



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

**ANNUAL REPORT ON THE IMPLEMENTATION OF THE
IPARD PROGRAMME 2021-2027 FOR 2023 AND 2024**

(according to Article 61 of the Sectoral Agreement)

June, 2025

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List of Acronyms

Art.	Article
BP	Business Plan
DG AGRI	Directorate General for Agriculture and Rural Development
EC	European Commission
EU	European Union
FR	Farm Register
GDP	Gross Domestic Product
GVA	Gross Value Added
ha	Hectares
IPARD	Instrument for pre-accession assistance for rural development
IPARD Agency	Agency for Financial Support in Agriculture and Rural Development
IPARD MA	IPARD Managing Authority
M 1	Investments in physical assets of agricultural holdings
M 3	Investments in physical assets concerning processing and marketing of agricultural and fishery products
M 7	Farm diversification and business development
M 9	Technical Assistance
MAFA	Multi-Annual Financing Agreement
MAFF	Multi-Annual Financing Framework
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MC	Monitoring Committee
MIPD	Multi-annual indicative planning document
MoF	Ministry of Finance
MoESP	Ministry of Environment and Spatial Planning
MS	Management Structure
NAO	National Authorising Officer
NBRM	National Bank of the Republic of Macedonia (Central Bank)
NEA	National Extension Agency
NSARD 2014-2020	National Strategy for Agriculture and Rural Development 2014-2020
NGO	Non-Governmental Organizations
NF	National Fund
No.	Number
PRO	Public Revenue Office
SA	Sectoral Agreement
SAI	State Agriculture Inspectorate
SSO	State Statistical Office
TPE	Total Public Expenditure
TPP	Technical Project Proposal

Preface

The annual report on IPARD Programme 2021-2027 implementation has been prepared in line with Article 61 of the Sectoral Agreement: The report shall be sent, after examination and approval by the IPARD III monitoring committee, **to the NIPAC for submission to the Commission** with copies to the NAO and the Audit Authority.

As Article 61(1) of the Sectoral Agreement indicates, by 30th June each year following a full calendar year of implementation of the IPARD III Programme the IPARD Managing Authority shall submit the report for implementation of IPARD III in 2024 by 30th of June 2025 in line with conditions set by the Sectoral Agreement. Activities for improvement cover the aspects of the implementation of the Programme from 2021 onwards.

Geographical application of the IPARD Programme 2021-2027 refers to the entire territory of Republic of North Macedonia.

1. Executive Summary

The IPARD 3 Programme was prepared by the IPARD Managing Authority and adopted by Decision C(2022) 1538 final of the European Commission on 09.03.2022. The Programme provides support through eight measures (four of which were accredited in the 2007-2013 programming period):

- Measure 1 - Investments in physical assets of agricultural holdings,
- Measure 3 - Investments in physical assets for processing and marketing of agricultural and fishery products;
- Measure 4 - Measure for agri-environment-climate and organic farming (management right not yet awarded),
- Measure 5 - Implementation of local development strategies - LEADER approach (management right not yet awarded);
- Measure 6 - Investments in rural public infrastructure (management right not yet awarded);
- Measure 7 - Farm diversification and business development,
- Measure 9 - Technical assistance,
- Measure 10 - Advisory services (management right not yet awarded).

By the end of 2024, the Programme was amended twice. The first modification of the Programme was approved with Commission Implementing Decision C(2023) 3925 in June 2023. The second modification of the Programme was in June 2024, adopted by Commission Implementing Decision C(2024) 4519. The reasons and proposals for modifications are elaborated in part 4.1 of this report.

The maximum amounts of the European Union contribution for the implementation of the IPARD 3 Programme are:

Year	Indicative amount						
	2021	2022	2023	2024	2025	2026	2027
Total	7,000,000	8,000,000	12,000,000	15,000,000	17,000,000	18,000,000	20,000,000

The implementation of the Programme started in September 2023 when the public call 01/2023 was published. Since then, two additional public calls were announced.

Experience gained during the implementation of IPARD 2 Programme and from the IPARD 3 calls, indicate that the stakeholders in the Macedonian agricultural and rural sector have high interest for using the possibilities of the IPARD Programme. The EU contribution of submitted projects is more than 3 times higher than funds available in the Programme.

In order to monitor the effectiveness and quality of the implementation of the IPARD 3 Programme and to achieve the objectives of the Programme, with responsibilities described in Article 53 of the Financial Partnership Framework Agreement and Article 54 of the Sector Agreement, an IPARD 3 Monitoring Committee was established in February 2023. The composition of the committee was updated in November 2024, in accordance with the amendments to the Law on State Administration Bodies occurred in middle of 2024. In December 2024, the committee held its fourth meeting.

2. Change in the general conditions of relevance to the implementation of the IPARD Programme 2021-2027

2.1 Political and institutional framework

North Macedonia has consistently followed its political commitment to the strategic goal of EU integration and its ambition to move forward in the accession negotiations. Following the first Intergovernmental Conference on accession negotiations on 19 July 2022, the screening sessions for all six clusters were completed on 7 December 2023.

From a political perspective, the past year of 2024 was marked by two election cycles, presidential and parliamentary. The elections were qualified as satisfactory and consequently in May 2024 the country received a new president, and in June 2024 a new government.

One of the first reform steps of the new government in June 2024 was amending and supplementing the Law on the organization and work of state administration bodies, which brought about improvements by clarifying lines of accountability, introducing impact assessments for the creation of new state bodies and decreasing the number of primary budget users. The amendments of the Law shall enable the separation of the policy-making function on the one hand and the control and inspection function on the other. Namely, the body that creates policies and regulations and/or issues approvals, permits, licenses, etc., should not itself carry out inspection supervision, i.e. have an inspection function. Other related principles on the basis of which the specific proposals were developed are:

1. "One ministry - one inspectorate", which means connecting the several inspection services that have the status of bodies within the same ministry;
2. Separating inspection services with the status of organizational units from the framework of ministries or other bodies of state administration;
3. Abolishing some of the inspectorates with insufficient capacity and transferring the function to another related inspectorate;
4. Consolidating inspection services (merger, acquisition) in cases where there is similarity, complementarity or overlapping of competencies.

With these amendments, the institution responsible for the EU integration process, Secretariat for European Affairs is established as Ministry for European Affairs.

The institutional framework for implementation of the IPARD Programme 2014-2020, remained unchanged. Following authorities and responsible bodies are designated for management and implementation of the Programme:

- The MS is in charge of tasks of financial management of assistance under IPA, under the responsibility of the NAO (responsibilities outlined in Article 7 of the Sectoral Agreement). The MS in particular is in charge of organizing the bank accounts, requesting funds from the Commission, authorizing the transfer of funds from the Commission to the operating structures or to the final beneficiaries and the financial reporting to the Commission.
- IPARD Managing Authority main functions and responsibilities are outlined in Article 8 of the Sectoral Agreement and focus on the monitoring, evaluation, reporting, coordination and publicity of the IPARD Programme.
- The IPARD Agency (responsibilities outlined in Article 9 of the Sectoral Agreement) shall carry out, inter alia the following implementing and paying tasks:

- a. arranging for tendering procedures, grant award procedures, the ensuing contracting, and making payments to, and recovery from, the final beneficiary
- b. ensuring that the NAO, the National Fund and the Managing Authority receive all information necessary for them to perform their tasks;
- c. selecting and checking operations in accordance with the criteria and mechanisms applicable to the IPARD Programmes, and complying with the relevant Community and national rules;
- d. carrying out checks to ensure that the expenditure declared has actually been incurred in accordance with applicable rules, the products or services have been delivered in accordance with the approval decision, and the payment requests by the final beneficiary are correct. These checks shall cover financial, administrative, technical and physical aspects of operations, as appropriate;
- e. making calls for applications and publicizing terms and conditions for eligibility;
- f. checking of applications for approval of projects against terms and eligibility conditions, and compliance with the Agreements including, where appropriate, public procurement provisions;;
- g. laying down contractual obligations in writing between the IPARD Agency and the final beneficiaries including information on possible sanctions in the event of non-compliance with those obligations and, where necessary, the issue of approval to commence work;
- h. execution of on-the-spot checks to establish eligibility both prior to and following project approval;
- i. follow-up actions to ensure progress of projects being implemented;
- j. reporting of progress of measures being implemented against indicators;
- k. ensuring that the final beneficiary is made aware of the Community contribution to the project;

In relation to institutional capacity, no significant progress has been made in the increase of staff at the IPARD Agency and the Managing Authority. Human capacity issue especially reflects on entrustment of new measures in the Programme (Measure Investment in rural public infrastructure) thereby on the absorption of funding under the IPARD Programme.

2.2 Macroeconomic situation

In terms of economic governance, the government started work on key reforms. The new **Fiscal Council** was set up, despite some recruitment obstacles, and its rulebook and statutes were adopted. A new department for public investment management was set up in the Ministry of Finance, but its operations are still hampered by staffing and IT issues. The government phased out certain untargeted energy support measures and, at the end of 2023, adopted some electricity market reforms, including a gradual reduction of the regulated market, which are expected to lead to a lower fiscal burden. The Parliament adopted amendments to several tax laws, cutting tax expenditure and broadening the revenue base. Besides the fiscal reforms, the government took steps to address the informal economy and promote energy efficiency investments. It also adopted three key laws on education and strengthened active labour market policies. North Macedonia met the policy conditions linked to the first instalment (EUR 50 million) of the EU's macro-financial assistance, which was disbursed in May 2024. In January, the IMF completed the first review of the precautionary and liquidity line (PLL), which gives the authorities access to around EUR 200 million.

The post-pandemic economic recovery remained weak. Annual **GDP growth** dropped to an estimated 1% in 2023, down from 2,2% in 2022, due to weak domestic demand. Gross capital formation declined sharply, mainly as a result of a draw-down of inventories. Growth in household consumption slowed despite being bolstered by wage growth, remittances and government support. The foreign balance made a large positive contribution to economic growth, as imports of goods and services dropped sharply, amid falling global energy prices.

In the first half of 2024, GDP increased by 1,8% on average, largely on account of a steep drop in imports, overcompensating for the simultaneous decline in exports. Domestic demand remained weak, with household consumption growth slowing further, to 1,4% on average, after a 2,4% rise in 2023, while the positive contribution from investment largely reflected base effects. Convergence with EU income levels remained slow, with real GDP per capita increasing from 37% of the EU-27 average in 2017 to 43% in 2021, and then dropping gradually to 41% in 2023.

Inflation slowed down, allowing the central bank to stop tightening monetary policy. Annual inflation peaked in October 2022 at 19.8% and receded gradually in 2023, due to the global levelling-out of food and energy prices and to monetary policy tightening. Average annual inflation fell from 9.6% in 2023 to 3.8% on average in the first half of 2024, dropping to 2.2% in August.

Public debt increased further during the reporting period, and though it is still relatively high, its structure poses a low risk. In 2023, the public debt ratio rose by 3 pps compared to end-2022. It stood at 62,1% of GDP, which was significantly above its level of five years earlier (48,4%). The rise mainly reflects the increase in general government debt during this period (+12.7pps), with the remainder due to higher debt of public sector enterprises which are financing the government's large energy and transport infrastructure projects.

Table 1: Main macroeconomic indicators

	2018	2019	2020	2021	2022	2023	2024
GDP in million € (at current exchange rate)	10.691	11.210	10.797	11.760	12.042	13.582	/
GDP per capita in € (at current exchange rate)	5.147	5.399	5.201	6.403	6.556	7.422	/
GDP real growth rate (in %)	2,9	3,9	-4,7	4,5	2,84	2,1	/
Inflation (in %)	0,9	0,4	2,3	4,9	18,7	3,6	4,4
Average exchange rate (MK denar/€)	61,51	61,51	61,67	61,63	61,62	61,45	61,56
Unemployment rate (in %)	20,6	17,1	16,2	15,4	14,4	13,1	/
Export of goods and services in mill. €	5.872	6.433	5.778	6.923	8.301	8.323	7.781
Import of goods and services in mill. €	7.676	8.441	7.595	9.638	12.131	11.148	11.062
Balance of trade in mill. €	-1.804	-2.008	-1.817	-2.715	-3.830	-2.825	-3.281
Balance of trade in % of GDP	-16,9	-17,8	-16,7	-22,9	-28,9	-19,4	/

Source: State statistical office (SSO), National Bank of Republic of North Macedonia (NBRNM)

According to the estimated data, the growth rate of the Gross Domestic Product (GDP) in the fourth quarter of 2023 was 0,9%. In this quarter of 2023, the bigger increase was recorded in sections: F- Construction by 5,5% and K- Financial and insurance activities by 3,5%. In the fourth quarter of 2023, household final consumption, including non-profit institutions serving households, increased by 5,8% in nominal terms, and its share in the GDP structure was 70,9%. In the same period, export of goods and services increased by 0,1% in nominal terms, while import of goods and services decreased by 5,3%.

The decline in the unemployment rate in recent years is due to a number of factors: measures to stimulate employment, the policy of attracting foreign direct investment, as well as increased emigration (especially among the young population). Salary support and stimulating consumption, especially of domestic products, were one of the main support

measures during the crisis. The introduction of the Law on minimum wage (18.000 denars in March 2022) and its increase in three occasions (24.400 denars in March 2025), among other factors, led to increase of the average wage in the country (43.053 denars in March 2025). The Law on minimum wage applies both to employees in the private sector and to employees in the public sector.

According to the State Statistical Office data, the industrial production volume index in January 2024, in comparison with January 2023, was 102,8.

The industrial production in the section mining and quarrying in January 2024, in comparison with January 2023, decreased by 14,2%, in the section manufacturing it increased by 8,1%, while in the section electricity, gas, steam and air conditioning supply it decreased by 21,7%.

The increase in the section manufacturing is mostly due to increased production in the divisions, manufacture of food products, manufacture of beverages, manufacture of textiles, manufacture of chemicals and chemical products, manufacture of basic pharmaceutical product and pharmaceutical preparations, manufacture of rubber and plastic products, manufacture of basic metals, manufacture of fabricated metal products, except machinery and equipment, manufacture of electrical equipment and manufacture of motor vehicles, trailers and semi-trailers.

The industrial production by main industrial groupings in January 2024, in comparison with January 2023, was higher in energy by 19,7% and capital goods by 41,2%, but lower in Intermediate goods, except energy by 13,0%, durable consumer goods by 26,7% and non-durable consumer goods by 6,8%.

2.3 Demographic situation

The total enumerated population is 2.097.319 persons. The total resident population is 1.836.713 people. The total non-resident population, which includes Macedonian citizens absent abroad for more than 12 months and the foreigners temporarily present in the Republic of North Macedonia for less than 12 months, is 260.606 persons included in the Census. The number of persons for whom the data is taken from administrative sources is 132.260 or 7,20% of the resident population. The number of foreigners temporarily present in the Republic of North Macedonia for less than 12 months is 1.674 people. In the total resident population of the Republic of North Macedonia, 50,4% are women and 49,6% are men. According to the age structure, the largest percentage of the population 7% are in the age group of 40 to 44 years.

In terms of age structure, the Macedonian population is growing older. In the period from 2008 to 2021, the share of the young population (0-14 years) in the total population decreased from 18,1% to 16,9%, while the share of the older population (65 and over) increased from 11,5% to 17,1%.

Table 2: Share of population aged 65+ (in %)

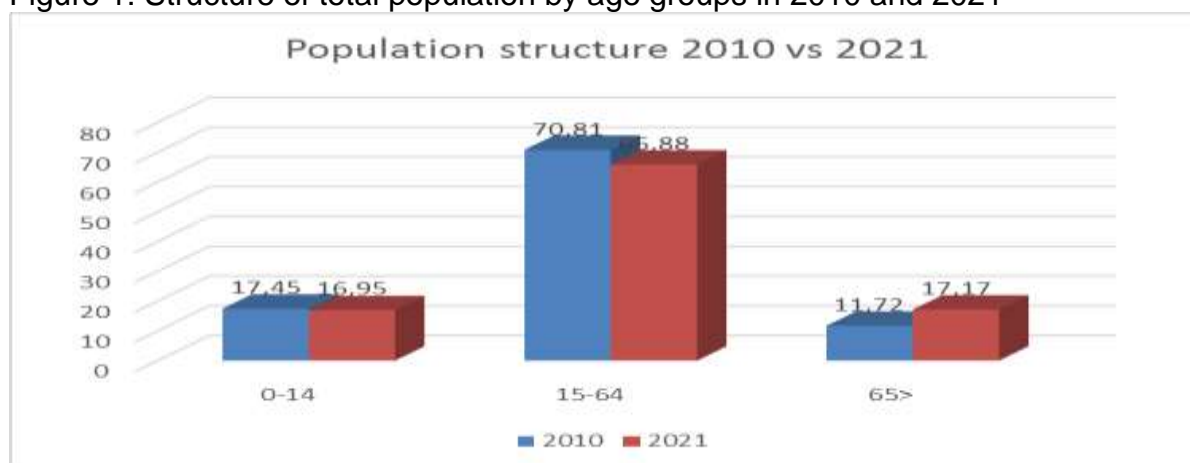
Year	Total	Vardar region	East region	Southwest region	Southeast region	Pelagonia region	Polog region	Northeast region	Skopje region
2008*	11,4	12,6	12,2	10,5	11,7	15,2	8,3	10,8	11,5
2016*	13,1	14,4	15,0	11,5	13,5	15,9	9,1	12,2	14,0
2018*	13,9	15,3	16,1	12,2	14,3	16,6	9,6	12,9	14,8
2019*	14,5	16,0	17,1	12,8	15,1	17,2	10,1	13,5	15,3
2021	17,2	18,5	21,0	16,9	18,9	19,7	13,0	16,2	16,7

Source: State statistical office (SSO), MAFWE calculations 2021.

* estimated data

The demographic indicators at the regional level show differences that point to a disproportion in the territorial distribution of the population. The Skopje Region, as the most densely populated, has almost ten times higher density than the Vardar Region, which is the least densely populated. There are also differences in the age structure of the population. The highest share of young population (0-14) was registered in Skopje, Polog and the Northeast Region, while the highest proportion of old population (65+) was observed in Pelagonia, Vardar and the East Region. The indicators of the population average age also confirm this situation.

Figure 1: Structure of total population by age groups in 2010 and 2021



Source: State statistical office (SSO), 2023

IPARD Programme 2014-2020 had no particular impact on the developments in the demographic situation in the reporting period. On the contrary, the demographic situation adversely affects agriculture and rural development. The lack of a skilled workforce for the needs of foreign investors whose investments are located in industrial zones across the country is particularly noticeable. Farmers complain about labour shortages, especially for fruit harvesting. Also, the lack of young and educated staff negatively reflects on the ability to administer at the local level. Many of the responsibilities of local governments cannot be effectively managed due to a lack of adequate staff in small municipalities.

2.4 Agriculture production and economy

Since 2013, agriculture, along with hunting, forestry and fisheries has become the fifth largest sector in the overall gross domestic product (GDP) of the country, declining its share in the GDP from 10,1 in 2014 to 6,6 in 2023. This was mainly caused by the increase of other sectors in the country's GDP and loss of skilled workforce in the agricultural sector.

The fall of the share of agriculture, along with hunting, forestry and fisheries throughout the years:

Year	2019	2020	2021	2022	2023
Agriculture share of GDP	8,1	8,6	7,1	7,3	6,6

Sectors with higher share in the overall gross domestic product (GDP) in 2023 than agriculture, hunting, forestry and fisheries:

- Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities (18,9%),
- Mining and quarrying, manufacturing, electricity, gas and water supply, sewerage, waste management, remediation activities (17,2%),
- Public administration and defence; compulsory social security; education; human health and social work activities (11,9%),

- Real estate activities (11,2%),

Economic Accounts and value of agriculture production

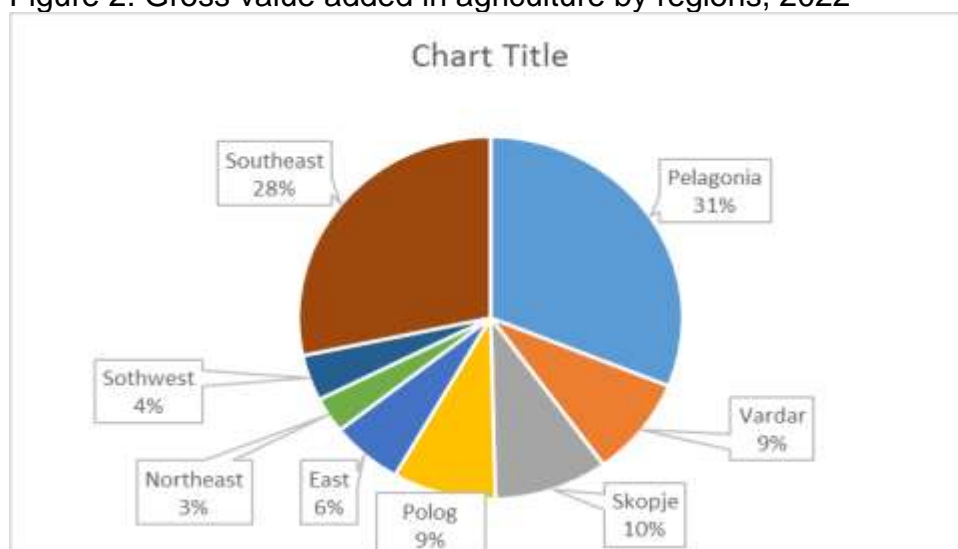
According to the data of the State Statistical Office, gross value added in agriculture for 2022 was 57.298 million denars and in comparison with 2021 it nominally increased by 22,5%.

Crop production, having a 72,9% share in the total production, increased by 20,2% compared with 2021. Livestock production, accounting for 18,7% of the total production, increased by 18,6% compared with 2021.

Intermediate consumption recorded a 10,1% increase in 2022 compared with 2021.

In 2022, nominal income in agriculture from production factors per labour unit increased by 62,6%, while real income in agriculture from production factors registered an increase of 56,3%.

Figure 2: Gross value added in agriculture by regions, 2022



Source: State statistical office (SSO), regional accounts for agriculture 2022.

Agricultural land and farm structure

According to the data of the State Statistical Office, cultivated land in 2024 covered an area of 506.586 ha. In terms of arable land, a decrease was observed in arable land and gardens by 2% and in vineyards by 1,7% and an increase in orchards by 3,1%.

In the same period, an increase in potato production was registered by 9,0% and cucumber production by 3,6%. Among other crops, a larger decrease was recorded in rice by 6,9%, sunflower by 10,2% and alfalfa by 6,7%.

Due to favourable climate conditions in 2024, compared to 2023, a significant increase in production was observed for all fruits. The largest increase in production was recorded in apples by 59,1% and cherries by 41,0%.

Table 3: Agricultural areas by category of use in 000 hectares

	2019	2020	2021	2022	2023	2024
Agricultural area	1.264	1.262	1.260	1.260	1.260	1.241
– Cultivated land	520	517	517	514	514	506
– Arable land and gardens	419	416	417	416	416	408
– Orchards	17	17	17	17	16	17
– Vineyards	24	24	24	24	22	22

– Meadows	60	60	60	60	59	60
Pastures	744	744	743	741	735	734
Marshes, swamps and fish ponds	1	1	1	1	1	1

Source: State statistical office (SSO), News release, Agriculture areas and crop production, 2025.

Table 4: Number of agricultural holdings and available area of the holdings

	Number of agricultural holdings	Total utilised agricultural area, ha	Utilised agricultural area per holding, ha
Total	178.125	366.462	2,0
Individual agricultural holdings	177.845	311.277	1,75
Business entities	280	55.185	197,1

Source: State statistical office (SSO), 2016

According the data from the State Statistical Office, gross value added in agriculture for 2023 was around 830 million € and in comparison with 2022 it nominally decreased by 11,0%.

Crop production, having a 71,6% share in the total production, decreased by 8,0% compared with 2022. Livestock production, accounting for 17,9% of the total production, decreased by 10,1% compared with 2022.

Intermediate consumption recorded a 0,2% increase in 2023 compared with 2022.

In 2023, nominal income in agriculture from production factors per labour unit decreased by 5,9%, while real income in agriculture from production factors registered a decrease of 6,0%.

Agricultural production

The crop production structure in the country is broken down into five main groups: production of cereals, industrial, fodder crops, orchards and vineyards. In 2024, the structure of sown area under cultivation (cereals, fodder crops, industrial crops and vegetables) in total of 264.144 ha, accounts for approximately 57% of cereals, 19% of vegetables, 15% of forage crops and 8% of industrial crops.

Table 5: Harvested area under cereals in hectares

Cereal	2018	2019	2020	2021	2022	2023	2024
Wheat	70.987	68.847	69.765	70.366	70.107	69.552	67.226
Rye	3.836	3.809	3.936	3.782	3.791	3.410	3.189
Barley	42.331	43.941	44.995	47.683	45.429	45.580	44.739
Rice	3.222	3.481	3.177	3.111	3.114	3.162	3.120
Maize	36.340	33.967	31.912	30.224	30.215	28.515	27.770
Total	156.716	154.045	153.785	155.166	152.656	150.219	146.044

Source: State statistical office (SSO), 2025

SSO data indicate small changes in areas under crop culture. These changes are mainly due to last year's prices and the interest of farmers. The yield per ha also varies though the years depending on the favourable climatic conditions.

The area under other fodder crops remains unchanged in the last years. Despite this, lack of forage crops is causing high prices and reflecting as limiting factor on the development of livestock production sector. Main reasons for this situation is the lack of sufficient size of arable land per farm for production of forage crops as well as the small and fragmented parcels.

Table 6: Harvested area under fodder crops in hectares

Fodder crop	2018	2019	2020	2021	2022	2023	2024
Alfalfa	19.698	19.455	19.076	19.661	18.891	17.947	17.688

Vetches-hay	2.065	2.018	1.960	1.817	1.883	1.629	1.659
Fodder peas-hay	1.428	1.639	1.499	1.574	1.607	1.610	1.809
Fodder maize	6.196	8.231	8.216	7.049	9.380	8.761	8.346
Fodder beet	376	475	461	447	446	363	322
Clover	3.685	3.922	4.012	4.198	4.060	4.437	4.456
Total	33.448	35.740	35.224	34.746	36.267	34.747	34.280

Source: State statistical office (SSO), 2025

Table 7: Harvested area under industrial crops in hectares

Industrial crop	2018	2019	2020	2021	2022	2023	2024
Tobacco	16.582	16.679	16.591	15.457	15.044	14.900	14.873
Sunflower	2.346	4.605	4.559	5.050	6.179	4.764	4.866
Total	18.928	21.284	21.150	20.507	21.223	19.664	19.749

Source: State statistical office (SSO), 2025

Vegetable production decreases each year from 2015 onwards. The decrease in area under vegetables is not that significant as the decrease in the yields per ha. Most of the vegetable production is open field production and largely dependent from positive summer climatic conditions (favourable summer rains). Vegetable production is also a more intensive branch than the others are, so the lack of seasonal labour has had a strong impact on production capacity.

Table 8: Harvested area under vegetables in hectares

Vegetable	2018	2019	2020	2021	2022	2023	2024
Potatoes	12.403	12.939	12.618	12.306	12.187	12.012	11.846
Onion	3.627	3.562	3.622	3.622	3.494	3.385	3.308
Garlic	950	904	963	973	926	901	878
Beans	4.577	4.504	4.392	4.267	4.244	4.048	3.815
Peas	1.045	1.105	1.072	1.119	1.012	964	972
Lentil	81	74	71	67	60	46	59
Cabbage	4.502	4.627	4.517	4.444	4.551	4.698	4.713
Tomatoes	5.569	5.497	5.453	5.567	5.613	5.666	5.597
Peppers	9.179	9.390	9.236	9.773	9.733	9.623	9.479
Cucumbers	1.034	1.036	943	1.061	1.015	1.062	1.102
Melons and watermelons	5.281	5.132	5.175	5.321	5.034	4.886	5.064
Total	48.248	48.770	48.062	48.520	47.869	47.921	46.833

Source: State statistical office (SSO), 2025

Orchards/fruit production (including vineyards) largely depends on all three factors mentioned above: favourable climatic conditions during flowering and pollination of plants (especially important for apple production which mostly is located in mountainous areas) and drought during the summer months, lack of seasonal labour (especially during the period of fruit/grape harvesting) and the variation of the purchase price of the production. The climate conditions (early spring frost) especially effect apricot and peach production in Vardar region.

Table 9: Fruit production in tones

Fruit	2018	2019	2020	2021	2022	2023	2024
Cherries	5.824	6.045	6.258	4.716	5.768	3.928	5.537
Sour cherries	10.538	8.695	9.892	8.372	8.725	6.144	7.857
Apricots	3.904	6.070	3.434	2.584	5.312	3.417	4.780
Apples	140.296	88.701	105.794	92.863	164.530	80.283	127.696
Pears	8.055	8.048	8.790	6.631	10.327	6.075	8.144
Plums	37.719	32.303	34.983	27.031	39.512	21.313	28.750
Peaches	13.128	12.003	12.765	6.205	12.311	6.157	8.154
Walnuts	4.826	5.014	5.387	4.667	6.165	4.189	5.520
Total tones	224.290	166.879	183.869	153.069	252.650	128.089	196.438
Total area in Ha	16.827	16.784	17.000	16.942	16.852	16.423	16.934

Source: State statistical office (SSO), News release Agriculture areas and crop production, 2025.

Table 10: Vineyards (area) and production of grapes (including table grapes)

Vineyards	2018	2019	2020	2021	2022	2023	2024
Area in ha	24.088	24.468	23.709	23.384	23.047	21.972	21.534
Production in tones	294.497	258.960	317.550	269.131	265.556	149.006	205.571

Source: State statistical office (SSO), 2025

The number of livestock has significantly decreased in 2019 because of change and improvement of the methodology in recording the data for number of livestock. There was a working group, established in 2018 from experts from the Ministry, Food and Veterinary Agency and State statistical office. The working group worked on harmonizing the registers and databases in the three institutions and defining the criteria for recording animals in the respective registers.

Table 11: Number of livestock

Livestock	2018	2019	2020	2021	2022	2023	2024
Cattle	256.181	217.790	222.202	177.622	164.751	148.693	143.953
Pigs	195.538	135.770	164.074	186.146	182.604	193.412	179.953
Sheep	726.990	684.558	630.634	633.281	646.488	587.073	517.128
Goats	117.447	87.581	95.008	75.753	80.186	85.528	97.918
Poultry	1.828.287	1.562.089	1.643.462	1.484.025	1.561.933	1.746.029	1.573.294
Bee-hives	81.197	96.143	99.558	92.968	290.879	306.415	316.925

Source: State statistical office (SSO), News release, Number of livestock and poultry, 2025.

The eggs production is primary activity of the Macedonian poultry industry. 1,3 million heads out of the total belong to the number of laying hens. The number of bee families in 2019 significantly increased due to the increase in the subsidies provided by the Programme for direct payments and the characteristics of bee keeping (small investments, labour extensive production, increase in prices of honey and its products).

Table 12: Production of meat in tones

Meat	2018	2019	2020	2021	2022	2023	2024
Beef	4.381	4.083	3.886	4.214	4.415	4.024	4.135
Pork	12.929	13.384	14.930	15.578	13.493	12.080	11.880
Sheep/lamb	3.446	3.392	3.183	3.097	3.992	3.891	3.418
Chicken	1.499	1.490	1.494	1.695	1.942	2.074	1.997

Source: State statistical office (SSO), News release, Livestock production 2025.

Table 13: Production of milk in 000 litres

Milk	2018	2019	2020	2021	2022	2023	2024
Cow	404.230	390.903	405.217	326.523	324.290	238.328	282.317
Sheep	36.559	35.088	26.925	34.811	38.674	30.750	25.698

Source: State statistical office (SSO), News release, Livestock production 2025.

Employment in agriculture and rural areas

The labour force in the agricultural sector in the Republic of North Macedonia is mainly comprised of labour work on the individual farm level. The main part of the rural population is engaged in agricultural activities (primarily within the households) and rarely with other non-agricultural activities where possibilities exist. The average paid salaries in agriculture are among the lowest level compared with other economy sectors. The salary increase since 2018 is a result of several increases of the minimum wage (which by the end of 2024 reached approximately 400 €).

Despite the increase in the minimum wage, the number of employees in the sector has been decreasing significantly in recent years. This is due to the emigration of people abroad and to larger urban centers, as well as the choice of young people to work in sectors other than agriculture.

Table 14: Average net salary by employee in €

Description	2018	2019	2020	2021	2022	2023	2024
Agriculture, forestry and fisheries	306	321	357	371	423	470	544

Source: State statistical office (SSO), 2025

Table 15: Employees in agriculture, forestry and fisheries

Description	2017	2018	2019	2020	2021	2022	2023
Number of employees	92.386	91.892	91.434	91.150	81.819	69.143	53.746
% of total employed	13,8	13,5	12,8	12,9	11,8	10,0	7,8

Source: State statistical office (SSO), 2025

General trade and trade with agro-food and fishery products

In 2022 the overall trade (industrial + agro-food products) (export + import) compared to 2021 has increased by 23,3%%. Total export (industrial + agro-food products) in 2022 compared with 2021 has increased by 19,9% and total import shows an increase by 25,8%. The export of agro-food products in 2022 compared with 2021 has increased by 13,5% (from €627,9 million in 2021 to €713,11 million in 2022), and the import of agro-food products in 2022 compared with 2021 increased by 20,9% (from €944,1 million to €1.142,3 million).

In 2023 the overall trade (industrial + agro-food products) (export + import) compared to 2022 has decreased by 4,6%%. Total export (industrial + agro-food products) in 2023 compared with 2022 is on the same level and total import shows a decrease by 8%. The export of agro-food products in 2023 compared with 2022 has increased by 8,2% (from €713,11 million in 2022 to €771,58 million in 2023), and the import of agro-food products in 2023 compared with 2022 increased by 5,7% (from €1.142,3 million to €1.208,2 million).

In 2024, total trade (industrial + agricultural-food products) (exports + imports) compared to 2023 decreased by 3.22%. Total exports (industrial + agricultural-food products) in 2024 compared to 2023 decreased by 6.5%, and total imports (industrial + agricultural-food products) in 2024 compared to 2023 increased slightly by 0.9%. Exports of agricultural and food products in 2024 compared to 2023 increased by 11% (from €771.6 million in 2023 to €857.2 million in 2024), and imports of agricultural and food products in 2024 compared to 2023 increased by 0.9% (from €1,208.2 million to €1,136.9 million).

This minimal increase in the value of exports and imports is primarily due to the increase in the average export and import prices of a large number of products, while the tendency of imports relative to exports of agricultural products continues in a negative balance.

The share of agricultural and food exports in the total exports of the Republic of North Macedonia in 2024 has increased compared to the share in 2023 and amounts to 11%, while the share of agricultural and food imports has increased in 2024, compared to the share in total imports in 2023 and amounts to 11.99%.

The trade deficit in 2024, compared to 2023, recorded an increase of 0.9% and amounted to €469.7 million.

Table 16: Total trade and trade with agricultural and fishery products 2019-2024 (in million €)

		Total trade (industrial + agricultural products)	Total trade with agricultural, processed and fisheries products	Share of agricultural, processed and fisheries products in total trade
2019	<i>Export</i>	6.423,70	624.5	9.72%
	<i>Import</i>	8.463,17	837.15	9.89%
	<i>Balance</i>	-2.039,47	-212.65	10.42%
2020	<i>Export</i>	5,777.90	591.67	10.24%
	<i>Import</i>	7,594.54	822.57	10.83%

	<i>Balance</i>	-1,816.64	-230.9	12.71%
2021	<i>Export</i>	6,922.57	627.96	9.07%
	<i>Import</i>	9,638.29	944.06	9.79%
	<i>Balance</i>	-2,715.72	-316.09	11.64%
2022	<i>Export</i>	8,299.58	713.11	8.59%
	<i>Import</i>	12,125.23	1,142.31	9.42%
	<i>Balance</i>	-3,825.65	-429.20	11.22%
2023	<i>Export</i>	8,322.82	771.58	9.27%
	<i>Import</i>	11,148.54	1,208.19	10.84%
	<i>Balance</i>	-2,825.72	-436.60	15.45%
2024	<i>Export</i>	7,781,16	852.22	10,95%
	<i>Import</i>	11.062,41	1.326.95	11,99%
	<i>Balance</i>	-3.281,25	-474.73	15,45%

Source: State Statistical Office (SSO), prepared by MAFWE, 2024

Figure 3: Development of Macedonian trade in agricultural and food products for the period 2019-2024 with a trend line shown



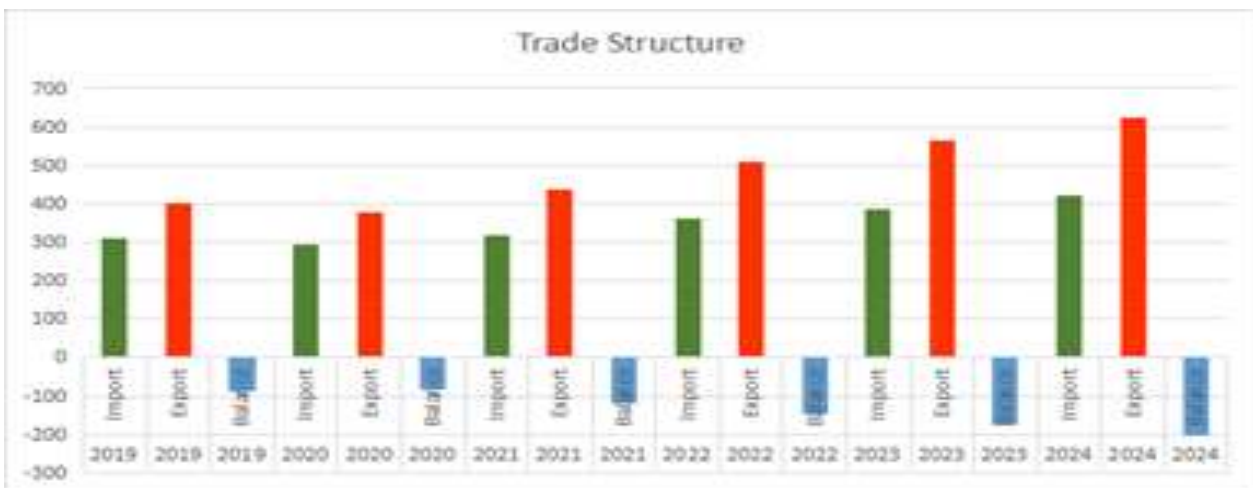
The European Union - 27 is definitely the most important partner of the Republic of North Macedonia in trade in agri-food products in 2024 as well. The total value of trade exchange with the EU-27 in agri-food products in 2024 (exports + imports) amounts to €1,047.8 million. The export of agri-food products from the European Union increased by 9.3% (from €386.3 million in 2023 to €422.3 million in 2024), while the import of these products increased by 11% (from €563.4 million in 2023 to €625.6 million in 2024). The share of exports of agri-food products in the EU-27 in the total exports of these products in 2024 is 49.25%, while the share of imports from the EU-27 in the total imports of agri-food products in 2024 is 47.1%.

The share of exports of agri-food products in the CEFTA 2006 member states in the total exports of these products in 2024 is 37.6%, while the share of imports from the CEFTA 2006 member states in the total imports of agri-food products in 2023 is 28.7%. The most important trading partner among the CEFTA 2006 member states is Serbia with a share of 14.2% in the total exports of agri-food products and a share of 21.6% in the total imports of these products. Kosovo follows with a share of 12% of total exports, Bosnia and Herzegovina (with a share of 5.3% in total exports and a share of 3.4% in total imports) and Albania with a share of 3.3% in total exports, while the other CEFTA 2006 member states (Montenegro and Moldova) have a smaller share in trade.

It should also be mentioned that Turkey is a candidate country for EU accession, with which the Republic of North Macedonia has concluded a Free Trade Agreement and is an important trading partner of the Republic of North Macedonia with a share of 0.5% in total exports of agricultural and food products and a share of 3.2% in total imports of these products. The most important non-European partner in terms of agricultural and food product exports is the USA, with a share of 2.7% of total exports (due to the large export of tobacco). Ukraine follows, with a share of 1.47% of total exports (due to the large export of fresh fruit and vegetables). In terms of imports, the most important non-European partner is Brazil, with a share of 3.1% of total imports, this is because in 2024 large quantities of poultry meat, frozen beef, sugar and coffee were imported from Brazil.

We should also mention the United Kingdom, which, after leaving the European Union, contributes 1.6% to the total export of agricultural and food products, while it contributes 0.88% to the total import of these products.

Figure 4: Overview of data on exports, imports and trade balance with the EU-28 for the period 2019-2024 with a trend line shown



The most important EU export destination for Macedonian agri-food products in 2024 was Greece (with a share of 18.2% of total exports in the EU-27) with tobacco; lamb; sunflower oil; corn, wheat, biscuits and waffles and various types of canned and fresh vegetables as the most important exported products. Next is Croatia (with a share of 13.3% of total exports in the EU-27) with wine, biscuits and waffles, canned vegetables, various types of fresh or chilled vegetables, lamb as the most important exported products. Germany follows with a share of 12.6% of total exports in the EU-27, with the following products: wine; tobacco; various live plants with their cuttings, branches, etc.; semi-prepared vegetables; canned vegetables, and some other products. Next is neighboring Bulgaria (with a share of 9.3% of total exports in the EU-27) with tobacco, wine, biscuits and waffles, apples, lamb, fresh peppers, as the most important exported products. Belgium (with a share of 7.8% of total exports in the EU-27). Italy with a share of 6.5% of total exports in the EU-27 and the most important exported products are: lamb, frozen vegetables, fresh semi-prepared or canned mushrooms, semi-prepared and canned vegetables, yeast and some other products. The Netherlands with a share of 5.1% of total exports in the EU-27, Romania (with a share of 4.6% of total exports in the EU-27), followed by Poland (with a share of 4.1% of exports in the EU-27), Slovenia with a share of 3.5% of total exports in the EU-27 and so on.

In terms of imports in 2024, Germany, Italy, Poland, Greece and Croatia appear as the most important trading partners from the EU-27, with a share of 13.4%, 13.1%, 11%, 8%

and 7.6% of total imports from the EU-27. The most important products imported from Germany are: various types of cheese, chocolates, food products not elsewhere specified or included, fresh, chilled or frozen pork and other. This is followed by Italy, from where the most important imported products are: fresh chilled or frozen beef, coffee, pasta, products not elsewhere specified or included, chocolates and other. The most important imported products from Poland are: poultry meat, beef, fresh or chilled, frozen beef, food products not elsewhere specified or included, chocolates, biscuits and waffles and some other products. The most imported products from Greece are: fresh citrus fruits (oranges, tangerines, grapefruit, lemons), poultry meat, canned vegetables (olives), food products not elsewhere specified or included, animal feed, fresh or chilled fish and some other products. The most imported products from Croatia are: chocolates, poultry meat, cheese, meat products, canned fish, homogenized soups and stews, food products not elsewhere specified or included, alcoholic beverages and other products. Next is Austria with a share of 5.81% of total imports from the EU-27, then Bulgaria with a share of 5.5%. Then comes Spain with a share of 5.5%, the Netherlands with a share of 5.2%, Hungary with a share of 4.5%, Slovenia with a share of 3.9%, and so on.

The most important **exported primary agricultural products** from the Republic of North Macedonia to the EU-27 are: primarily tobacco with a share of 29.3% in the export of these products; followed by wine with a share of 6.6%; canned vegetables with a share of 7.7%; various live plants for planting with a share of 6.9%; fresh cabbage with 6%; various types of fresh vegetables (peppers, mushrooms) with 4.1%; lamb with a share of 4.3%; fresh apples with a share of 3.6%; frozen vegetables with 3.6%, etc.

The most important **imported primary agricultural products** in the Republic of North Macedonia from the EU-27 are: fresh or chilled beef with a share of 6.9%; fresh, chilled or frozen pork with a share of 4.9%; poultry meat with a share of 4.9%; various types of cheese with a share of 4.6%; coffee with a share of 2.7%; sugar with a share of 2.4%; meat sausages with a share of 1.7%; other processed meat with a share of 1.8%; etc.

Processed agricultural products account for 24.2% of total exports to European countries and 42.5% of total imports of agricultural and food products to European countries in 2024.

2.5 Changes in national and sectoral policies

Following the same programming and financial timespan of the EU and according Article 6 of the Law on Agriculture and Rural Development, the National Agriculture a Rural Development Strategy (NARDS), is the principal long-term strategic document, which is a basis for formulation of national agriculture and rural development policies for period of 7 years. The Macedonian Government has adopted the strategy for the period 2021 to 2027 in January 2021. The document is prepared in line with the new EU Common Agricultural Policy (CAP) objectives and recommended methodology for development of CAP strategic plans for the respective planning period aimed to achieve a more results oriented policy.

Improving the competitiveness and income sustainability of agricultural holdings, applying environmental and climate-friendly practices and ensuring sustainable rural development are the strategic objectives to be pursued by the sector's actors, assisted by the state policies. The sustainable development shall be achieved by reaching the following specific policy objectives:

- (i) to ensure a fair income to farmers;
- (ii) to boost productivity for increased competitiveness;
- (iii) to rebalance power in the food chain;

- (iv) to introduce climate change mitigation and adaptation actions;
- (v) to increase environmental protection;
- (vi) to preserve landscapes and biodiversity;
- (vii) to support generational renewal;
- (viii) to support vibrant rural areas, and
- (ix) to protect food and health quality.

2.6 National support schemes

The level of financial support for agriculture and rural development by way of direct payments, remains approximately the same in the past several years in terms of the amount of payments, as well as concerning the relative participation of this scheme in the overall envelope. The strategic objective remains the same, to increase the funds allocated to the rural development-type of investments, which should enlarge significantly their relative share into the overall financial envelope compared to the previous strategic period.

As regards to direct payments, amendments on the Law on agriculture and rural development provided a legal basis for the reform of the direct support scheme, especially towards the simplification of the direct payment scheme and gradual separation. The changes that apply from 2023, in addition to the basic ones, provide for additional direct payments for strategic crops (crops: wheat, maize, barley, oilseed rape, sunflower, tobacco; vegetables: potatoes, peppers, cucumbers; fruits; lamb) delivered to purchasing centers.

A major challenge in agricultural policy is the frequent change of budget transfers in the process of long-term planning, as well as in annual programs due to the lack of a strategic approach in planning and utilizing rural development measures, but also due to the lack of involvement of stakeholders in the process such as agricultural associations, faculties, experts, etc. Rural development policy is the one that should ensure the sustainability of agricultural holdings in rural areas, but also to ensure the continuous transfer of knowledge and support to farmers in utilizing national and EU funds (IPARD) for rural development.

Table 17: Amounts of support (in mill. €) by the Programme for financial support direct payments

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total	101,8	101,8	102,8	99,5	101	116,1	112,4	122,5	108,1	104,7	137,2

Source: MAFWE, IPARD Agency, 2025

In addition to the Programme for financial support in agriculture, the Programme for financial support for organic production and the Programme for intervention fund in agriculture are also being implemented as direct payment Programme. By 2021, the measure for support of organic production was incorporated in the Programme for rural development.

Table 18: Amounts of support (in mill. €) by the Programme for financial support of organic production

Year	2018	2019	2020	2021	2022	2023	2024
Total	1,3	1,5	1,7	2,1	2,5	0,65	3,0

Source: MAFWE, Department for agriculture, 2025

Table 19: Amounts of support (in mill. €) by the Programme for intervention fund in agriculture

Year	2022	2023	2024
Total	11,7	4,7	6,3

Source: MAFWE, Department for agriculture, 2025

Starting from 2022, the Programme for intervention fund in agriculture implements intervention measures for financial support in agriculture to mitigate the consequences caused by the increase in production costs for agricultural crops, through the Intervention Fund for Agriculture.

Rural development measures accompany and complement direct support measures (market policies and support for income from agricultural activity) and build on existing support for rural development provided through annual rural development programs. They also complement support provided by the IPARD Programme in terms of filling in gaps in eligible criteria or investments that are not covered by IPARD or provide support in piloting IPARD like measures. Special working group monitors complementarity between IPARD and national funding.

Taking into account the analysis of the situation in the agriculture and the sectoral development potentials, as well as the specific needs for rural development, the measures for rural development policy implementation are prioritized in increasing the competitiveness of the agricultural sector and strengthening the economic and social position of the rural areas by increasing the agricultural holdings incomes, increasing the employment possibility of the rural population outside the agricultural sector. Special attention is given to the introduction of measures for sustainable management and utilization of natural resources, protection of biodiversity and the environment.

Table 20: Amounts of support (in mill. €) by the Programme for rural development

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total	31,2	31,4	30,4	27,5	25,5	13,7	16,0	14,9	12,7	21,9	16,7

Source: MAFWE, IPARD Agency, 2025

3. Assessment of the progress in the implementation of objectives, priorities, measures and group of investments

3.1 Summary of the strategic framework of the IPARD Programme 2021-2027

Within the context of the overall IPARD objectives, as well as the objectives of the National Agriculture and Rural Development Strategy 2021-2027 and IPA III Programming Framework and Strategic Response, taking into consideration results of the SWOT analysis and prioritisation made in North Macedonia, the following objectives were selected for the IPARD Programme 2021-2027:

- Enhancing farm viability and competitiveness of agriculture and food processing;
- Restoring, preserving and enhancing ecosystems dependent on agriculture, fishery and forestry;
- Promoting balanced territorial development in rural areas;
- Transfer of knowledge and innovation in agriculture, forestry and rural areas;
- Horizontal and cross-cutting priorities:
 - projects promoted by women and young entrepreneurs (between 18 and 40 years of age)
 - active agriculture holdings;
 - activities benefiting the environment and mitigating climate change effects;
 - implementation of innovations and new products;
 - development of entrepreneurship and job creation;
 - joined initiatives and collective investments;
 - diversification of activities in the less economically developed areas (rural areas, mountainous areas, near bordering areas and areas within least developed regions);
 - rural tourism promotion in areas regarded as cultural heritage, near archaeological sites or natural parks or nature monuments;
 - preservation and promotion of traditions and heritage;
 - actions strengthening human capital in rural areas and promoting local initiatives;
 - actions strengthening the business development skills and abilities

The horizontal and cross-cutting priorities will be applied regardless of these Programme objectives. In practical terms it means that in the Programme these will be reflected in the ranking to be applied during the actual project selection processes per measures where applicable or will be implemented through higher aid intensities.

Table 21: Budget of EU Contribution by measure (2021-2027), in €

Measures	EU contribution 2021-2027		EU contribution 2021-2027 first modification		EU contribution 2021-2027 second modification	
	Value	%	Value	%	Value	%
M 1	29.150.000	30%	29.150.000	30%	29.150.000	30%
M 3	29.780.000	31%	29.780.000	31%	26.030.000	27%
M 4	1.400.000	1%	1.400.000	1%	1.100.000	1%
M 5	1.950.000	2%	1.950.000	2%	1.650.000	2%
M 6	12.550.000	13%	12.550.000	13%	9.250.000	10%
M 7	18.300.000	19%	18.300.000	19%	26.250.000	27%
M 9	2.470.000	3%	2.470.000	3%	2.470.000	2%
M 10	1.400.000	1%	1.400.000	1%	1.100.000	1%
Total	97.000.000	100%	97.000.000	100%	97.000.000	100%

Source: IPARD Programme 2021-2027, C(2022)1538, C(2023)3925, C(2024)4519.

3.2 Analysis on progress in implementation by measure

By the end of 2024, three public calls for submission of applications were published. Public call 01/2023 included two measures (1 and 7). The available budget for measure 1 was 18,8 and 11,4 million euros for measure 7. Due to the high interest of applicants, although the budget for the measures is higher than in previous public calls, a ranking procedure had to be applied.

After reviewing/finishing the applications from the last IPARD 2 call for measure 3, a public call for measure 3 (01/2024) was published in April 2024. The budget of this public call reached 14 million euros. The public call budget was significantly higher than on the previous public calls, which led to high interest of applicants, a ranking procedure had to be applied.

Second public call (02/2024) for measure 7 was announced in November 2024. The deadline for submitting applications for the use of funds expired in December 2024. The budget of this public call reached 14 million euros.

Results of the implementation of the IPARD 3 Programme as of December 2024:

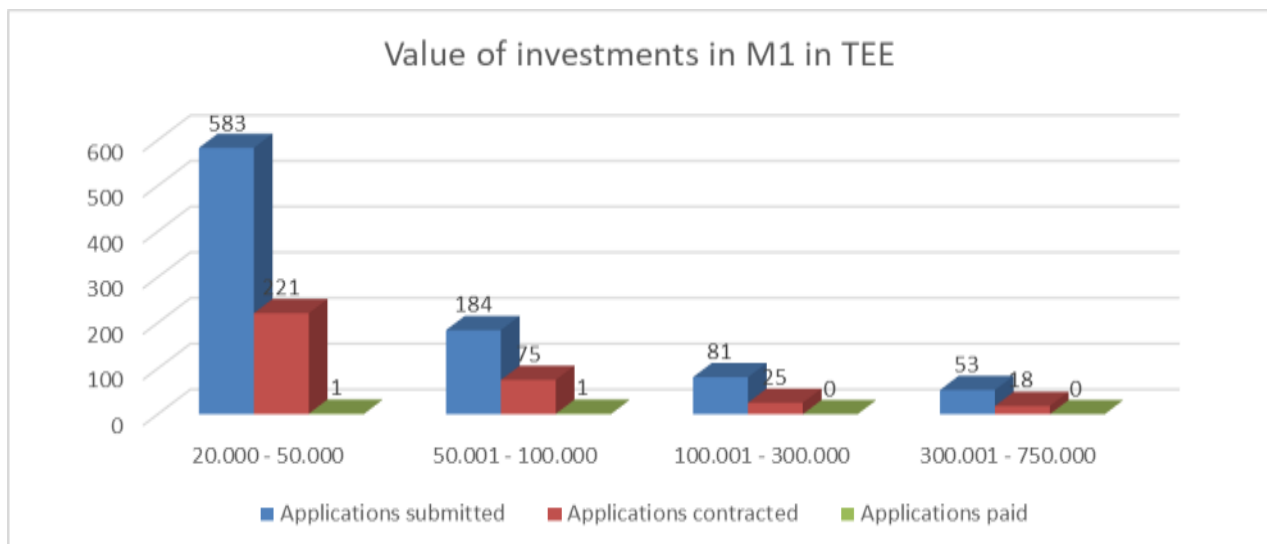
Public call number	Received applications	Public call budget (EU part)	Received application EU part	Contracted applications	Contracted EU part	Paid applications	Paid EU part
01/2023	902	14.170.000	38.459.752	340	12.508.095	3	275.063
	257	8.550.000	34.595.298	47	7.846.224	6	773.436
01/2024	116	10.510.000	24.213.854	0	0	0	0
02/2024	128	10.500.000	17.280.525	0	0	0	0
Total	1.403	43.730.000	114.549.428	387	20.354.319	9	1.048.499

Source: IPARD III Bi-monthly tables December 2024

3.2.1 Measure 1 – Investments in physical assets of agricultural holdings

Submitted applications under Measure 1 reached 902 (38.459.752 € EU contribution). Contracts have been signed with 340 applicants for 12.508.095 € EU contribution, out of which 3 contracts (275.063 € EU contribution) have been paid by the IPARD Agency. Prior announcement for the second measure 1 public call was published late in 2024. According this prior announcement and due to the decreased budget of this public call (5,5 million € EU part), priority sectors of vegetables and orchards shall be excluded from the public call.

Figure 5: Review of applications per value of investments in Measure 1

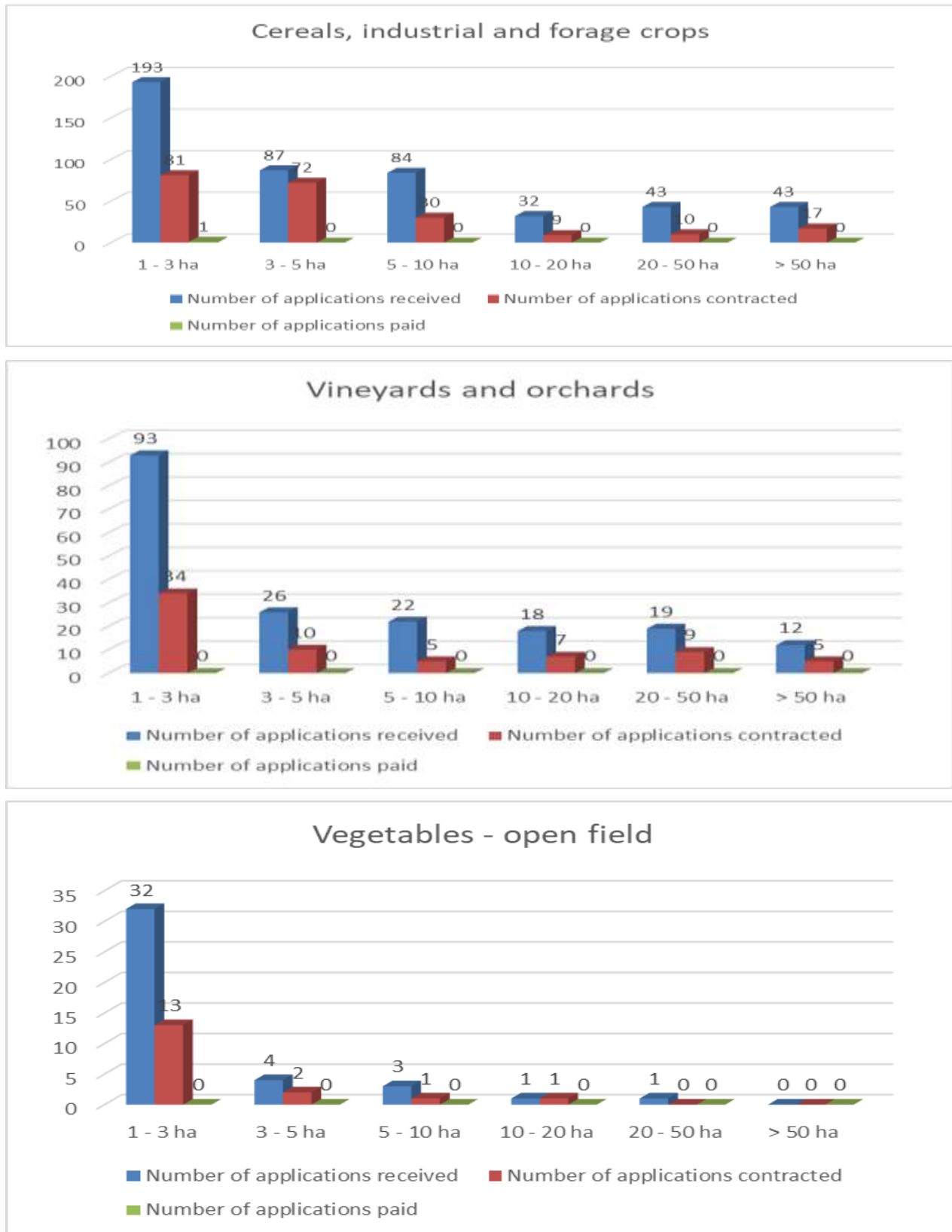


Source: IPARD III M&E indicator tables 2024

Average value of received application (expressed in EU contribution) under Measure 1 in the IPARD Agency is 42.638 €. Respectively, average value of contracted and paid applications under Measure 1 is 36.789 € and 91.688 €. Average value of applications in measure 1 of IPARD 3 is significantly increased then the average value of applications in measure 1 of IPARD 2 (submitted applications 11.067 €, contracted applications 10.621 € and paid applications 9.106 €). This is a

result from the first modification of the Programme based on the previous experience for implementation of IPARD 2 Programme and done in order to avoid possible overlapping and competition with national Rural Development supporting measures. Total eligible expenditures under measure 1, measure 3 and measure 7 were increased.

Figure 6: Breakdown by production capacity of applicants in crop sector:



Source: IPARD III Reporting tables 2024

As in the past, and due to the dissolved property legal relations, the need for simpler investments (equipment and mechanization instead of construction works) and the possibility for faster realization of the investment, the sector for crop production has significantly higher number of submitted applications. Farms that have mixed (crop and livestock) production should meet the minimum national standards for environmental protection, public health, animal welfare and occupational safety. This Programme criterion (IPARD Programme 2021-2027, Measure 1, 6.3 National and EU standards to be respected) was hard to fulfil by many applicants since their livestock production is small scale not meeting the required standards.

The real needs for investments in the livestock production sectors relate to the production capacities reconstruction (rebuilding the farms in order to achieve the standards for animal welfare and environmental protection). Investments like this (construction activities) have higher value than those related to equipment procurement and installation, so the lack of such investment activities affected the Programme financial targets implementation. Building permits are obligatory for such investments and are difficult to obtain in most cases (especially in small rural Municipalities). Direct interviews with potential recipients (eligible ones) conducted by IPARD Managing Authority have shown lack of starting capital, access to credits from banks and unprofitability of investing in environment protection and animal welfare, as main issues for low interest for using IPARD in livestock breeding. Further sector analysis needed for explaining the reasons for low interest in animal husbandry sector.

Table 22: Review of applications per priority sectors in Measure 1

	Received (A)	Contracted (B)	EU part contracted	Paid	EU part paid	% of approval (B/A)
Cattle - dairy	22	10	1.867.716	0	0	45 %
Cattle - fattening	0	0	0	0	0	0 %
Poultry – laying hens	3	3	830.622	1	229.507	100 %
Poultry - broilers	3	2	97.913	0	0	67 %
Sheep – dairy	10	2	34.329	0	0	20 %
Sheep - fattening	1	1	0	0	0	100 %
Pigs - reproduction	1	1	0	0	0	100 %
Pigs - fattening	6	1	14.373	0	0	17 %
Goat - dairy	4	1	23.914	0	0	25 %
Orchards	168	60	1.825.483	0	0	36 %
Table grapes	0	0	0	0	0	0 %
Vineyards	6	1	57.007	0	0	17 %
Vegetables (open field)	37	21	553.855	0	0	57 %
Greenhouses	1	1	0	0	0	100 %
Cereals	521	205	5.444.645	2	45.556	39 %
Industrial crops	14	4	98.457	0	0	29 %
Forage crops	36	15	201.533	0	0	42 %
Aquaculture	3	1	0	0	0	33 %
Other Annex 1 products	59	11	1.458.249	0	0	12 %
On-farm processing	0	0	0	0	0	0 %
Renewable energy	3	0	0	0	0	0 %
Total	902	340	12.508.095	3	275.063	38 %

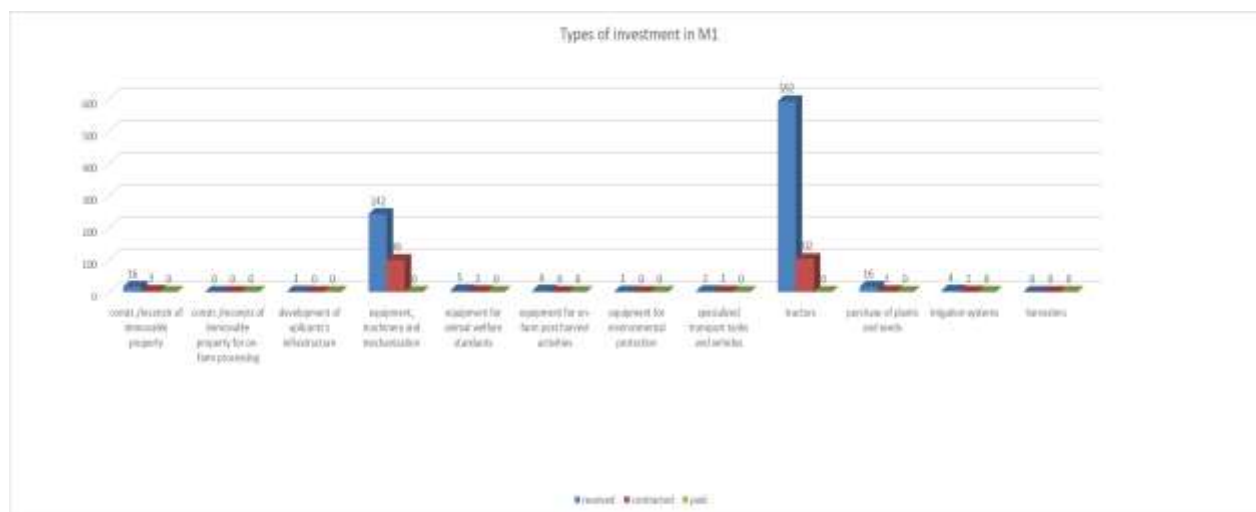
Source: IPARD III M&E indicator tables 2024

Data received from the IPARD Agency indicate that, cereals and orchards were priority sectors where applicants showed great interest. On the other hand, the interest for applying in priority sectors of vineyards and open field vegetables production shows significant decrease than on previous public calls (IPARD 1 and IPARD 2).

Regarding the interest for types of investments, just as in the past, investments in tractors and agricultural mechanization were most attractive for farmers. Interested farmers can apply for procurement of tractor by respecting the Programme rule for distribution of public funds for tractors (tractors including their equipment shall not exceed 20% of the total available financial budget for

this measure for the whole period of the Programme implementation). Since the limit was not achieved in the call 01/2023, the IPARD Agency included tractors in the prior notice for the second call for measure 1 (01/2025).

Figure 7: Review of applications per type of investment in Measure 1



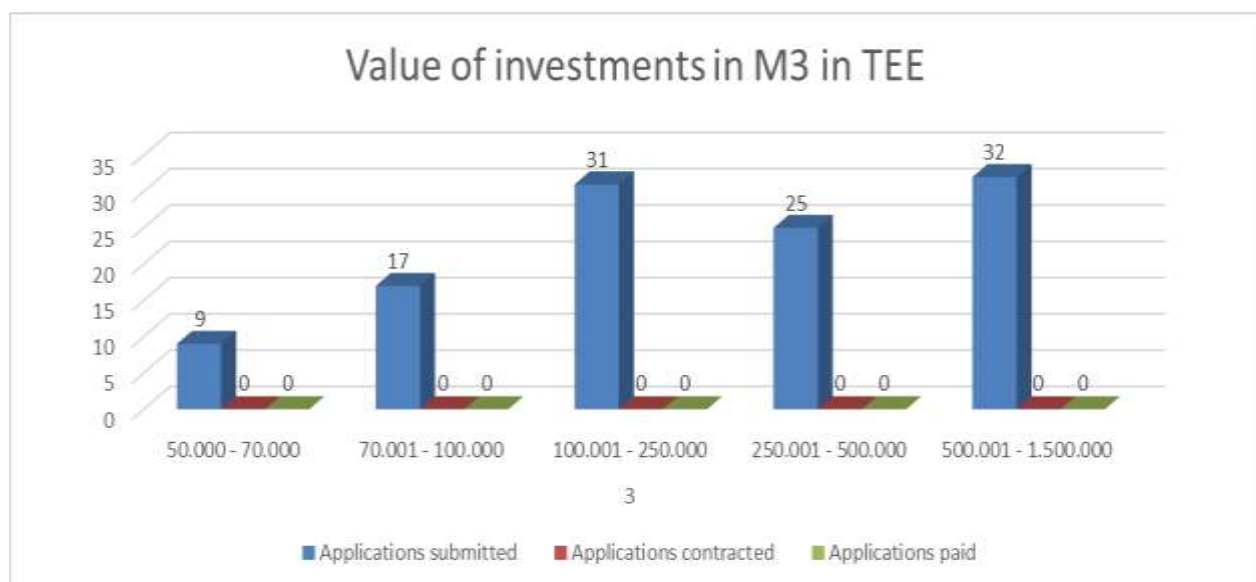
Source: IPARD III M&E indicator tables 2024

Data received from the IPARD Agency also show great interest in investments in purchase of equipment, machinery and mechanization (242 received, 99 contracted).

3.2.2 Measure 3 – Investments in physical assets concerning processing and marketing of agricultural and fishery products

Submitted applications under Measure 3 reached 116 (24.213.854 € EU contribution). Having in mind that this was the only public call for the measure and it finished on 2nd of December 2024, the applications submitted on this call are still being processed by the IPARD Agency (ranking procedure is being applied).

Figure 8: Review of applications per value of investments¹ in Measure 3



Source: IPARD III M&E indicator tables 2024

Average value of received application (expressed in EU contribution) under Measure 3 in the IPARD Agency is 208.740 €.

¹ Value of investments is presented as total eligible expenditure

Unlike in the previous programming periods, most of the received applications in the IPARD Agency refer to processing of other Annex 1 of the Treaty products. Interest in the fruit and vegetables processing sector remains strong and unchanged.

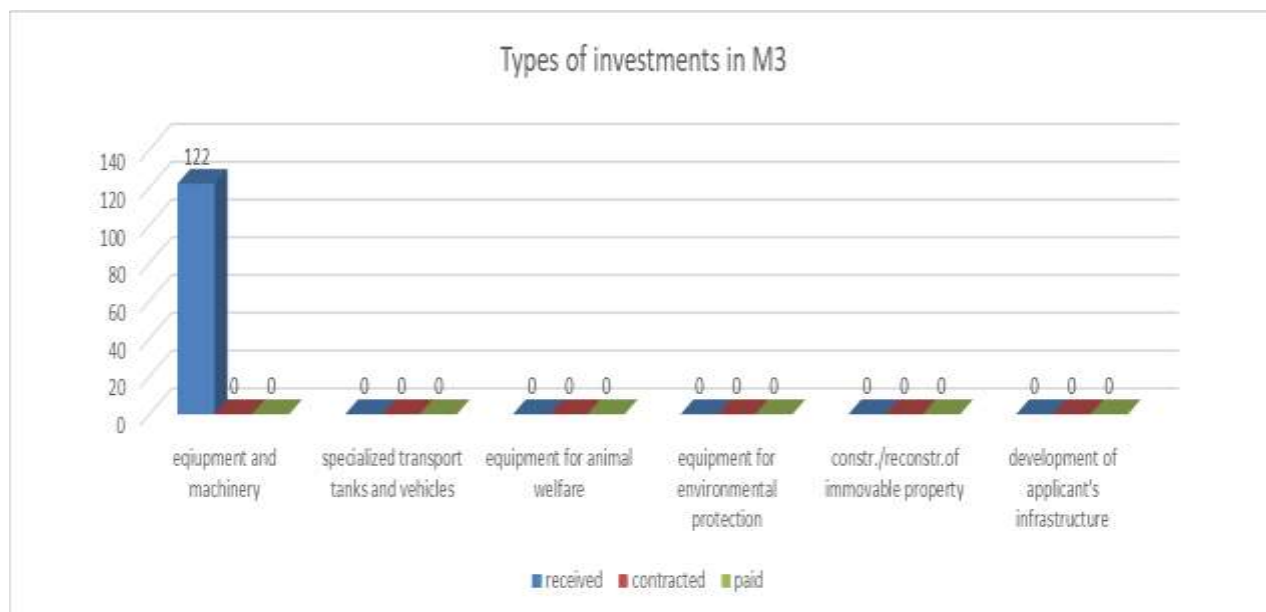
Table 23: Review of applications per priority sectors in Measure 3

	Received (A)	Contracted (B)	EU part contracted	Paid	EU part paid	% of approval (B/A)
Milk and dairy	4	0	0	0	0	0
Meat processing (poultry)	11	0	0	0	0	0
F&V processing	31	0	0	0	0	0
Cereals, milling and starch products	14	0	0	0	0	0
Oils and fats	2	0	0	0	0	0
Wineries	15	0	0	0	0	0
Fish and fishery products	2	0	0	0	0	0
Livestock feed products	2	0	0	0	0	0
Other Annex 1 products	34	0	0	0	0	0
Production of renewable energy	1	0	0	0	0	0
Total	116	0	0	0	0	0

Source: IPARD III M&E indicator tables 2024

Regardless the priority sector of application, all of the applicants have shown interest for investing in procurement of equipment and machinery related to their filed of production.

Figure 9: Review of applications per type of investment in Measure 3

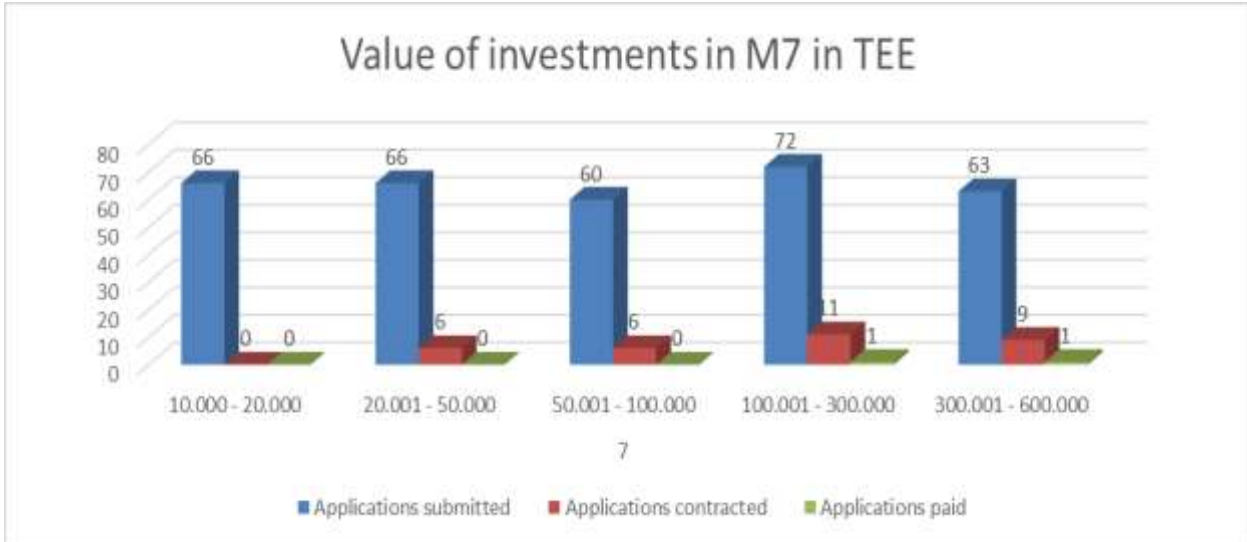


Source: IPARD III M&E indicator tables 2024

3.2.3 Measure 7 – Farm diversification and business development

Two public calls were announced for this measure. The process of contracting of applications submitted on the first call took to long due to the applied ranking process. Applications from the second public call are still being processed. Submitted applications under Measure 7 reached 385 (51.875.823 € EU contribution). Contracted applications reached 47 (7.846.224 € EU contribution) out of which 6 were paid (773.436 € EU contribution).

Figure 10: Review of applications per value of investments in Measure 7



Source: IPARD III M&E indicator tables 2024

Average value of received application (expressed in EU contribution) under Measure 7 in the IPARD Agency is 134.742 €. Respectively, average value of contracted and paid applications under Measure 7 is 166.941 € and 128.906 €.

Table 24: Review of applications per priority sectors in Measure 7

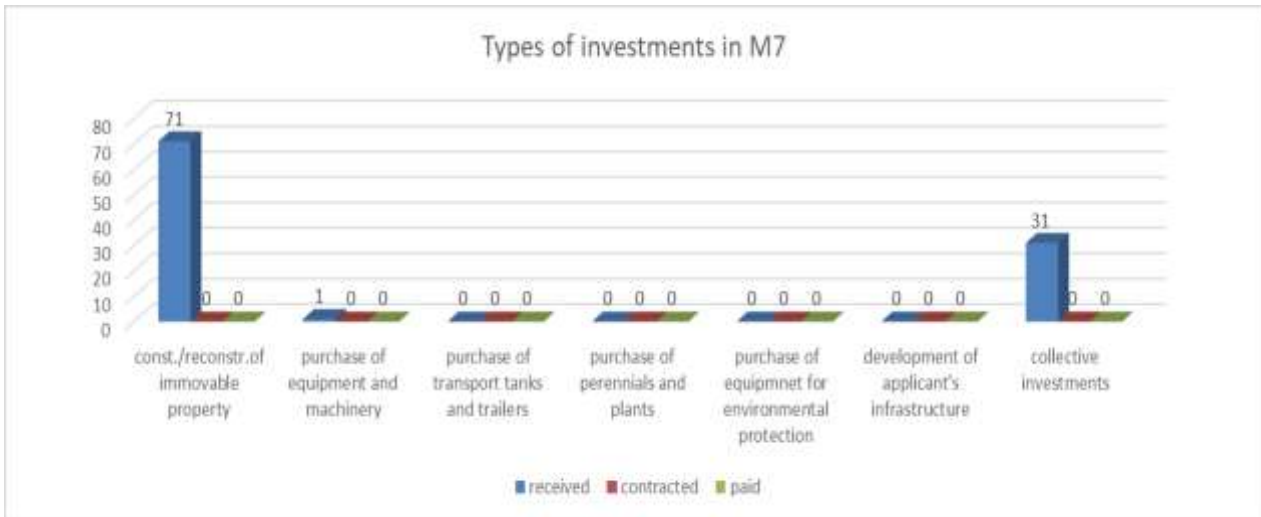
	Received (A)	Contracted (B)	EU part contracted	Paid	EU part paid	% of approval (B/A)
Alternative agriculture production ²	66	3	399.695	0	0	4,5 %
Processing of alternative products	6	1	209.730	0	0	16,7 %
Production of food products and beverages	12	0	0	0	0	0 %
Manufacturing of non-food products	94	18	2.883.315	2	380.759	19,1 %
Support of crafts activities	23	0	0	0	0	0 %
Support of services for the rural population	24	5	1.229.817	2	259.439	20,8 %
Support of services to agriculture	31	5	485.236	0	0	16,1 %
Support of Rural Tourism	127	15	2.638.431	2	133.238	11,8 %
Production and sale of renewable energy	2	0	0	0	0	0 %
Total	385	47	7.846.224	6	773.436	0 %

Source: IPARD III M&E indicator tables 2024

² Out of which 25 for bee keeping

The interest for use of IPARD Programme funds is highest in development of rural tourism and the alternative agricultural production (having in mind that bee keeping (production of honey and honey products) is eligible under this sector) priority sectors. In the past, the manufacturing of non-food products priority sector was commonly used by the applicants. Data received from the Agency indicate that now no interest is shown by the applicants. Having in mind great interest for investing in production and sale of energy from renewable resources occurred during previous programming period and the fact that the value of these investments overcomes the available budget of the measure, IPARD Agency excluded the priority sector from the public calls.

Figure 11: Review of applications per type of investment in Measure 7

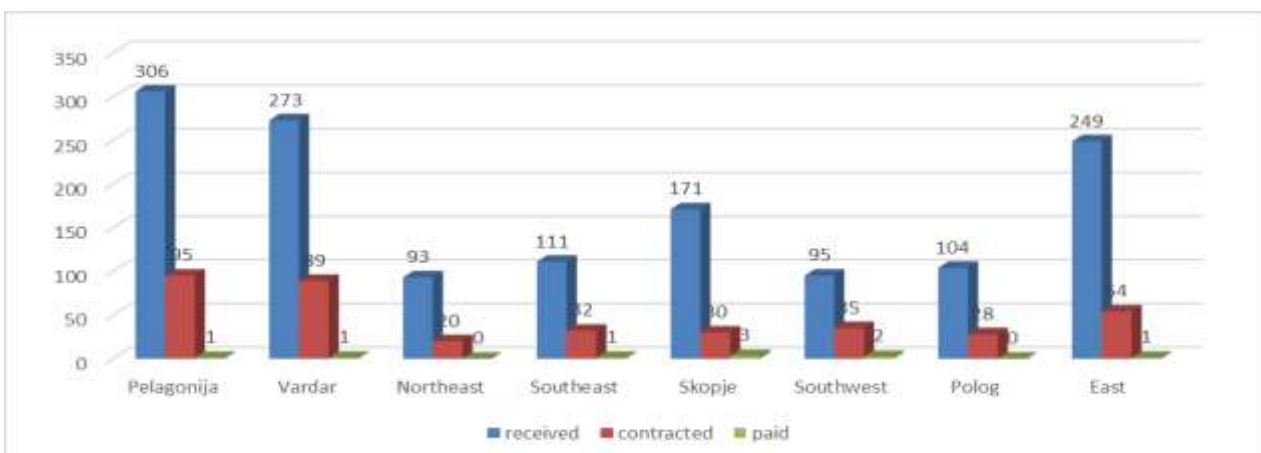


Source: IPARD III M&E indicator tables 2024

3.3 Geographical analysis of IPARD Programme implementation

The data for the geographical implementation of the IPARD Programme and the support to the regional development of the Republic of North Macedonia are presented in this report by statistical regions (NUTS 3) and municipalities. Most of the total submitted applications come from regions with intensive agricultural production: Pelagonia and Vardar. Pelagonia is the biggest agricultural region, known for cereals production. Vardar region is known for fruit, vegetables, and wine (vineyards) production. Compared to previous programming periods, east region witnessed increase in the interest for using IPARD. Also, these regions also have biggest number of contracts. Crop production (cereals, orchards and vineyards) are predominant agricultural production in the Pelagonija and the Vardar regions, but also in the East region. Most of the applications in these regions are for less expensive investments (tractors and small pieces of agricultural mechanization).

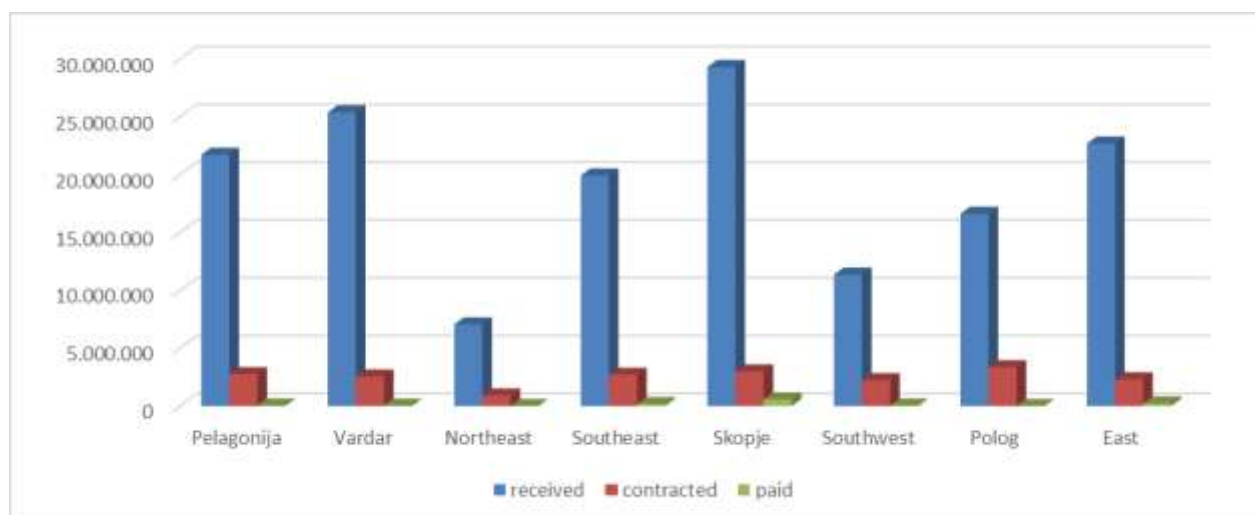
Figure 12: Review of the applications by statistical regions



Source: IPARD III Monthly report, January 2025

There is no significant difference in the number of applications submitted between the other regions. Due to the structure of the relief, mixed agriculture is present in these regions. Most of the farms have mixed (crop and livestock) production, and in that case, the whole farm should meet the minimum national standards for environmental protection, public health, animal welfare and occupational safety. Many applicants did not meet this since their livestock production is small scale not fulfilling the required standards.

Figure 13: Review of the total public expenditure by statistical regions



Source: IPARD III Monthly report, January 2025

There is a significant difference when comparing distribution of applications and total public expenditure per region. For example, Skopje and Polog region are most urbanized regions with one of the lowest shares in the creation of gross value added in agriculture (8 and 10%), but with high concentration of beneficiaries, especially companies. The production capacities of these beneficiaries are located on the entire Macedonian territory.

Table 25: Review of applications per Municipalities

		applications			EU part		
		submitted	contracted	paid	submitted	contracted	paid
1	Bitola	54	20	0	3.269.989	811.454	0
2	Sveti Nikole	49	16	0	5.562.304	436.535	0
3	Prilep	41	20	0	2.353.264	735.846	0
4	Resen	39	14	0	3.086.684	368.950	0
5	Veles	38	22	0	3.275.270	594.005	0
6	Karbinci	31	17	1	4.933.574	3.310.879	290.026
7	Kocani	29	6	0	3.331.620	112.163	0
8	Kumanovo	26	9	0	3.307.413	440.734	0
9	Mogila	25	11	0	1.862.574	604.965	0
10	Berovo	24	3	0	2.754.941	93.699	0
11	Negotino	24	8	0	3.294.954	667.295	0
12	Cesinovo-Oblesevo	22	6	0	1.249.768	162.609	0
13	Lozovo	22	13	1	1.696.081	434.856	42.885
14	Kavadarci	19	3	0	2.257.907	68.761	0
15	Dolneni	17	9	0	1.408.830	1.254.551	0
16	Probitip	17	5	0	2.099.898	157.465	0
17	Vinica	17	5	0	330.576	105.463	0
18	Stip	15	6	0	1.198.330	273.276	0

19	Gevgelija	14	2	0	4.780.206	341.048	0
20	Ilinden	14	6	1	1.384.166	1.269.375	306.010
21	Strumica	13	1	0	3.639.723	51.745	0
22	Demir Kapija	12	1	0	728.871	30.780	0
23	Gazi Baba	12	2	0	1.373.226	82.676	0
24	Radovis	12	0	0	1.619.902	0	0
25	Bogovinje	10	4	0	493.792	137.773	0
26	Butel	10	1	0	2.019.561	16.454	0
27	Caska	10	6	0	905.049	121.988	0
28	Gostivar	10	3	0	2.028.298	540.424	0
29	Ohrid	10	1	0	2.271.258	226.651	0
30	Pehcevo	10	2	0	361.876	48.860	0
31	Struga	10	1	0	1.287.936	20.742	0
32	Vasilevo	10	2	1	1.808.992	874.115	217.653
33	Bosilovo	9	4	0	893.608	401.300	0
34	Brvenica	9	5	0	565.472	463.718	0
35	Delcevo	9	3	0	356.918	75.102	0
36	Krusevo	9	0	0	578.078	0	0
37	Gradsko	8	7	0	453.722	221.984	0
38	Kratovo	8	1	0	424.637	17.854	0
39	Krivogastani	8	3	0	513.625	76.067	0
40	Rosoman	8	1	0	1.589.069	279.641	0
41	Debar	7	1	0	222.700	46.972	0
42	Debarca	7	1	0	117.797	22.161	0
43	Kicevo	7	1	0	247.493	51.540	0
44	Kriva Palanka	7	1	0	117.784	15.279	0
45	Staro Nagoricane	7	1	0	933.057	23.209	0
46	Zelino	7	3	0	897.858	93.567	0
47	Cucer-Sandevo	6	1	0	1.042.300	14.014	0
48	Demir Hisar	6	4	0	1.139.077	932.533	0
49	Petrovec	6	1	0	731.254	42.034	0
50	Studenicani	6	0	0	1.347.045	0	0
51	Tetovo	6	0	0	1.160.449	0	0
52	Jagunovce	5	2	0	797.859	489.809	0
53	Lipkovo	5	1	0	403.318	16.565	0
54	Makedonski Brod	5	0	0	76.822	0	0
55	Rankovce	5	2	0	119.870	49.878	0
56	Valandovo	5	4	2	1.002.882	271.377	0
57	Vrapciste	5	1	0	251.922	72.996	0
58	Kisela Voda	4	0	0	3.064.856	0	0
59	Sopiste	4	1	1	1.468.500	601.321	298.688
60	Zrnovci	4	0	0	749.364	0	0
61	Aracinovo	3	0	0	159.569	0	0
62	Bogdanci	3	1	0	1.459.453	14.802	0
63	Novo Selo	3	1	0	586.161	406.135	0
64	Tearce	3	1	0	147.516	65.537	0
65	Zelenikovo	3	1	0	225.116	163.956	0

66	Aerodrom	2	2	0	50.694	47.452	0
67	Makedonska Kamenica	2	1	0	55.307	15.845	0
68	Mavrovo i Rostusa	2	0	0	28.099	0	0
69	Vevcani	2	1	0	113.501	83.811	0
70	Centar	1	0	0	34.663	0	0
71	Dojran	1	0	0	0	0	0
72	Gorce Petrov	1	0	0	55.774	0	0
73	Karpos	1	0	0	432.778	0	0
74	Konce	1	0	0	155.414	0	0
75	Saraj	1	0	0	35.588	0	0
76	Cair	0	0	0	0	0	0
77	Centar Zupa	0	0	0	0	0	0
78	Novaci	0	0	0	0	0	0
79	Plasnica	0	0	0	0	0	0
80	Suto Orizari	0	0	0	0	0	0

Source: IPARD III Reporting tables 2024

4. Actions undertaken for improvement of quality and efficiency of IPARD implementation

4.1 Activities undertaken by the IPARD Managing Authority

The **human resources situation** in the IPARD Managing Authority has changed over the years. In the past period, there have been temporary employees (2), employees who are assigned to the Sector and fulfill work responsibilities in other Sectors (2), promotions of existing staff (Head of the IPARD Monitoring and Reporting Unit, Head of the Technical Assistance Implementation Unit, Assistant Head of the Sector, Senior Associate in the Programming Unit), but also departures from the sector (two employees from the Technical Assistance Implementation Unit). The promotion of employees only to a small extent corresponds to the directions received from the audit reports that emphasize the need to retain and reward existing staff. The departures from the Technical Assistance Implementation Unit are largely reflected in the activities of the unit, burdening the existing staff. The number of employees in IPARD MA at the end of 2024 was 14 (including HoMA) and the occupancy rate was 93%.

Long awaited solution for 30% salary increase for staff involved in implementation of IPA, has been developed, but its alignment and incorporation into the reform of the state administrative salaries system is still pending. The failure to provide a permanent and systemic solution for all structures related to the implementation of IPARD, forces each party to seek its own solution to the problem. Thus, unlike other IPARD structures (IPARD MA and IPARD Agency), employees in the Management Structure receive a 30 percent salary increase since 2023.

IPARD MA has made two **modifications of the Programme**. The first modification of the Programme was proposed in order to expand and clarify the opportunities for potential beneficiaries. The proposed modification was made according the need for corrections in the IPARD III Programme in terms of referencing to the provisions of signed Financial Framework Partnership Agreement - FFPA and IPARD Sectoral Agreement. Certain corrections are proposed in accordance with Article 19 of the FFPA related to roles of origin, where all supplies purchased under this IPARD III Programme funds may originate from any country. Due the changes in the Annex 4 point 5 of the SA related to the eligibility criteria, the amendments are proposed in measure 1, making legal entities in the range of micro, small and medium size eligible for measure 1. As a result of DG AGRI recommendations (Ref. Ares(2022) 8361331 from 2.12.2022), amendments are proposed related to geographical scope of the measure 7. Based on the DG AGRI recommendation the amendment with adding additional column referring for total public expenditure (TPE) in the Indicative financial plan for measure 10. As a result of previous experience for implementation of IPARD II Programme and for avoiding possible overlapping and competition with the National Rural Development Programme supporting measures, total eligible expenditures under measure 1, measure 3 and measure 7 are increased.

Second modification: as a result of previous experience from the implementation of IPARD II Programme (last call launched in 2023) and according the assessment done by the IPARD structures, it is established that the average intake per call for measure 3 was approximately 6,7 million EUR (EU part) per public call. Thus, the current budget for measure 3 under IPARD III programme exceeds the suggested demand by applicants. At the same time, due to delays with entrustment of measure 6, it is necessary to reduce a risk of de-commitment by reallocating the amount for 2024. Therefore, in order to improve efficiency of IPARD III implementation and to avoid potential de-commitment in coming years, available funds, initially programmed under measures 3 and 6, were reallocated to measure 7 where the interest of applicants significantly exceeds the budget allocated to the measure (under the first call launched in September 2023, amount requested was four times higher compared to the available budget). This particularly applies to sectors of alternative agriculture production, processing of non-food products, services for the rural population and agriculture, as well as the rural tourism sector.

In addition, delayed entrustment of measures 4 “Agri-environment- climate and organic farming measure”, 5 “Implementation of local development strategies - LEADER approach” and 10 “Advisory services” also requires re-allocation of their funds in measure 7 for 2024. This will limit risk of de-commitment related to these measures in coming years.

In order to provide **explanatory guidance** for the applicants and facilitate the process of issuing documents from the Technical Bodies involved, IPARD MA in cooperation with MAFWE’s Department for management of agricultural land, Water Department and Environment Directorate prepared:

- Guidelines for the procedure for construction of objects on agricultural land;
- Guidelines for the procedure for obtaining opinion/permit for irrigation of agricultural land;
- Guidelines for the procedure for issuing documents for the assessment of the impact of projects on the environment;
- Guideline for the necessary requirements for “small scale” manufacturers of animal origin;

Demanded by the potential beneficiaries (the ones dealing with on farm processing/small scale processing), IPARD MA published the following bylaws on the web site:

- Rulebook for deviations of specific hygiene measures for “small scale” businesses, the manner and the requirements that need to be fulfilled during direct supply of food from the manufacturer to the consumer, the conditions for the processing facilities, the materials, instruments and equipment, as well as the manner of manufacturing food with traditional characteristics;
- Rulebook for requirements for conditions and hygiene for production and marketing of food from animal origin intended for direct supply, localized activity, in geographic or economic limitations as well as the general and specific requirements for application of traditional methods of production, processing and distribution of food with traditional characteristics.

The Guideline and Rulebooks shall contribute to better explain and guide the potential recipients under priority sector for on-farm processing and direct marketing of own agriculture production in measure 1. They have been uploaded on the official IPARD web site.

Supported by measure 9, in order to facilitate the implementation of some aspects of the Programme, IPARD MA in cooperation with involved staff from IPARD Agency, Management Structure, organized several **workshops**.

In January 2023, IPARD MA has organized second workshop on improvement and upgrading of the IPARD monitoring system on the eve of the new programming period. As a result of the workshop IPARD MA prepared improvements of the Indicator tables for monitoring and evaluation of the IPARD Programme 2021-2027, drafted the Rules of procedure for the work of the Monitoring Committee and made corrections in the PIM H (Coordination of the work of the IPARD Monitoring Committee) and the appropriate annexes.

In coordination with the Management Structure, IPARD MA organized a workshop on improvement of the methodology and calculation of WLA. The workshop was held in September 2023 and was attended by representatives from the Management Structure (MS), the IPARD Agency and the IPARD Managing Authority. According to the established agenda, the workshop started with the presentation of the methodology and the calculation of the volume of the workforce in the IPARD structures by the MS. Main points of the workshop:

- In the direction of strengthening the capacities of the administration that works at the IPA, employment in the IPA structures should have the advantage of obtaining employment consent from the Ministry of Finance,
- In order to ensure sufficient time to react to the needs arising from the planning of manpower needs - the WLA should be prepared by the appropriate IPARD structure no later than June 30th of the current year for the following year,
- During the analyses of the WLA carried out in the MS, a trend of oversizing of work force needs was observed for the entire IPARD structure. Managers who fill out the WLA sheets,

- should pay attention to the capacity of each of the employees individually and their ability to adequately respond to the requests in the WLA (deliverables) and the time required for response (working hours).
- The over-dimensioning is predetermined due to incorrect setting of the regulations for systematization in the structures. The MC suggests changes to the rules for systematization in the IPARD structures and their setting based on a real WLA,
 - The WLA form for the IPARD Agency should become three-year in terms of planning and implementation of employment. The notification should again be on an annual level, but the planning should be three years. Just like at IPARD MA,
 - The IPARD Agency has an increase in the number of employees, but no increase in operational efficiency is observed. In this direction, the MS encourages the introduction of performance based indicators in the WLA,
 - With the public call for employment of 11 people in the IPARD Agency, the total number of IPARD employees in the IPARD Agency would reach 160 people, which is enough for accreditation and implementation of the measure Investments in Rural Public Infrastructure (IRI). IPARD Agency should consider the possibility of redeployment of people in IRI in order to fulfil the human capacity requirements of DG AGRI.

Significant difficulties occurred in the process of **collection of data for monitoring and reporting** purposes have continued in the course of 2023. IPARD Managing Authority pointed out and raised the problem on several occasions. Namely, the manual for reporting (work procedure within the IPARD Agency) provides that only one person, without adequate replacement in case of absence or disability, shall perform the function of reporting officer. Such a solution is largely reflected on the function for monitoring the Programme and reporting of the IPARD Managing Authority and should be taken into account, addressed for the new programming period. Although the final outcome from the implementation of the project “Customised Software for Integrated Administrative and Control System (IACS)” – (EuropeAid/139016/DH/SER/MK), would have significantly improved reporting requirements and enabled IPARD MA read only access in the Agency’s IPARD implementation data base, the results from the work of the project experts did not meet IPARD MA’s demands at all.

Related to the process of **accreditation of new measures**, IPARD MA staff was involved in the process of amendment of the Rulebook on the detailed conditions for registration of LAGs, the registration procedure, the necessary documentation and the method of keeping records and the Rulebook on the content and the methodology for the preparation of strategies for local development of rural areas and the method for their approval. Following the approval of the Rulebooks, the Ministry of agriculture, forestry and water economy announced a public call for (pre)registration of LAGs. Out of 10 applications, 8 were successful and registered. The register is maintained in the IPARD MA, yet since the measure 5 has not been accredited, the support is still from the national programme for rural development.

In the previous period, the IPARD structures prepared a package of documentation for accreditation of measure 6 from the IPARD Programme 2021-2027 and submitted it to the Audit Authority for external assessment, a step before submitting the official request to the EC. The Audit Authority received the draft audit opinion expressing a negative opinion towards submitting the accreditation package until the mentioned findings are resolved. The biggest blocking finding leading to this risk is the lack of employees in the Sector for Management of the Instrument for Pre-Accession Assistance - IPA in the Ministry of Finance (especially the positions of Financial Manager and Accountant), as well as in the IPARD Agency (Accountant and Head of the Accounting Department in the Sector for Financial Affairs). Additionally, blocking finding is set for the non-functional and inapplicable finance and accounting system (SAP), which violates the rules for effective monitoring and management of financial transactions in accordance with the Sector Agreement. With the non-functional SAP, not a single financial transaction for IPARD III can be recorded and recorded in accounting, there is an inability to reconcile with the IPARD Agency, declarations to the EC, final accounts, financial reporting to the EC. Additionally, the lack of a long-term sustainable policy for motivating and retaining staff in the IPA structures is noted as a high risk.

As a prerequisite for the introduction of the advisory services measure, at the end of 2023, the Parliament has passed the Law on advisory services in agriculture and rural development. IPARD MA staff was actively involved in the process of drafting the Law. The Law on Advisory Services in Agriculture and Rural Development aims to create an effective and structured system for providing quality advice and information to our farmers. Farmers will be able to consult with experts in the field of agriculture and rural development for all aspects of their work. A particularly important goal of this proposed legal solution is the structural and organizational improvement of the existing advisory concept in the Republic of North Macedonia. Prescribing the types and types of advisers, the programs and the type of training they should go through, the conditions that will have to be met in order to be registered by the potential providers of advisory services will achieve greater competitiveness, better quality and strengthening the capacities of the providers of advisory services. With this solution, the Ministry will establish a register of advisory service providers that will be publicly available to all agricultural holdings to facilitate their access to an advisor with specific expertise for a specific area, depending on the type of production.

4.2 Activities undertaken by NAO and MS

Organisation of Management Structure

As regards to the changes related to the formal designations of authorities, new National IPA Coordinator was appointed during 2024 appointed with the Decision of the Government of the Republic of North Macedonia No. 14-5508/2 dating as of 28th June 2024.

During 2024, changes were made in the top management of the IPARD Agency where new Acting Director was appointed (Governmental Decision No. 14-6500/1 as of 24th July 2024). For all this changes formal notification to DG AGRI was submitted by NAO.

Change and amendment of the Act of organization of work of the Ministry of finance and the Act on systematization of working posts of the IPA funds management department within Ministry of finance was initiated in July 2023.

Changes envisage establishment of 2 (two) additional units within the Management Structure in order to be achieved more adequate segregation of regular working tasks and streamlining the processes and responsibilities that are currently performed within the one unit of the department. Need for proposed change also derives from the increased workload, considering the activities for the closure of the IPARD/IPA 2 programmes, current activities for implementation of IPARD/IPA 3 programmes, as well as entrustment of new IPARD/IPA 3 measure/programmes and plan for accreditation/entrustment of other new measures from IPARD Programme. No progress can be reported regarding initiated changes of the Organisation and Systematisation acts' (proposed changes are still in process of formal approval within the MoF).

1. Management and control system assessed, including IPARD Structures and authorities, version of latest manuals of procedures, inter-institutional agreements and IT systems.

During 2024 was performed assessment of the management and control system in the process of preparation of the Accreditation package for new measure - Investment in Rural Infrastructure (IRI). In addition, the management and control system under the implementation of IPARD III Programme 2021-2027 were regularly monitored and supervised by NAO/MS and their effective functioning through different tools.

For determination of the mutual relations among bodies within the internal control system for IPARD III, inter-institutional agreements were signed, as follows:

- Implementing Agreement between the National Authorising Officer and the Agency for Financial Support in Agriculture and Rural Development for the Implementation of IPARD III under indirect management;
- Implementing Agreement between the National Authorising Officer and the IPARD Managing Authority for the Implementation of IPARD 2021-2027 under indirect management and

- Implementing Agreement between the IPARD Agency and the IPARD Managing Authority for management and implementation of IPARD III Programme under entrusting of budget implementation tasks by the Commission.

During 2024 no significant changes in the design of the management and control system have occurred. However, some non-substantial changes have occurred in relation to the accredited Internal Manual of Procedures of the IPARD Agency.

In the course of 2025, has been proposed modification to the accredited Internal Manual of Procedures of the IPARD Agency and IPARD Managing Authority, previously assessed and approved by the Director of IPARD Agency, Head of Managing Authority and NAO. Proposed modifications of the internal manual of procedures arise from the recommendations from Compliance Assessment Draft Report for measure Rural Infrastructure and Audit of operations in 2024. With these changes' templates are introduced for covering the processes of requesting exceptions, changes of the internal manual of procedures, handover, control weaknesses and risk management process. Also, the Rulebook on training, education and other forms of professional development is aligned with the NIPAC and NAO/MS procedures. Also is introduced change of the way of performance of the Agency/SPA in case of amendment of contract when changing the supplier and calculation of the Total Eligible amount. The changes were proposed and needed in order procedures to be better aligned with the Sectoral Agreement, national legislation and IPARD III Programme. Processes of formal approval by NAO as of 14th April 2025, appropriately have been finalized.

2. Verifications and control carried out by the management structure

NAO support office in the field of agriculture and rural development within the Annual Plan for Verification Visits for 2025 adopted on 04th February 2025, foresees three verification visits, as follows:

- Administrative check on project level concerning implementation of Technical Assistance Measure under IPARD III (indicatively planned for March-April 2025);
- Verification Visit on Project Level for paid projects, in particular ex post - on the spot checks for IPARD II Programme (indicatively planned for August-October 2025) and;
- Administrative check of the paid projects under IPARD III Programme (indicatively planned for November-December 2025).

First verification visit related to the implementation of the Technical Assistance Measure under IPARD 2021-2027 Programme started in April 2025. The verification visit is ongoing.

3. Accreditation of new measures

Draft Manual of Procedures of the IPARD Agency for implementation of measure Investments in Rural Public Infrastructure was prepared and submitted to NAO on assessment in August 2023. This package was initially subject of self-assessment process (implemented by Internal Audit Department of the Agency). NAO SO reviewed the package and gave its comments and recommendations for improvement. After receiving the final version as of April 2024 of MoP from IPARD Agency, NAO/MS performed assessment of the management and control systems for implementation of the new measure Investments in Rural Infrastructure.

On the basis of the opinion from the assessment, national IPARD structures have prepared a package of documents for indirect management of the measure and on 29th April 2024 the documentation accompanied with the Report on self-assessment was submitted to the Audit Authority on compliance assessment.

Audit Authority submitted Draft Audit opinion for assessment of the compliance of the system for indirect management with the measure (10-540/1 as of 23.01.2025), where the main concerns are detected regarding the functioning of the electronic SAP system, reaching optimal number of employees (especially for implementation of new measures), retention policy as well lack of specialised trainings. These areas are noted as key areas for improvement.

IPARD Structures are regularly coordinating the activities in relation of overcoming the identified findings, urgent letters and meetings with high level officials have been held. In the meantime, all findings of technical nature are overcome by the relevant IPARD structure Changes in the manual of procedures have been done.

4. Administrative capacities of the institutions within IPARD structure

Management Structure

According to Workload Analysis of the Management Structure, it was identified that optimal number of employees for 2025 is 18 (eighteen). The current number of staff is 15 (fifteen) including NAO. During 2025, one employee joined the MS with temporary contract.

IPARD Agency

Workload Analysis for 2025 is prepared according to number of applications for financial support which should be submitted in 2025. Its should be notified that the human capacity in the IPARD Agency, in particular the Accounting Unit within the Financial Affairs are on very low level, which is identified weakness in the Consolidated Action Plan for Internal Control Weakness/Deficiencies. The function of accounting is currently performed by the employees who are not experienced-junior associates, as the Head of Accounting Unit ended her professional engagement in the Agency and the Advisor-Accountant is on longer maternity leave. These findings are identified with the Audit opinion regarding the assessment of the compliance of the indirect management system for the IRI measure under the IPARD III and will be further followed with the implementation of the IPARD III Programme.

According to WLA analysis of the IPARD Agency for 2025 the optimal number of employees in the Agency is 160, including implementation of Rural Infrastructure measure (IRI). According the Workload Analysis for 2025, 17 new employments and 29 promotions are needed in IPARD Agency.

During 2025, two employees where transferred within IPARD Structure and three employees were transferred out of the IPARD Structure.

The current number of employees is 142.

Managing Authority

The Workload Analysis for the period 2025-2027 was prepared and the results of the calculations showed that the optimal number of employees in MA for 2025 is 16 (sixteen).

During 2025, one employee was transferred from MA so the current number of employees is 13.

IPARD Structure capacities

In the table below are presented data regarding human capacities in IPARD structure for the year 2025:

Institution	Number of staff on 01.01.2025	Number of staff needed as per WLA 2025	Realized new recruitments by 30.04.2025	Left the position 30.04.2025	Number of current staff	Current occupancy rate	Turnover rate
NAO/NF	14	18	1	0	15	83%	0.00%
IPARD Agency	143	160	2	3	142	89%	2.10%
Managing Authority	14	16	0	1	13	81%	7.14%
Total	171	194	3	4	170	88%	2.34%

With the WLA's for 2025 the number of staffs needed in the IPARD Structure is increased to 194, so at the moment the occupancy rate is 88% in relation to the needs for 2025. The staff turnover on the level of the Programme is 2.34%.

Staff retention and motivation policy

Regarding the staff retention in IPA Structure with the Law on Execution of the Budget for 2025 short term solution for motivation and retention of staff in IPA structures is implemented. The solution provides 15% flat rate top up on the salary of the staff in the IPA structures till the end of 2025. With this solution is intended to overcome the gap till adoption of long- term systematic solution.

The Law on Administrative Servants is under amendment.

Ministry of European Affairs and NIPAC as a responsible authority for coordination of the activities for preparation of the human resources retention policy of the IPA structures, was obliged on the eight session of the Government held on 30.07.2024 to finalise the Retention policy following EC directions until October 2024. However, this activity is still pending to be finalised and the retention policy still not prepared.

5. Financial management

Financing Agreement under the Programme for Agriculture and Rural Development of Republic of North Macedonia under the Instrument for Pre-accession Assistance (IPA III) for the years 2021-2027 has been signed between the EC and the Government of Republic of North Macedonia and entered into force on 29th November 2023.

Pursuant to Article 33(3) of the Financial Framework Partnership Agreement for IPA III and Annex 7 of the Sectoral Agreement, NAO sent to the Commission a Forecast of its Likely Payment Request for 2025-2026 for the IPARD III programme on 15th January 2025.

In the tables below are presented the executed payments/declared amounts – IPA contribution for the overall status of the Programme and for 2024/2025 by quarters with cut off 31 March 2025:

Executed Payments/Declared Amounts		
2024		
Q1 2024	Measure 1	0.00
	Measure 3	0.00
	Measure 7	0.00
	Measure 9	0.00
Q2 2024	Measure 1	0.00
	Measure 3	0.00
	Measure 7	0.00
	Measure 9	0.00
Q3 2024	Measure 1	0.00
	Measure 3	0.00
	Measure 7	0.00
	Measure 9	1,543.05
Q4 2024	Measure 1	275,063.69
	Measure 3	0.00
	Measure 7	773,435.75
	Measure 9	1,466.94
2025		
Q1 2025	Measure 1	878,808.53

	Measure 3	0.00
	Measure 7	134,286.88
	Measure 9	1,462.77
TOTAL 2024-2025	Measure 1	1,153,872.22
	Measure 3	0.00
	Measure 7	907,722.63
	Measure 9	4,472.76
TOTAL 2024-2025		2,066,067.61

Pursuant to Article 37 of the Sectoral Agreement, NAO has sent a Declaration of Expenditure which served as payment requests for the expenditure incurred and the revenue generated for the first quarter of 2025. Payment request was regularly sent via SFC 2021 system by the National Fund, as presented in the table below.

Overall status of Programme for the period 2021-2027				% compared with available budget
	IPA	NCF	TOTAL	
Available budget 2021-2027	97,000,000	31,073,333	128,073,333	
Disbursed	2,066,067.61	687,987.69	2,754,055.20	3%

4.3 Activities undertaken by the IPARD Agency

4.3.1 Progress in collecting follow-up data

In compliance with the responsibilities undertaken from the Implementing Agreement between the MA and the IPARD Agency, the IPARD Agency reported on regular basis about the execution of IPARD Programme.

The exchange of data is done through the Monitoring and evaluation tables for IPARD Programme as well as with other prepared reports upon request of MA, which consisted data that were not included in the Tables but were relevant for the execution of the Programme.

In 2024, the IPARD Agency with the defined deadline and on a regular basis delivered to the MA the monitoring tables for implementation of the IPARD Program which include information for physical and financial indicators, reports from the performed controls, identified irregularities and additional requests for reports, defined in the Implementing Agreement.

The collection of the data and preparation of reports was maintained manually in excel.

During 2024, IPARD Agency recorded all transactions in SAP software. As soon as we are convinced that all reports generated through the SAP are true and accurate, SAP software will be used as only tool for accounting in IPARD Agency and all financial indicators will be withdrawn from the system.

Because of previous plans to improve the efficiency of the Agency, by improving the transfer of data and information with the Managing Authority, the Agency made a resolution to form a working group, composed of members from the Agency, MA and the Ministry of Finance. This working group is responsible for implementing an "Integrated Administration and Control System (IACS)".

The working group has to participate in the activities of the project "Adjusting the Integrated Administration and Control System (IACS)", more specifically in the implementation of the IPARD module as a software solution, which will lead to increased efficiency and effectiveness. The final goal is to simplify the data transfer and communication between the institutions and increased data transparency.

Furthermore, the Agency intends to introduce online applications for the IPARD funds, more specifically the IPARD 3 Programme.

4.3.2 Summary from the Contract follow-up

During the year 2024, for tIPARD 3 program IPARD Agency was published two calls 01/2024 for measure 3 and 02/2024 for measure 7. IPARD Agency contracting, cumulative for measure 1 contracting approved and signed 340 project, and payment 3 project in the amount of 275.063,00 €, and of the measure 3 have not existing contract, and of the measure 7 contracting approved and signed 47 project, and of the measure 9 contracting approved and signed 2 project and amount for payment in the amount of 3010,00 €.

Most of the signed contract concerned purchase of equipment and machinery which have short term period for implementation of the investment and therefore no progress report letter were required from the applicant

During 2024 years, the IPARD Agency from IPARD 3 for all publish calls received 1404 claims for payment which were processed or are still processing in the current year. IPARD Agency contracted project cumulative 2377 claims for payment and paid claims for payment 11 in total amount is 1.051.509,00 €.

Data in given in the table for received, approved and paid claims for measure 1, measure 3, measure 7 and measure 9, cumulative from 2023 year to 2024 years.

During 2024, year IPARD Agency executed administrative controls to all submitted applications. In addition reasons for rejection of application prior the signing contracts are provided:

Reasons for rejected received applications are not fulfill the criteria of the IPARD program.

In the decision to reject the application, list of the all details for rejection is contained, while the spreadsheet / registers for received applications / lists the reasons for the rejection in accordance with the accreditation form.

As regarding on-the-spot controls, Sector for on-the-spot Control has carried out in total:

➤ **on-the-spot controls prior approval of which:**

- 405 on-the-spot controls at investments under Measure 1 - IPARD 3 (2021-2027)
- 43 on-the-spot controls at investments under Measure 3 - IPARD 3 (2021-2027)
- 61 on-the-spot controls at investments under Measure 7 - IPARD 3 (2021-2027)

The Sector for on-the-spot control has carried out 3 additional on-the-spot controls

- 1 prior approval
- 1 before payment
- 1 ex-post.

Regarding the investments that have hidden works which need to be monitored, beneficiaries on regular basis are reporting to SC about the activities undertaken providing us with photos, measurements, and construction documentation.

Regarding the measure Technical Assistance, evidences (photographs and other documentation) are provided by MA, by which it is confirmed the realization of the monitoring committee, workshops, as well as for the procurement of materials (printed materials, promotional materials, office supplies).

4.3.3 Critical issues in implementing the IPARD Programme

In 2024, the IPARD Programme 2021-2027 for the new programming period was adopted and AFSARD accordingly made certain changes in the internal procedures and the control lists according to the proposed modifications. One of the most significant changes for the new programming period is that the Agency as much as possible of the required documentation will obtain through ex officio, which would enable to shorten the application procedure for completing the applications i.e. to shorten the procedure for approving the applications

Progress Summary from the implementation of the Community Financial Support

Most critical issues still remains the human resources capacities and the time frame for processing the applications. Since the number of applications received on public call is significantly increased the current staff is challenged to meet the deadlines determined by law for processing the applications and the claims for payment.

While processing the claims for payment in 2024 the Agency encountered problems during the processing of the claims for payment, difficulties for the beneficiaries in providing the necessary documentation, providing proof for origin of the materials and the equipment, timely and correctly update of the accounting records.

Specific problem areas can be seen in respecting deadlines and stipulations stated in the contract for co-financing.

The technical specification for measure 9 (ORBIS) has been submitted by the Agency for Financial Support of Agriculture and Rural Development to the Managing Authority and it is expected that documentation for the implementation of the procurement will be submitted.

4.3.4 Results from performed on-the-spot controls and identified irregularities

There weren't any irregularities reported when it comes to performed on-the-spot controls in 2024.

The most common non-compliances, i.e. differences or findings that do not have a major financial impact on the investment, determined during on-site controls in 2024, are:

Before approval:

In the case of an investment under Measure 7, it was determined that part of the construction works for which financial support is requested were started before the contract with the AFSARD was signed.

Minor technical problems were found in relation to the declared parcels in the case file (total crop area, incorrect LPIS or cadaster parcels number, not declared parcel but part of LPIS block, etc.)

Before payment:

- differences in technical characteristics of the purchased equipment stated in the contract, invoice and on-the-spot control and the most common reason for these differences is due to technical reasons, i.e. errors made when issuing the necessary documentation for the equipment by the supplier/manufacturer;
- absence of certain data to be visibly marked on the equipment itself (year of manufacture, country of origin, serial number, model), and in certain cases the absence of any markings (equipment and machinery without plates with technical data - most often in domestically produced machinery and equipment);
- non-functionality of part or all of the equipment (equipment that during the inspection is determined to be not in a functional condition, i.e. that it is disassembled into parts or not connected to electricity or has a certain defect) and in such cases a certain deadline is given for it to be put into operation and the on-the-spot control is carried out again (all users for whom such a condition was determined, put the equipment into operation);
- the equipment is used for a purpose other than the intended one - in investments where equipment is purchased for providing services (agricultural machinery, excavators, etc.), suspicion that it is being used for personal needs. With the performed controls, additional controls, it was determined that the equipment is used for the intended purpose;
- change of a certain type of equipment or construction materials in the implementation phase without informing the AFSARD and given approval from the Agency;
- the equipment that is the subject of the investment (mechanization, processing equipment, irrigation equipment, bee boxes, etc.) is not in function, it is stored in parts in warehouses or a certain part is only used with the intended purpose. This is seasonal equipment and the verification of the functionality depends on when it was purchased and the time of

execution of on-the-spot control. Users provide statements that the equipment will be put into operation as soon as weather conditions allow, i.e. according to the season.

- damaged mechanization/equipment during operation (beneficiary submit written evidence that service has been performed and that the defect has been removed, whereby the equipment/mechanization is used without problems);

Control for hidden works:

From the controls carried out for hidden works, no non-compliances and irregularities were found.

During the implementation of the investments, especially when it comes to construction works, on-the-spot controls are carried out during the implementation of certain activities, the so-called control for hidden works (for works that will not be verified at the end of the investment). In all investments that include hidden works, users regularly report and submit photographs and other documentation from the development of construction (in phases), whereby a large part of the hidden works can and are confirmed as completed.

Ex-post control:

- No major findings were identified during these controls. All users keep the equipment/mechanism, it is used according to the intended purpose and it is marked according to the contract. Following findings from the RT audit, post-payment controls were performed in several investments where non-functionality of the equipment and/or use for another purpose was ascertained, whereby in all users the investment has been put into use and is used according to the intended purpose.

4.4 Report on the work of the IPARD Monitoring Committee

The IPARD 3 Monitoring Committee, with responsibilities described in Article 53 of the Financial Partnership Framework Agreement and Article 54 of the Sector Agreement, was established in order to monitor the effectiveness and quality of the implementation of the IPARD 3 Programme and to achieve the objectives of the Programme. In January 2023, IPARD MA received a letter (Monitoring arrangements for the implementation of IPARD III programmes – Ref. Ares (2023)4094313) from DG AGRI services, clearly stipulating that the IPARD III Monitoring Committee can take over any outstanding matters concerning the implementation of the IPARD II Programme.

The Committee was established by Decision 20-2694/1 from 24th of February 2023. Later on, the composition of the Committee was updated in November 2024, in accordance with the amendments to the Law on State Administration Bodies from 12 months ago.

In December 2024, the Committee held its fourth meeting. The meetings of the Committee were organized using support provided by the Technical Assistance measure, so far in Skopje, having in mind that two procurements (tenders) for organization of four meetings of the Committee were not successful. This situation is elaborated in part 4.6 – the use of technical assistance.

Main Decisions taken by the Monitoring Committee during 2023 and 2024:

- The IPARD Monitoring Committee adopted the first modification of the Programme.
- The IPARD Monitoring Committee reviewed and adopted the Evaluation plan for IPARD III Programme.
- The IPARD Monitoring Committee reviewed and adopted the Plan for visibility and communication activities for IPARD III Programme.
- The IPARD Monitoring Committee reviewed and adopted the APTA for 2023.
- The IPARD Monitoring Committee adopted the plan for communication and publicity of IPARD III Programme for 2024.
- The IPARD Monitoring Committee adopted the indicative APTA 2024.
- The IPARD Monitoring Committee adopted the plan for communication and publicity of IPARD III Programme for 2025.

Decisions adopted by the Committee by written procedure:

- Adoption of the first modification of APTA 2023.
- Adoption of the IPARD Programme 2014-2020 annual implementation report for 2023.
- Adoption of the second modification of the IPARD Programme 2021-2027.
- Adoption of the first modification of APTA 2024.
- Adoption of the second modification of APTA 2024.
- Adoption of the APTA 2025.

4.5 Evaluation of the IPARD Programme

Evaluations shall aim to improve the quality, effectiveness and consistency of the assistance from Union funds and the strategy and implementation of the IPARD III Programme. The IPARD III Programme shall be subject to ex-ante and ex-post and, where considered as appropriate by the Commission, interim evaluations carried out by independent evaluators under the responsibility of the IPARD Managing Authority.

Mainly, the limited capacity and knowledge in evaluation methods, including the methods for primary data collection in IPARD MA and the delays in data delivery from the IPARD Agency are remaining as a main obstacle towards the implementation of the evaluation system, which shall support the improvement of the overall implementation of the Programme. The delay of information and data transfer from the IPARD Agency due to manual processing of data, further delays the IPARD MA activities and prevents timely actions for improving the legal documents related to the programme implementation.

The evaluation plan for the IPARD III Programme was adopted by the Monitoring Committee on the first meeting.

During 2024 the activities of the IPARD MA staff were focused on planning and preparation of documents for the ex-post evaluation of the IPARD Programme 2014-2020 using support by measure technical assistance. The process of ex-post evaluation started early in 2025 and the outcome is expected in October –November 2025 period.

Most of the activities for evaluation are foreseen for the following years, however the preparatory phase started in 2024. IPARD MA is planning (as foreseen in APTA 2025) a workshop for strengthening of evaluation capacities and determination of expected results, with the following activities:

- Engagement of evaluation expert and organization of workshop, definition of evaluation questions and Programme specific indicators, identification of evaluation data needs and data source screening.
- Deciding on data to be used through the monitoring system, application form, claims for payment and other monitoring tools.
- Follow up activities for IPARD MA, IPARD Agency and MS staff, review of the improved evaluation system (required data, data quality and review of data sources from application form, claims for payment and other monitoring tools).

4.6 The use of Technical Assistance

The implementation of the measure Technical Assistance proved to be of significant importance for the IPARD Managing Authority and the IPARD structures in whole, since the IPARD Agency, Management Structure and different stakeholders involved have indirectly benefited its implementation.

In total, IPARD Managing Authority signed 10 contracts with the IPARD Agency (526.697 € EU contribution).

The contract with the highest value being implemented through the measure is the procurement of services for an independent ex post evaluation of the IPARD 2 Programme.

In the past two years (2023 and 2024), there have been two unsuccessful attempts to hire a company to organize meetings of the Monitoring Committee. Due to the failure of these

procurements, the IPARD Managing Authority has made changes to the APTA in order to be able to logistically organize meetings of the Committee.

Envisaged activities within APTA 2024:

- Organizing IPARD Monitoring Committee – 4 meetings, in indicative amount of 65.000 €.
- Expenditure on information and publicity campaigns, including costs of printing and distribution – Printing of promotional materials (instructions, brochures and application forms), in indicative amount of 2.500 €.
- Cost of translation and interpretation - translation of Programme documents, in indicative amount of 5.000 €.
- Training to prepare potential LAGs for implementation, in indicative amount of 20.000 €.
- Workshop for strengthening of capacities for evaluation and determination of expected results, in indicative amount of 20.000 €.
- Realization of Evaluation activities, ex-post evaluation of IPARD Programme 2014-2020, in indicative amount of 95.000 €.
- Workshop for education in PRAG rules for IPARD MA and IPARD Agency, in indicative amount of 15.000 €.

4.7 Activities for stakeholders involvement in IPARD implementation

Programming of assistance in agriculture and rural development has been prepared in close consultations with all appropriate interested parties (socio-economic partners as defined by the national legislation in this case). The process of preparation of the Programme was carried out under the competence of the IPARD MA in cooperation with the IPARD Agency and in continuous consultation with all relevant stakeholders, competent state, regional, local authorities and other public authorities, the economic and social partners and any other appropriate bodies representing civil society, non-governmental organisations, including environmental organisations.

The strategy of this Programme and short description of the selected measures is published on the MAFWE web-site inviting the general public for comments on the chosen strategy, financial plan distribution and measures and actions to be supported in detailed description. The public is asked to provide their opinion by providing answers to the following questions:

1. Whether the selected sectors for support as well as the type of eligible investment correspond with the actual needs?
2. Whether the general and specific criteria in the measures are attainable and realistic?
3. The proposed investment value (minimum and maximum) in the measures correspond to the needs?
4. The definition of the beneficiaries is well suited to the actual situation and the agriculture sector and the rural areas?
5. Whether the budget allocation per measure is acceptable and is it considered that the same can be adequately used?
6. What other measures should be included in the Programme?
7. Suggestions/ proposals to improve the absorption of the available IPARD funds.

In addition, IPARD MA staff has participated in the presentations of the opportunities that IPARD Programme gave to the potential recipients based on the invitation of different associations and unions as economic partners (Chamber of commerce, Farmers associations, Cooperatives, Crafts associations, etc).

Regarding the preparations for the implementation of the LEADER measure, Managing Authority continued the coordination meetings with representatives of the rural development network and MAFWE colleagues from the rural development Department. Considering that the implementation of the measure is being piloted through the national Rural Development Programme, the meetings discussed the experiences and problems faced by LAG, but also exchanged ideas for improving implementation in the future when the measure will be implemented through IPARD.

In the scope of the communication and publicity campaign, several events (workshops, forums, meetings) were held in order to improve cooperation in between IPARD structures and between IPARD structures and other stakeholders (Technical Bodies, Non-governmental organizations, Consultants). Direct communication with the stakeholders at these events contributed to significant improvements in the implementation of the Programme, as well as increased cooperation and trust of external stakeholders in the IPARD structure in anticipation of the new programming period.

Stakeholders' involvement is also secured in the work of the Monitoring Committee by participation of representatives of different interest groups as members of the Committee. Following members in the Monitoring Committee are representatives of different stakeholders and economic, social and environmental partners:

1. representative from the Chamber of Commerce of Macedonia – economic partner;
2. representative from the Chamber of Commerce of north-western Macedonia – economic partner;
3. representative from the Association of Chamber of Commerce of Macedonia – economic partner
4. representative from the Macedonian Association of Processors – economic partner;
5. representative from the National federation of farmers of North Macedonia – economic partner;
6. representative from Craft Chamber – economic partner;
7. representative from the Faculty of Agricultural Sciences and Food, University "Ss. Cyril and Methodius" – social partner;
8. representative from Goce Delchev University – social partner;
9. representative from the Association of Units of Local Self-Government (ZELS) – social partner;
10. representative from Rural Development Network – social partner;
11. representative from the Faculty of Veterinary Medicine – social partner;
12. representative from the Movement of Ecologist of Macedonia – environmental partner;
13. representative from LAG Agro-Leader – social partner
14. representative from the Network of Young Farmers – social partner;
15. representative from the Association of Citizens' Associations - Farmers Association – social partner;
16. representative from the Association of Manufacturers of Wine Exporters and Other Grape Beverages "Wines from Macedonia" – economic partner.

IPARD MA included all relevant authorities and bodies as well as appropriate economic, social and environmental partners in the consultation process of drafting the Programme. The results of the consultations is presented in the separate chapter 13 of the IPARD Programme 2021-2027. Six different workshops are held covering different sectors supported under measures in the Programme.

4.8 Ensuring publicity and information implementation of the Communication Plan

INTRODUCTION

The activities related to the publicity of the IPARD Programme 2021-2027 are foreseen in the annual action plan for publicity and communication of the IPARD Programme for 2023 and 2024. The specific objectives of the publicity plan are: delivering quality information to the target groups in order to promote the opportunities offered by the assistance of the European Union and our country, to promote the results of the implementation of the IPARD Programme, to increase the number of quality applications and to raise awareness among the general public about the contribution of the European Union.

The planned activities refer specifically to:

- Organization of IPARD info educational days;
- IPARD forums for a more successful implementation of the IPARD Programme 2021-2027;
- IPARD workshops for preparation of IPARD application forms, publication of public calls

- Performances/interviews in electronic media and newspapers;
- Publication of the list of end users of funds from the IPARD Programme;
- Creation and distribution of application forms and guidelines dedicated to IPARD Programme 2021-2027;
- Preparation and distribution of brochures dedicated to the publicity of IPARD Programme 2021-2027;
- Publication of audio and video clips;
- Updating the website: www.ipard.gov.mk.

The institutions responsible for implementing the above-mentioned activities in accordance with their competences and functions are the following: IPARD Managing Authority and the IPARD Agency.

REALIZED ACTIVITIES

1. Organization of IPARD informative and educational days

The organization of informational days of the IPARD Programme took place in the period before and during the published public calls for a specific measure.

The previous announcement for the public call for measures 1 and 7 of the IPARD Programme 2021-2027 was published on May 15, 2023, and the public call was published on September 1st, 2023 and lasted until October 30th, 2023.

The info days were realized in coordination between the IPARD Managing Authority and the IPARD Agency. The possibilities offered by IPARD, were elaborated before a wider audience, by representatives from both institutions, and info days were followed by more than 100 participants. Taking into account the current situation with the energy crisis, the info days caused great interest among companies from the manufacturing industry. Information about planned publicity activities was sent to chambers of commerce, craft and other associations, portals, agricultural cooperatives, the Rural Development Network, the National Farmers' Federation and other institutions, by email, and they were asked to forward this information to their members and/or publish it on their websites. The general public and potential users of IPARD funds are encouraged to ask questions via e-mail or phone calls regarding the available support.

The first cycle of info days was announced with a big event, realized in cooperation with the Cabinet of the Minister of Agriculture, Forestry and Water Economy, as well as with the Cabinet of the Minister for European Affairs and the IPARD Agency director. The event was held on 5th of February 2024 in Skopje and it was attended by a large number of mayors of rural municipalities, as well as ministers, directors and heads of state institutions that are involved in the implementation process of the IPARD Programme.

The information campaign for the public call for measures 1 and 7 of the IPARD Programme 2021-2027 ended on 13th of October 2023 in Bitola with an event that aroused great interest among Bitola residents. The event was attended by representatives from the IPARD Managing Authority, IPARD Agency, the regional MAFWE unit, the deputy Director of the NEA (advisory service agency), the Director of the State Agricultural Inspectorate and a large number of interested potential users of the Programme. The publication of the public call for the new IPARD III Programme was also covered by a large event organized by IPARD MA, IPARD Agency, the MAFWE, NIPAC and primeminister cabinets. The event was realized with great media coverage and had a great impact in the public. It was an excellent basis for a successful public announcement for measures 1 and 7 of the IPARD Programme 2021-2027.

2. Delivery of direct information towards the beneficiaries

Pursuant to Article 12, paragraph 3, of the IPARD Agency and the IPARD Managing Authority Implementing Agreement, the IPARD Agency submits monthly reports on the promotional activities of the Agency. The delivery of information, by telephone and e-mail, to potential users is carried out continuously, that is, in the telephone center of the Agency. The IPARD Managing Authority provides publicity information via e-mail, by phone and in the premises of the IPARD Authority.

The questions asked on the Agency's website refer to the public call 01/2023 for measures 1 and 7 of the IPARD Programme 2021-2027. The most frequently asked questions are related to the priority sectors, whether photovoltaics are eligible as an expense, where to find the application kit, who is eligible to apply and what are the eligible investments, questions about renewable energy sources, eligible expenses for all three measures and many others questions related to measures from the IPARD Programme.

The questions and answers asked by the interested parties, by e-mail and at the organized events, are published on the websites of the IPARD Managing Authority and the IPARD Agency.

3. Update of the IPARD Programme web site (www.ipard.gov.mk)

The website www.ipard.gov.mk is regularly and continuously updated with information and news regarding the public calls, info days, draft version of the IPARD III Programme, brochures, instructions and much more useful information.

The announcements about the informative and educational days were published continuously during the public call. The new Guidelines regarding measures 1 and 7 are published on the website.

In the period from May to December 2023, the website provides traffic statistics. The statistics record the following data, namely:

- Website users 55,930
- New users 51,107,
- Total page views 1.327,044.

The website is visited by many interested parties from different countries, from our country, countries in the region and beyond.

The website <http://ipard.gov.mk/mk/pocetna/> is regularly updated with information, announcements and news related to the activities for the implementation of the IPARD Programme 2021-2027.

5. Financial tables showing Union, national and total expenditure per measure and sector

Table 26: Financial implementation of the IPARD Programme 2021-2027

	Sector	Contracted		Paid	
		Total public expenditure	EU contribution	Total public expenditure	EU contribution
M1	Livestock sector	3.825.155	2.868.867	306.009	229.507
	Crop sector	10.569.803	8.180.980	60.741	45.556
	Fisheries sector	627.408	62.741	0	0
	Other Annex 1 products	1.911.059	1.458.249	0	0
	On-farm processing	0	0	0	0
	Renewable energy	0	0	0	0
M3	Milk and dairy products	0	0	0	0
	Meat and meat products	0	0	0	0
	Fruits and vegetables processing	0	0	0	0
	Cereal, milling and starch products	0	0	0	0
	Vegetable and animal oils and fats	0	0	0	0
	Grape must, wine and vinegar	0	0	0	0
	Production of energy	0	0	0	0
M7	Alternative agriculture production	532.926	399.695	0	0
	Processing of alternative agriculture production	279.640	209.730	0	0
	Production of food products and beverages	0	0	0	0
	Manufacturing of non-food products	3.754.421	2.883.315	507.679	380.759
	Development of crafts activities	0	0	0	0
	Support of services for the rural population	1.639.755	1.229.817	345.919	259.439
	Support of services to agriculture	646.981	485.236	0	0
	Promotion of Rural Tourism	3.517.908	2.638.431	177.651	133.238
Production and sale of renewable energy	0	0	0	0	
M9	Monitoring Committee				
	Information and Publicity campaign	542.829	526.697	3.540	3.010
	Programme evaluation				
	Support to other measures				
Total		26.681.953	20.356.978	1.401.540	1.051.509

Source: IPARD III M&E indicator tables 2024

Table 27: Annual payments to recipients in 2024

Measure	EU part	National	Private	Total expenditure
Measure 1	275.063	91.688	116.428	483.179
Measure 3	0	0	0	0
Measure 7	773.436	257.812	1.282.992	2.314.240
Measure 9	3.010	531	0	3.541
Total	1.051.509	350.031	1.399.420	2.800.960

Source: IPARD III M&E indicator tables 2024

Table 28: Cumulative payments to recipients

Measure	EU part	National	Private	Total expenditure
Measure 1	275.063	91.688	116.428	483.179
Measure 3	0	0	0	0
Measure 7	773.436	257.812	1.282.992	2.314.240
Measure 9	3.010	531	0	3.541
Total	1.051.509	350.031	1.399.420	2.800.960

Source: IPARD III M&E indicator tables 2024

Table 29: Financial performance (public expenditure (EU + national expenditure) against the last approved financial plan³)

Measure	EU part (A)	National	TPE	IPARD Programme financial plan (EU part) (B)	Financial performance (A/B)
Measure 1	275.063	91.688	366.751	29.150.000	0,94 %
Measure 3	0	0	0	26.030.000	0,00 %
Measure 7	773.436	257.812	1.031.248	26.250.000	2,95 %
Measure 9	3.010	531	3.541	2.470.000	0,12 %
Total	1.051.509	350.031	1.401.540	83.900.000	1,25 %

Source: IPARD III M&E indicator tables 2024

³ The last approved financial plan of the Programme was approved with the 2nd modification of the Programme by Commission Decision C(2024) 4519

6. Coordination of IPARD funds with national funding, other IPA components, IFI's and donor support

a. Mechanisms and actions for coordination of IPARD

Following authorities and the responsible bodies are designated for management and implementation of the IPARD Programme 2021-2027:

- The MS is in charge of tasks of financial management of assistance under IPA, under the responsibility of the NAO (responsibilities outlined in Article 7 of the Sectoral Agreement).
- IPARD Managing Authority main functions and responsibilities outlined in Article 8 of the Sectoral Agreement and focus on the Monitoring, Evaluation, Reporting, Coordination and Publicity of the IPARD Programme.
- The IPARD Agency (responsibilities outlined in Article 9 of the Sectoral Agreement) shall carry out all tasks related to executing payments to final beneficiaries.

The coordination between the above structures was realized primarily through the working group, established by the Minister with members from the IPARD MA, MAFWE Department for rural development, IPARD Paying Agency, as well as NAO and MS.

The working group had meetings throughout the reporting period of this report.

b. The Complementarity of the IPARD Assistance with the national funding

To ensure complementarity of IPARD assistance with national funding and avoid any overlaps between the National Programme for Financial Support to Rural Development and IPARD Programme 2021-2027, following measures were taken:

- The Minister established a working group (members from IPARD MA, MAFWE Department for rural development, IPARD Paying Agency, and occasionally NAO/MS) for resolving this issue and avoid any overlapping between the IPARD and the National RD Programme (NRDP). The working group reviews the NRDP measures, types of beneficiaries, production sectors supported, and types of investments each year before public call under NRDP is announced.
- The draft NRDP (annual programme) has been reviewed by the IPARD MA recommending which measures/sub measures can be implemented avoiding overlapping with IPARD.
- Within the IPARD Agency procedures (Sector for authorization of payments), there is a checklist that eliminates the possibility of an IPARD beneficiary to have benefited in the past with financial assistance for similar measure/activity under the NRDP.

These activities prevent the possibility of financing the same types of investments from both Programmes and provided opportunity to save funds from the national Budget and use of the allocated funds from the IPARD Programme. At the same time, the cooperation between IPARD Managing Authority and the Department of Rural Development improved, especially in the process of planning the measures financed by the national Programme, in order to avoid overlapping of the measures for financing investments. Such improved conditions and implemented recommendations led to overcoming audit finding (Audit Authority system audit in 2017) related to complementarity between Programmes.

c. The Complementarity of the IPARD Assistance with other IPA components

Both the Head of IPARD Managing Authority and the Director of the IPARD Agency are nominated members of the IPA Monitoring Committee and regularly participate on the joint meetings.

MAFWE Department for EU integration is responsible for monitoring of contracts related to other IPA support granted for agriculture and rural development sectors and thus it is responsible to crosscheck the possible overlap in cases of request by the IPARD Managing Authority and the IPARD Agency. MAFWE Department for EU integration involves both the IPARD Managing Authority and the IPARD Agency in the process of planning of the IPA assistance to largest extent

possible as to avoid any potential overlap between the project actions and this Programme and to target the assistance to complement this Programme actions.

d. The Complementarity of the IPARD Assistance with other IFI's and donor support

The coordination between the donor assistance instruments and IPA is based on the integration of the coordination function within the Secretariat for European Affairs under the management of NIPAC. At the same time, NIPAC is appointed by the Government as responsible for coordination of foreign aid.

Concerning IFI's, NAO also acts as State Advisor in the MoF which coordinates the use of IFI's funds.

7. Conclusions from the implementation in year 2023 and 2024

Large number of applications and interest for investments under the IPARD Programme 2021-2027. Number of applications submitted on the public calls 01/2023, 01/2024 and 02/2024, reached 1.403 (applying for 114.549.428 € EU contribution). The requested amount for support for all received applications up to now overpassed the programming period 2021-2027 available budget. This situation indicates that Macedonian rural areas are in great need of investment. In order to meet the investment needs, additional measures should be accredited in the Programme.

The high interest and number of submitted applications, the lack of staff to approve applications at the Agency, and the slow process of providing reference prices, are greatly slowing down the **application approval process.**

Considering the fact that last IPARD 2 call for measure 1 was in 2020, the data for the reference prices in the Agency were outdated. The update of the reference prices was done with data on prices received at the 01/2023 call. The IPARD Agency introduced "**reference price evaluation committee**". By April 2025 (two years into the implementation of IPARD III and 4 public calls), 45 applications are processed by Evaluation Committee members (43 construction works and 2 specific equipment). Before applying this procedure, the average period for a response from the Bureau of Court Expertise in 2020 was 150 days and 85 days in 2021. By applying this procedure, the long deadlines for receiving a response from the Bureau of Court Expertise and the contacted suppliers through the market research has been overcome, thus significantly speeding up the work the Agency.

Good knowledge and information of possibilities that are offered by IPARD Programme 2021-2027 among potential beneficiaries, contributed towards large number of applications. The high level of awareness of the opportunities offered by the Programme and the familiarity with its criteria and details, is largely due to the face-to-face meetings with potential beneficiaries, prior to the announcement of public calls, enabling potential beneficiaries to obtain reliable and quality information about the Programme in advance. Implementation of more comprehensive and thorough publicity campaign involving IPARD MA, IPARD Agency, NEA and other stakeholders (farmers' associations, consultants, representatives from technical bodies) is planned for 2025.

Coordination among IPARD structures can be improved, especially in terms of data exchange between the IPARD Agency and IPARD Managing Authority necessary for monitoring and evaluation purposes. The envisaged establishment of a system for electronic processing of applications in the Agency will cause improvement of the process of data exchange, monitoring and evaluation and reporting, having in mind that it will enable read only access to the system of the Agency for other IPARD management structures.

ANNEX 1:

Indicator Tables for Monitoring and Evaluation of the IPARD Programme 2021-2027

Status: 31.12.2024