Ministry of Finance
IPA Funds Management Department

Information on functioning of the Management and Control System anf Financial Implementation of IPARD Programme

1. Assessment of Management and control system

During 2025 management and control system under the implementation of IPARD III Programme 2021-2027 was regularly monitored and supervised by NAO/MS through different tools.

No significant changes in the design of the management and control system have occurred.

However, in accordance with the events that have occurred regarding the isolated case of corruption by a high-ranking official within the IPARD Agency, the National Authorizing Officer interrupted all IPARD payments on national level. This Decision was based on Article 6, paragraph 5 of the Decree on establishment of the structures and authorities and determining their mutual relations for managing financial assistance under the Instrument for Pre-accession Assistance (IPA III) in indirect management and took place on 7th November 2025. This measure took effect immediately and is still active. The European Commission was immediately informed for this Decision by the National Authorizing Officer.

Management structure immediately identified critical system points that could potentially allow the possibility of corruption and prepared plans for checks, as well as areas of the established management and control system that need to be re-evaluated in accordance with this new situation.

The extraordinary verification visit by the Ministry of Finance – IPA Funds Management Department (Management Structure) was carried out during November/December 2025 and final report from this visit was issued 25th of December 2025. The purpose of this extraordinary verification visit was to be assessed by the Management structure whether is ordinary or isolated case of corruption during processing and approving of IPARD funds. Based on these extraordinary assessments, and additional checks and controls performed by the Management Structure it was assured that the established system guarantees the legality and regularity of IPARD payments, as well as that effective measures to protect the EU and national funds against fraud and corruption exist. Thus, it was once more proved that the identified case is isolated and is not extended on the established IPARD structures and employees. While preparing for the checks, NAO/MS had coordination with Audit Authority (AA) in order overlaps of the checks to be avoided.

On 23rd December 2025, European Commission interrupted the payment deadline for the declaration of expenditure for the third quarter of 2025 under the IPARD III programme, which was submitted on 29th October 2025, in amount of EUR 2.970 846,68. This action was taken in accordance with Article 38 of the Financial Framework Partnership Agreement and Article 9 of the Financing Agreement. EC in the letter explained that this measure complements to the measures already taken by NAO in order to ensure the protection of the Union financial interests.

Based on the outcomes from verification visit and on request of IPARD Agency, NAO on 14th January 2026 issued directions for work of the IPARD Agency while the suspension of payments for the IPARD Programme is active. Namely, the directions which are still in force are:

- IPARD Agency may proceed to sign Annexes to already signed Contracts from the IPARD III Programme that do not cause financial implications, i.e. not assume new financial obligations (Annexes that imply a reduction in financial support may be signed);
- IPARD Agency may act on Requests by the IPARD applicant for repetition of procedures following rejection decisions. The procedure may be carried out until the moment of adoption a Decision on granting financial support, i.e. payment Decision, which would be adopted and implemented after the complete withdrawal of the suspension of payments issued on 7th November 2025;
- IPARD Agency to Act upon judgments regarding lawsuits from the Administrative Court in accordance with the court judgments and
- IPARD Agency may also act on recommendations from findings issued by the Audit Authority, the Management Structure and Internal Audit, which do not cause the assumption of new financial obligations. For those recommendations that cause new financial obligations, activities may be undertaken up to the issuance of a Decision on the granting of financial support, i.e. a payment decision, which would be issued and implemented after the complete withdrawal of the suspension of payments issued on 7th November 2025.

In addition, based on the request by DG AGRI checks to be done on the projects covered in declaration of expenditure in Q3 2025, Management Structure performed additional verification visit during January 2026. Final Report of this visit was issued on 3rd February 2026. The purpose of this verification visit was to confirm the legality and regularity of payments made for projects from the IPARD III program declared to the EC in the third quarter of 2025. The verification visit included an administrative checks over the documents related to the projects selected through random selection methods. Details and the scope of this visit are presented in the Report. Although some findings for certain inconsistencies were identified, the general conclusion is that the system functions in accordance to the internal control framework requirements and guarantees legality and regularity of the underlying transactions.

Additionally, in March 2026 Management Structure performed verification visit on projects covered in declaration of expenditure for Q4 2025. During this visit, on the spot checks was performed on two projects (selected for this visit). The sample for these checks was done on 24% of the total number of projects or representing 46% of the declared amount to the EC for the fourth quarter. The selected sample complements the checks already conducted by the IPA Audit Authority on 13.2% of the declared amount to the EC for the fourth quarter. Verification visit report was issued in April 2026 and the general conclusion was that the system guarantees legality and regularity of the underlying transactions and the investments at the visited beneficiaries is in operation, in accordance with the objectives stated in the projects.

Taking into consideration all abovementioned activities undertaken by the Management and Operating Structure, NAO/MS assures that the established system of the IPARD structure functions in effective and efficient manner, internal control framework is properly established and respected and the transactions are implemented in legal and regular manner. The opened irregularity case related to the previous general manager, is considered as an isolated corruptive case which should not jeopardize the functioning of the IPARD system and IPARD structure, implementation of the IPARD Programme, neither reputation nor attractiveness for applying by the applicants.

National interruption of payments shall be lifted after securing financial liquidity for continuation of the IPARD financial operations.

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 4th February 2025 and Amendment to the Annual Verification Visit Plan for 2025 adopted on 12th December 2025, planned and realised three verification visits as NAO monitoring tool of functioning of MCS for IPARD III Programmes, as follows:

- Administrative check on project level concerning implementation of Technical Assistance Measure under IPARD III;
- Ad hoc Verification Visit on administrative checks of the process of ranking the applications under public call 01/2024 and
- Extraordinary verification visit of the management and control system for implementation of the IPARD III Programme.

Annual Plan for Verification Visits for 2026 was adopted on 29th January 2026 and foresees four verification visits out of which first two are already realized, as follows:

1. Continuation of administrative check of the paid projects in Q3 2025 under IPARD III (already realised in January 2026);
2. Administrative check on projects according risk analysis based on the national decision for suspension of payments and in close consultation with DG AGRI (indicatively planned for February-April 2026);
3. Verification Visit on Project Level for paid projects, in particular ex post - on the spot checks (indicatively planned for August-October 2026) and
4. Administrative check of the implementation of the changes on IPARD III Programme (indicatively planned for November-December 2026).

3. Accreditation of new measures

Request for Budget Entrustment with Investments in Rural Public Infrastructure Measure was submitted to EC/DG Agri at the end of October 2025. IPARD Structures are awaiting DG Agri respond on the matter.

In addition, IPARD Structures are working on setting up the system for LEADER Measure. Regular meetings for streamlining the processes were held among the structures till occurrence of the latest event. The process shall be re-started in the upcoming period.

Initial coordination among IPARD Structures for Agri-environment Measure was held as well. More focus on this measure will be put in second half of 2026.

4. Administrative capacities of the institutions within IPARD structure

Management Structure

Current number of employees in Management Structure is 16 (sixteen - including NAO) and the occupancy rate according to the WLA is 84% (16 filled posts out of 19 needed). Additional 1 (one) employee is needed in NAO Support Unit dealing with IPA Programmes. Accordingly, NAO/MS capacity, in light of implementation of IPARD III Programme additional 1 (one) employee is needed in the position of Effective Functioning of the EU Fund Management and Control System of the IPARD Programs.

IPARD Managing Authority

Workload Analysis (WLA 2026) of the IPARD Managing Authority refers to the activities at the programme level which covers all the measures which are part of IPARD programme. According to Workload Analysis (WLA) the number of employees in the IPARD Managing Authority at the moment is 12 (including HoMA) representing occupancy rate of 86%.

IPARD Agency

According to WLA for 2026 by the IPARD Agency, the optimal number of employees needed is 165. At the moment, there are 154 employees engaged in IPARD structure of the Agency, representing occupancy rate of93%. Accordingly, IPARD Agency has identified 11 vacant positions which need to be employed in order to reach the optimal number. The plan of IPARD Agency is to fill these positions by mid-2026 (Q2/Q3).

IPARD Structure capacities

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

Institution	Number of staff on 01.01.2026	Number of staff needed as per WLA 2026	Realized new recruitments by 10.04.2026	Left the position by 10.04.2026	Number of current staff	Current occupancy rate	Turnover rate
NAO/NF	17	19	0	1	16	84%	6%
IPARD Agency	159	165	3	8	154	93%	5%
IPARD Managing Authority	12	14	0	0	12	86%	0%
Total	**188**	**198**	**3**	**9**	**182**	**92%**	**5%**

With the WLA's for 2026 the number of staff needed in the IPARD Structure increased to 198, occupancy rate is 92%. The staff turnover on the level of the Programme is 5%.

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 (Retention Policy) 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. The new Law for Administrative servants was adopted by the Assembly of the RNM on 10.07.2025 where among other retention measures 15-30 % supplement to the salary is introduced.

Decree for the criteria and conditions for IPA staff top-ups was drafted in coordination with NIPAC Office/ Ministry of European Affairs and Ministry of Public Administration.

The decree was adopted by the Government and published in the Official Gazette No.24/26 on 06.02.2026.

5. Financial management

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 and on 11th July 2025.

In the tables below are presented the executed payments – Community contribution (IPA) for the overall status of the Programme, **with cut off 17 Apri 2026**:

Table 1: Overall status of Programme for the period 2021-2027

	Community Contribution (IPA)	National Co-financing (NCF)	TOTAL	% of realisation
Available budget 2021-2027	97.000.000	31.073.333	128.073.333	
Disbursed	8.266.412,89	2.754.499,88	11.020.912,77	8%

Pursuant to Article 37 of the Sectoral Agreement, NAO has sent a Declarations of Expenditures which served as payment requests for the expenditures incurred and the revenue generated via SFC 2021 system, as presented in the table below.

Table 2: Payment requests to EC

Quarterly Declaration of expenditure		Community Contribution in €
1	Declared in Q1 2024	0.00
2	Declared in Q2 2024	0.00
3	Declared in Q3 2024	1.543,05
4	Declared in Q4 2024	1.049.966,38
5	Declared in Q1 2025	1.014.558,18
6	Declared in Q2 2025	2.074.760,72
7	Declared in Q3 2025	2.970.846,68
8	Declared in Q4 2025	1.154.737,88
	TOTAL	**8.266.412,89**

The De-commitment amount of the IPARD Programme regarding the allocation of the year 2022 amounts to EUR 433.587,00. The calculation for de-commitment of community contribution funds for 2025 is presented in the table:

Table 3: De-commitment of community contribution funds for 2025:

1	Allocations for financial years 2021 and 2022	15.000.000,00 EUR
2	Pre-financing received	6.300.000,00 EUR
3	Declared amount to EC	8.266.412,89EUR
4=1-2-3	De-commitment on 31.12.2025	**433.587,11 EUR**

Draft revised financial plan including reduce of FY 2022 for EUR 433,587.00 is prepared and shall be submitted to EC.

Table 4: Potential risk of De-commitment of community contribution funds for 2026:

1	Allocations for financial year 2023	12.000.000,00 EUR
2	Forecast for payment requests	10.741.488,60 EUR
3=1-2	Potential risk of De-commitment on 31.12.2026	**1.258.511,40 EUR**

The forecasts of likely payment request from January 2026 present that there is potential risk of de-commitment of 1.2 mil euros. This risk may increase if the suspension of payments is not lifted soon which may additionally endanger the planed realisation. Thus, request for further pre-financing.