



Republic of North Macedonia

Agency for Financial Support of the Agriculture and Rural Development

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

The first IPARD III public call, 01/2023, for Measures 1 and 7, was published on 1 September 2023 and remained open until 30 October 2023. A total of 1,159 applications were submitted, with the requested co-financing exceeding the available budget. Average days needed to conclude the contract were 342 for Measure 1 and 287 days for Measure 7. 237 rejected applications for Measure 1 and 57 for Measure 7. **The main reasons for rejection were incomplete documentation. At the first stage of completeness verification, a significant number of applications were rejected due to the absence of criminal record certificates (Basic Criminal Court Registry). Regarding eligibility, many applications were rejected because the requested funding exceeded the available budget.** Due to the high number of applications and the total requested financial support surpassing the allocated funds, applications were ranked according to the selection criteria of the IPARD III Programme. For Measure 1, under Public Call 01/2023, 126 applications were rejected because they were not within the range of the available budget, with a total amount of 11,262,459.99 EUR, or total requested financial support of 7,027,534.26 EUR. For Measure 7, under public call 01/2023, 75 applications were rejected because they were not within the range of the available budget, with a total amount of 23,272,688.55 EUR, or total requested financial support of 13,981,714.24 EUR.

There is also one cancelled contract due to validity expiration of the building permit. This also issued changes to the IPARD Programme 2021-2027 regarding the minimum validity period of the building permit, necessary for applying with construction works.

The second public call, 01/2024, covering Measure 3, was published on 13 April 2024 and closed on 12 June 2024. The number of applications exceeded the available budget, necessitating the application of ranking criteria. The number of submitted applications that are not within the range of the available budget is 22 applications with a total financial support of 8,466,335.74 Euros. Up to date, 35 contracts have been concluded so far and there are still 47 applications being processed with total amount of public expenditure of 6.626.452,23 EUR. Most demanding ranking criteria turned out to be providing existing contractual relationships with primary agriculture producers registered in the Farm Register covering at least 30% of the planned supplies of agriculture products for processing within investment project. Applicants were asked to provide additional documentation in order to verify that they have such contracts. Most of them submitted them but due to not existing standardized template of contracts it was very difficult to identify, verify and calculate the correct percentage of the agricultural products. Additional guidelines how to calculate the correct percentage were given by NAO as a recommendation from their audit on implementation of the ranking criteria. Application of the ranking criteria further more prolonged the contracting period and overloaded the employees within SPA.



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As a result of the application of the ranking criteria, certain modification of the current procedures for work in SPA and also modifications to the IPARD Programme were needed to be made. Modifications of the IPARD Programme have been agreed with IPARD MA and the amendment of the procedures for work of SPA are ongoing.

The main reason for rejecting applications was their incompleteness and/or non-compliance. 16 applications are rejected because of incompleteness. **The most common reason for rejecting incomplete applications was the failure to submit the required documents to meet environmental standards.** Regarding non-compliance of recipients, no single criterion could be identified as the most frequent cause for rejection.

Administrative review of all applications has been completed, completeness checks and eligibility assessments have been carried out, on-the-spot controls have been conducted prior to project approval. For all complete and eligible applications reference price verification is completed and SPA received the prices through the internal electronic system. Overall processing continues into 2026.

On 5 November 2024, the third public call, 02/2024, for Measure 7, was opened and closed on 20 December 2024. Ranking procedure was not implemented in this public call. The administrative processing and completeness check of all applications have been completed. The main reason for rejecting applications was their incompleteness and/or non-compliance. 47 applications are rejected because of incompleteness. For all complete and eligible applications, requests for reference price verification were sent through the internal electronic system to the department responsible for maintaining the reference price database, and on-the-spot controls were conducted for these applications. For all eligible applications, reference price verification and on-the-spot controls were performed, while overall processing continues into 2026. Up to date 11 contracts have been concluded and there are still 23 applications being processed with total amount of public expenditure of 7.271.432 EUR

There were applications with artificially created conditions (legal entities registered as craftsmen in the Crafts registry prior the call for applications no meeting the criteria for craftsmen (some of them previously applied and received financial support in other sectors). 11 applications in total were rejected due to these reasons.

These issued need of modification of the IPARD Programme, regarding the definition of Craftsmen and craft activities. Also changes in the procedures are currently being made.

There is also one cancelled contract due to validity expiration of the building permit.

The fourth public call, 01/2025, for Measure 1, was published on 12 February 2025, with a budget of €7,415,335 and closed on 29 March 2025. The main reason for rejecting applications was their incompleteness and/or non-compliance. 99



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applications are rejected because of incompleteness. No contracts for financial support under this public call have been concluded yet. The administrative processing and completeness check of all applications have been completed. For all complete and eligible applications, requests for reference price verification were sent through the internal electronic system to the department responsible for maintaining the reference price database, and on-the-spot controls were conducted for these applications. Overall processing continues into 2026.

Taking in consideration the current situation with IPARD Programme being suspended and not being able to conclude any contracts and execute payments there is a big risk of recipients to cancel their investments and withdraw their applications/claims for payments.

2. Reference Prices

In order to address the need for increased efficiency and effectiveness in the determination of reference prices, a set of targeted measures has been designed and is being under implementation. These measures are aimed at ensuring the timely, reliable and comprehensive collection of pricing information from suppliers, thereby strengthening the overall quality, transparency and credibility of the reference price system.

Activity 1: Procurement and Deployment of a New Software Solution

A detailed technical specification has been developed and the procurement procedure for a new software solution – the Reference Price Database – has been launched, as part of the broader digitalisation of IPARD process implementation within the Agency.

The envisaged system will ensure full interoperability with the application submission and processing workflows for financial support, including integrated validation and control mechanisms across all relevant business processes.

The deployment of the Reference Price Database is expected to streamline the submission and verification of offers and to enable the automated calculation of reference prices, thereby reducing the scope for manual intervention and potential errors. The technical specification explicitly incorporates corrective measures aimed at addressing all outstanding audit findings and ensuring the full implementation of the corresponding recommendations.

Activity 2: Introduction of Mandatory Supplier Registration

A dedicated procedure introducing mandatory registration of suppliers for each public call is in the final stage of preparation.

Under this procedure:

- All suppliers intending to participate in a given public call will be required to register within the duration of the call by submitting an application accompanied by a catalogue containing retail prices for their full product range. As part of the



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registration process, suppliers will be required to sign a Declaration of Cooperation.

- In cases where a supplier refuses to cooperate, and where the IPARD Agency has duly justified grounds to consider that the supplier possesses or may possess relevant pricing information, appropriate corrective measures will be applied. This will include the rejection of all offers submitted by the respective supplier within the ongoing call. In such cases, applicants will be granted the opportunity to replace the non-compliant offer with a valid offer submitted by another registered supplier.
- A list of registered suppliers, categorised by sector, will be published on the official Agency website, based on the submitted registration data.
- The pricing information contained in the submitted catalogues will be treated as confidential and will not be disclosed publicly. Such data will be used exclusively for the purpose of establishing and calculating reference prices within the Reference Price Database.

The implementation of this measure is expected to result in:

- a substantial reduction in the time required for the determination of reference prices,
- the establishment of a structured and reliable pool of verified suppliers,
- a significant mitigation of risks related to fictitious offers and price manipulation,
- enhanced transparency, accountability and trust in the system.

Activity 3: Strengthening Structured Cooperation with the Business Sector

In parallel, a structured approach has been developed to enhance cooperation with the business sector and to reinforce the institutional credibility of AFSARD.

This includes:

- systematically emphasising the importance of cooperation with the business sector during information days organised in the context of public calls,
- organising dedicated consultation meetings with representatives of the business sector prior to the launch of each public call,
- ensuring the active and mandatory participation of OBRC representatives at relevant fairs and sector-specific events related to equipment financed under IPARD.

These actions are expected to facilitate the establishment of direct and sustainable communication channels, improve the availability and quality of supplier-related data, and increase awareness among suppliers regarding their role and responsibility in safeguarding both national and EU financial interests.

Activity 4: Strengthening Cooperation with Relevant Institutions

A procedure for obtaining reference prices from relevant institutions is currently in the final stage of development.



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In this context, contact has been established and the process for concluding a Cooperation Agreement with the Agricultural Institute has been initiated. As a recognised scientific and academic institution in the field of agriculture, the Institute has the capacity to develop reliable reference prices for a range of agricultural operations, including soil cultivation, hail protection systems, vineyard structures and irrigation systems.

Furthermore, the Agency will explore the possibility of engaging additional relevant institutions, particularly in the fields of construction and mechanical engineering, with the aim of ensuring access to accurate, objective and verifiable pricing data.

3. Authorization of payments

In the period from December 2025 - April 2026, under the IPARD III Programme from Call 01/23 for measure 1, 10 claims for payment with total amount of €1,645,858.00 and 9 claims for payment for measure 7 with a total requested amount of €1,809,459.00 were received.

Under Call 01/24 for measure 3, 12 claims for payment with a total requested amount of 1,857,564.00 € were received.

Under Call 02/24 for measure 7, 2 claims for payment with a total requested amount of 36,729.00 € were received.

For measure 9, 1 claim for payment with a total requested amount of 88,350.00 € was received.

All received claims for payment are under processing and are in the administrative control phase (on the spot control) until the issuance of Decision for Payment.

The Agency has rejected 1 claim for payment because the beneficiary did not meet the animal welfare standards.

The Agency has issued 8 Decisions for recovery of funds following an Audit Finding by the Audit Authority and NAO- Sector for Management of Funds from the Instrument for Pre-Accession Assistance - IPA.

The Agency has issued 1 Decision for recovery of an advance payment, because the Contract for Financial Support was terminated.

Due to the status quo of the Agency and the suspension introduced by the Ministry of Finance - NAO for temporary prevention of payments of any kind, there is a delay in payments to beneficiaries from the first quarter of 2026, as well as to beneficiaries to which were issued 15 Decisions for Payment thereby these Beneficiaries have not been paid.

Due to the above, there is a high risk of delays in payments to beneficiaries from the second quarter of 2026.



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