/01 from IPARD 3 2021-2027 (Measure 3). In addition, there is a table with carried out OTSC divided by calls for applications.

<b>Call for applications 23/01 (IPARD 3) (Measure 1)</b>	
144 OTSC	
<b>Call for applications 23/01 (IPARD 3) (Measure 7)</b>	
13 OTSC	
<b>Call for applications 24/01 (IPARD 3) (Measure 3)</b>	
24 OTSC	
<b>Total No of OTSC</b>	<b>181 OTSC</b>

### On-the-spot Controls for hidden works.

Sector for on-the-spot control within AFSARD since June 2024 has carried out total of 5 on-the-spot controls for hidden works at investments under the call for Applications 23/01 from IPARD 3 2021-2027.

<b>Call for applications 23/01 (IPARD 3) (Measure 7)</b>	
5 OTSC	
<b>Total No of OTSC</b>	<b>5 OTSC</b>

### On-the-spot Controls before payment

Sector for on-the-spot control within AFSARD since June 2024 has carried out total of 42 on-the-spot controls before payment at investments under the Call for Applications 23/01, (Measure 3) IPARD 2 2014-2020, and 23/01(Measure 1) from IPARD 3 2021-2027.

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

<b>Call for applications 23/01 (Measure 3) IPARD 2</b>	
40 OTSC	
<b>Call for applications 23/01 ( Measure 1) IPARD 3</b>	
2 OTSC	
<b>Total No of OTSC</b>	<b>42 OTSC</b>

**Ex-post**

Sector for on-the-spot control within AFSARD since June 2024 has carried out total of 432 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

<b>Ex-post OTSC (IPARD 2 2014-2020 )</b>	
<b><u>Measure</u></b>	<b><u>Number of carried out ex-post OTSC per measure</u></b>
1	369 ex-post OTSC 69 ex-post OTSC Call for applications 17/01 IPARD 2 2014-2020 221 ex-post OTSC Call for applications 18/02 IPARD 2 2014-2020 72 ex-post 20/01 Call for applications IPARD 2 2014-2020
3	16 ex-post OTSC 7 ex-post OTSC Call for applications 18/01 IPARD 2 2014-2020 4 ex-post OTSC Call for applications 19/02 IPARD 2 2014-2020 5 ex-post OTSC Call for applications 22/01 IPARD 2 2014-2020
7	54 ex-post OTSC



	27 ex-post OTSC Call for applications 19/01 IPARD 2 2014-2020 27 ex-post OTSC Call for applications 21/01 IPARD 2 2014-2020
<b>Total No of OTSC</b>	<b>432 OTSC</b>

**Most common discrepancies i.e. findings and differences established during OTSC since June 2024 and ongoing are the following:**

**Prior approval:**

No major discrepancies have been established while performing OTSC prior approval at investments from Call for Applications 24/01 Measure 3 and 23/01 Measure 1 and Measure 7 which only include purchase of equipment.

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 orrected 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);
- 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