

IPARD



РЕПУБЛИКА СРБИЈА
МИНИСТАРСТВО ПОЉОПРИВРЕДЕ,
ШУМАРСТВА И ВОДОПРИВРЕДЕ
ИПАРД АГЕНЦИЈА



Co-funded by
the European Union

IMPLEMENTATION OF IPARD II PROGRAMME

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IPARD AGENCY

Belgrade, June 2023



Implementation in Figures

Applications

Requested support:
317,23 mills. EUR



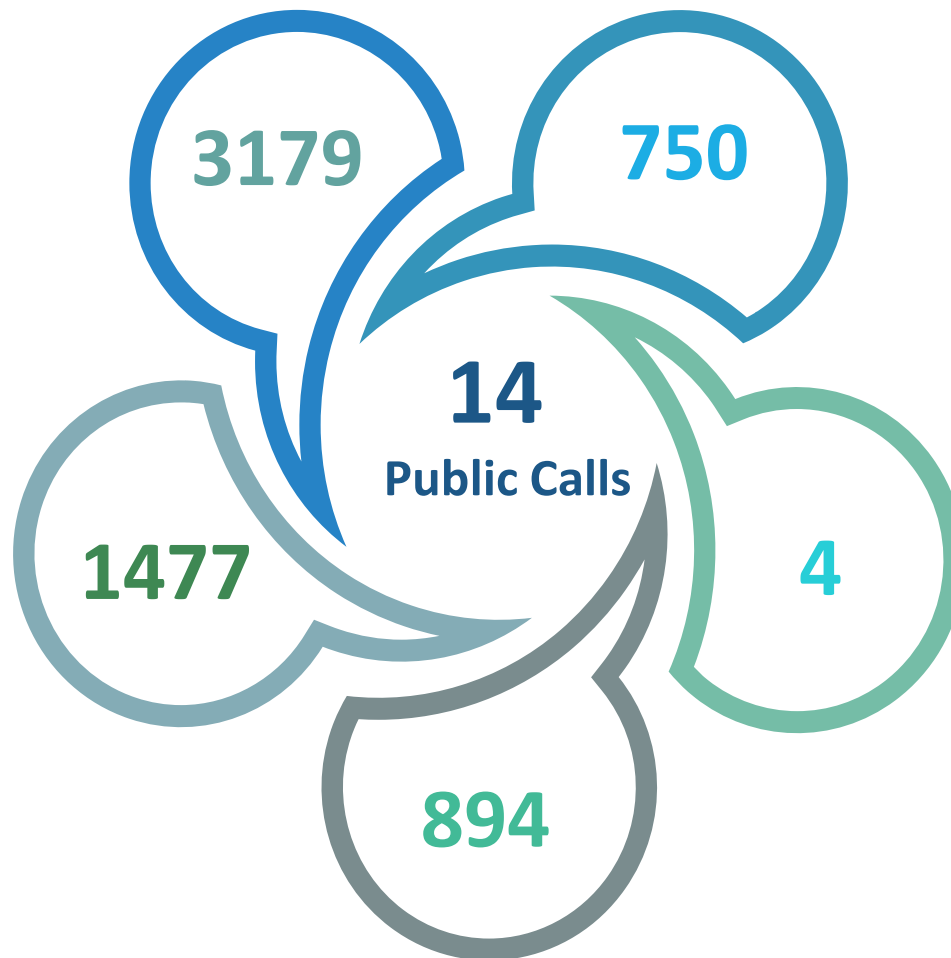
Awarded contracts

Approved amount of support:
137,8 mills. EUR



Payment requests

Requested support:
61,49 mills. EUR



Recipients

Paid funds:
47,62 mills. EUR



Measures

Allocated funds:
175 mills. EUR
*-16,51 mills. EUR
de-committed*

Cut off date: 12/06/2023

State of Play



- ✎ **The interest in the IPARD II program is almost twice the value of the program - **181%** higher requested value of EU support (**317.2 mills. EUR**) compared to the initial budget of the program (**175 mills. EUR**)**
- ✎ **Contracting**
 - ✎ In processing are 100% applications that are within the allocated budget, according to the scoring and ranking procedure, of which:
 - ✎ **Contracted 1.477** projects with approved amount of support of **137,8 mills. EUR** (**284** projects and **27,67 mills. EUR** were contracted in 2023)
 - ✎ In the final stage of the project approval process, there are applications whose approximate value is **14.5 million euros**
 - ✎ Contracting rate for the applications that are within the initial budget of the IPARD II program is **78%**
 - ✎ Contracting rate compared to the available budget after de-commitment and reduction for funds that cannot be spent is **90%**

Implementation of Contracted Projects

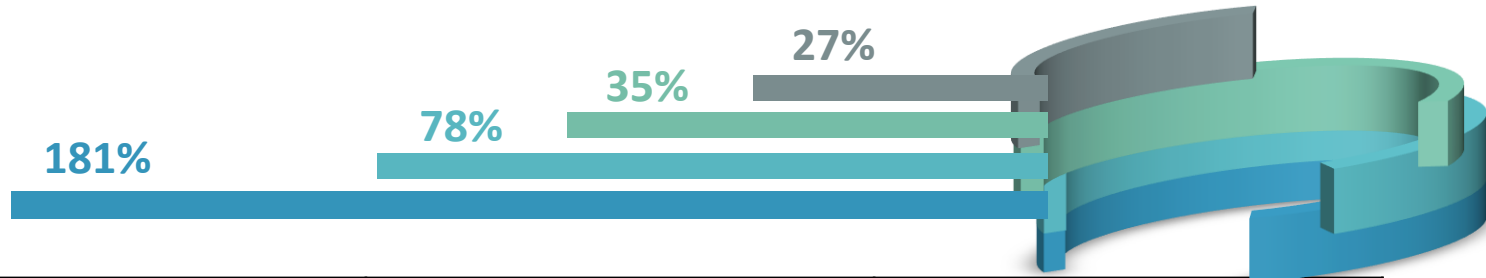
- ✎ In relation to the initial IPARD II budget, **35%** of contracted projects were implemented and users submitted payment requests
- ✎ In relation to the available budget after de-commitment and reduction for funds that cannot be spent **40%** of contracted projects were implemented
- ✎ **894 payment** requests for **61.4 mills. EUR** in total
- ✎ **109** requests for final payment of **11,63 mills. EUR in 2023**
- ✎ It is expected **150 requests** for the final payment more in the value of around **27 mills. EUR** to be submitted by the end of the year



Payment

- ✎ In relation to the initial IPARD II budget **27%** of the funds were spent
- ✎ In relation to the available budget after de-commitment and reduction for funds that cannot be spent **31%** of the funds were spent

State of play



M1, M3,
M7, M9

Cut off date:
12/06/2023

	APPLICATIONS		CONTRACTED PROJECTS		PAYMENT REQUESTS		PAID FUNDS	
	N°	Requested support	N°	Approved amount of support	N°	Requested support	N°	Paid funds
2018	736	64.238.594	22	1.520.324	10	212.276	0	0
2019	701	65.411.820	244	13.296.794	175	5.891.523	145	4.577.520
2020	311	36.464.976	332	18.957.127	177	9.807.325	72	5.112.389
2021	774	127.268.512	239	32.354.181	223	12.817.760	293	12.113.315
2022	657	23.843.688	381	45.862.857	190	19.678.824	165	17.221.415
2023	0	0	259	25.811.781	119	13.012.171	75	8.599.641
Total:	3.179	317.227.590	1.477	137.803.064	894	61.419.879	750	47.624.280

Project Approval

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graph TD; A[Project Approval] --> B[Payment Approval]; B --> C[Payment];
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Payment Approval

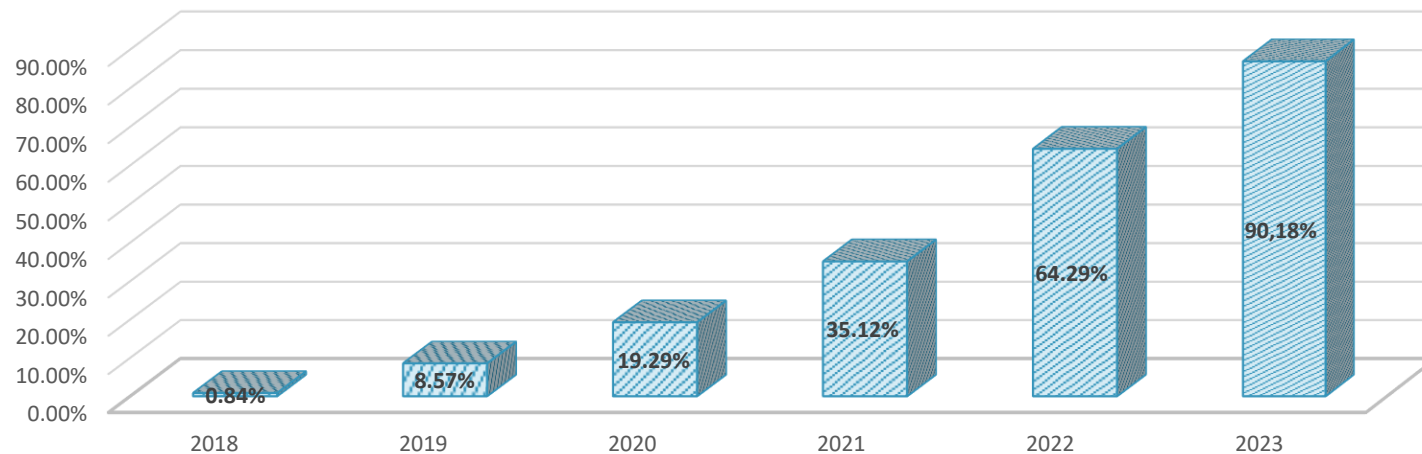
Payment



Project approval

PROJECT APPROVAL - APPROVED PROJECTS			CONTRACTED PROJECT VALUE		TOTAL BUDGET AVAILABLE FOR CONTRACTING (de-committed budget minus funds that are unspent)
INITIAL BUDGET	MESURE	AVAILABLE BUDGET AFTER de – commitment minus funds that are unspent	VALUE	NUMBER	
175.000.000	MEASURE 1	84.023.231	80.143.210	1.156	95,38%
	MEASURE 3	43.010.996	37.828.899	159	87,95%
	MEASURE 7	26.148.163	20.617.970	162	78,85%
	MEASURE 9	500.000	0	0	0,00%
	TOTAL	153.682.390	138.590.079	1.477	90,18%

PROJECT APPROVAL





Project approval

❖ The maximum contract amount will be EUR **153.68 mills.EUR**

PROJECT APPROVAL - TOTAL BUDGET AVAILABLE FOR CONTRACTING			UN-SPENT (no more pending requests or under available budget)	TOTAL BUDGET AVAILABLE FOR CONTRACTING (de- committed budget minus funds that are unspent)
INITIAL BUDGET	MEASURE	AVAILABLE BUDGET AFTER DE- COMMITMENT		
175.000.000	MEASURE 1	88.322.473	4.299.242	84.023.231
	MEASURE 3	43.461.806	450.811	43.010.996
	MEASURE 7	26.200.000	51.837	26.148.163
	MEASURE 9	500.000	0	500.000
	TOTAL	158.484.280	4.801.890	153.682.390

❖ In the processing are **92 projects** that are included in the scope of the available budgets determined by public calls worth EUR **14,598 mills. EUR**

❖ In relation to the available budget after reduction (de-commitment) by measures, **4.8 mills.EUR** will remain unspent

PROJECT APPROVAL– STRUCTURE OF PROJECTS IN PROCESSING AND CONTRACTING PLAN			VALUE OF PROJECTS IN PROCESSING		STATUS OF THE APPLICATION			TOTALLY CONTRACTED AND IN THE CONTRACTING PLAN	
INITIAL BUDGET	MEASURE	AVAILABLE BUDGET AFTER de-commitment minus funds that are unspent	VALUE	NUMBER	IN WORK	ON THE SPOT CONTROL	REQUEST FOR CLARIFICATION	VALUE	NUMBER
175.000.000	MEASURE 1	84.023.231	3.880.021	31	19	4	6	84.023.231	1.187
	MEASURE 3	43.010.996	5.182.097	15	11	2	4	43.010.996	174
	MEASURE 7	26.148.163	5.530.193	45	13	5	27	26.148.163	207
	MEASURE 9	500.000	5.355	1	1	0	0	5.355	1
	TOTAL	153.682.390	14.597.666	92	44	11	37	153.187.745	1.569

Project Approval

Payment Approval

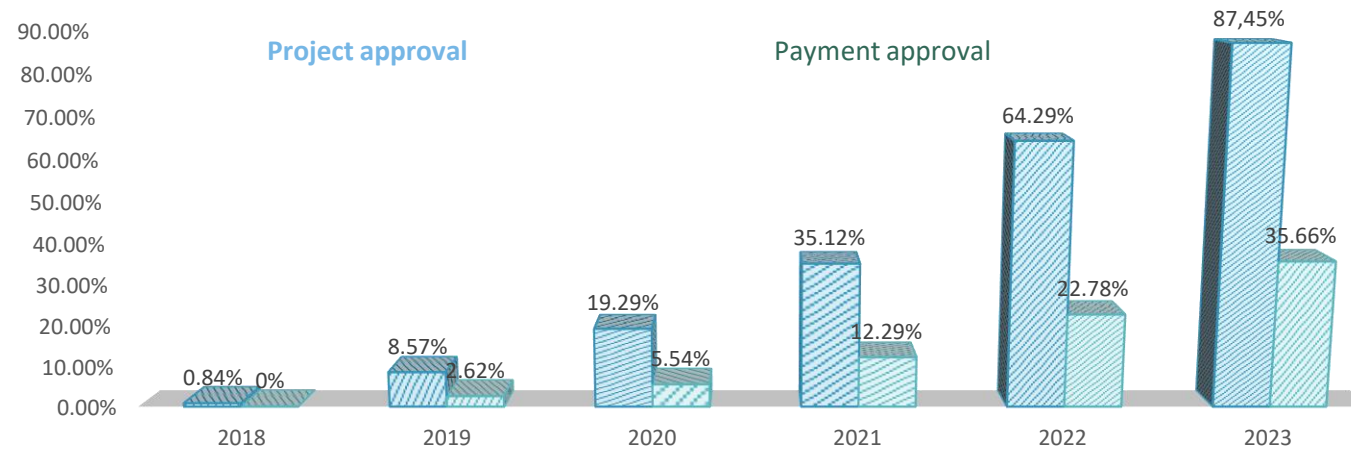
Payment



Payment Approval

PAYMENT APPROVAL			CONTRACTED PROJECT		APPROVED PAYMENT REQUESTS		% REALIZATION	
INITIAL BUDGET	MEASURE	AVAILABLE BUDGET AFTER de – commitment minus funds that are unspent	VALUE	NUMBER	VALUE	NUMBER	IN RELATION WITH CONTRACTED PROJECTS	IN RELATION TO THE AVAILABLE BUDGET
175.000.000	MEASURE 1	84.023.231	80.143.210	1.156	34.160.746	680	42,62%	40,66%
	MEASURE 3	43.010.996	37.828.899	159	14.284.230	80	37,76%	33,21%
	MEASURE 7	26.148.163	20.617.970	162	976.241	15	4,73%	3,73%
	MEASURE 9	500.000	0	0	0	0	0,00%	0,00%
	TOTAL	153.682.390	138.590.079	1.477	49.421.217	775	35,66%	32,16%

APPROVAL OF PROJECTS AND PAYMENT



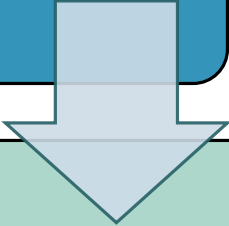


Payment Approval

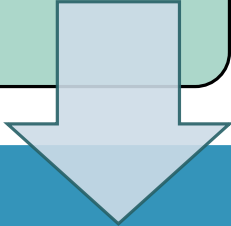
- ❖ A total of **894 payment requests** were submitted: 829 requests for final payment worth **52.495.783 euros** and **65 requests for advance payment** worth **8.924.096 euros**
- ❖ **775** payment requests of the value of **49.421.217 euros** were approved
- ❖ **74** requests worth **5.913.953 euros** are being processed (statuses shown in the table)

APPROVAL - STATUS			APPROVED PAYMENT REQUESTS		SUBMITTED PAYMET REQUESTS IN PROGRESSING		SATATUS OF THE REQUEST		
INITIAL BUDGET	MEASURE	CONTRACTED PROJECTS	VALUE	NUMBER	VALUE	NUMBER	IN PROCESSING	ON THE SPOT CHECK	SUPPLEMENTATION
TOTAL	MEASURE 1	80.143.210	34.160.746	680	4.656.335	67	59	7	1
	MEASURE 3	37.828.899	14.284.230	80	1.085.121	5	5	0	0
	MEASURE 7	20.617.970	976.241	15	172.497	2	0	0	2
	MEASURE 9	0	0	0	0	0	0	0	0
	TOTAL	138.590.079	49.421.217	775	5.913.953	74	64	7	3

Project Approval



Payment Approval



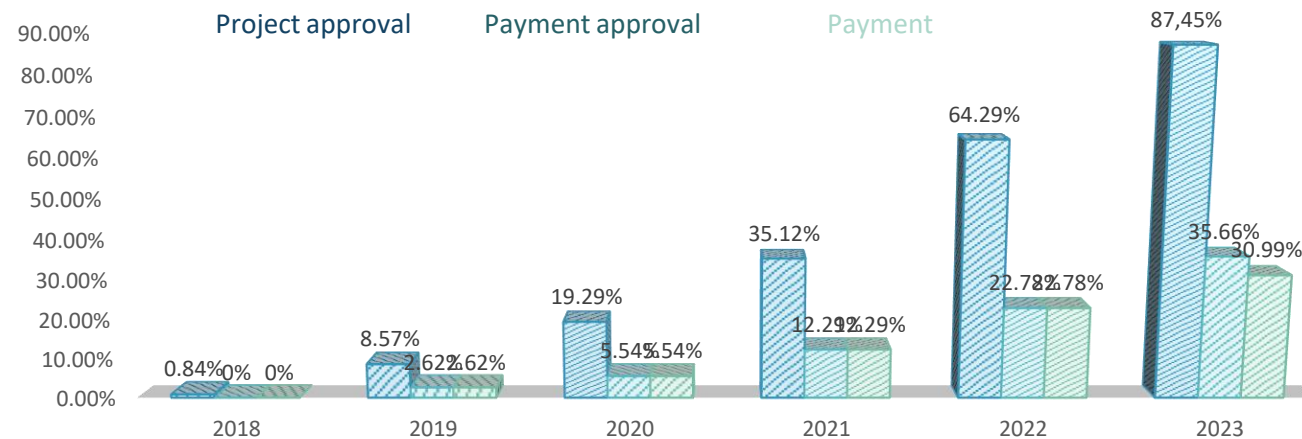
Payment



PAYMENT

PAYMENT APPROVAL					PAID FUNDS		% REALIZATION	
INITIAL BUDGE	MEASURE	AVAILABLE BUDGET AFTER de-commitment minus funds that are unspent	VALUE	NUMBER	VALUE	NUMBER	IN RELATION WITH CONTRACTED PROJECTS	IN RELATION TO THE AVAILABLE BUDGET
175.000.000	MEASURE 1	84.023.231	80.143.210	1.156	32.363.809	655	40,38%	38,52%
	MEASURE 3	43.010.996	37.828.899	159	14.284.230	80	37,76%	33,21%
	MEASURE 7	26.148.163	19.830.955	162	976.241	15	4,73%	3,73%
	MEASURE 9	500.000	0	0	0	0	0,00%	0,00%
	УКУПНО	153.682.390	137.803.064	1.477	47.624.280	750	34,36%	30,99%

PROJECT, PAYMENT APPROVAL AND PAYMENT OF THE FUNDS



€ In the second quarter of 2023, the percentage of paid funds increased **to 30.99%** (22.78% at the end of 2022) with a clear tendency for further growth

€ Paid funds in total: **750 projects** with **47.62 million euros**



PAYMENT

PAYMENT			IN PAYMENT APPROVAL PROCESS		Till 01.01.2023	Q1 2023	Q2 2023		
INITIAL BUDGET	MEASURE	TOTAL BUDGET AVAILABLE FOR CONTRACTING (de-committed budget minus funds that are unspent)	VALUE	NUMBER			PAID	IN LINE FOR PAYING	ON PAYMENT APPROVAL
175.000.000	MEASURE 1	84.023.231	4.656.335	67	39.024.639	3.211.072	2.616.858	1.460.973,40	4.656.335
	MEASURE 3	43.010.996	1.085.121	5		1.789.842	803.840	482.969,10	1.085.121
	MEASURE 7	26.148.163	172.497	2		0	178.029	100.161,46	172.497
	MEASURE 9	500.000	0	0		0	0	0	0
	TOTAL		153.682.390	5.913.953		74	5.000.914	3.598.727	2.044.104

- ❖ **2,04 mills.EUR** of approved payment requests are in line for payment in the coming period
- ❖ Out of the total number, **45 requests** were paid in advance, with the amount of **6.86 mills euros**
- ❖ Paid funds in 2023: **60** final recipients with **5,32 mills. EUR** and **3,28 mills. EUR** in advance

Changes introduced

❖ **Advance payment**

❖ **Price indexation**



Advance payment

Advance payment of up to 50% of the approved funds for the applications that are contracted after 1 November 22, as well as for all ongoing submissions

- 👉 A bank guarantee covering **110** % of the approved advance amount
- 👉 Physical persons have issue to obtain bank guarantee
- 👉 Young farmers are in special focus
- 👉 Possibility of advance payment using different security mechanisms for natural persons - analysis of the possibility of introducing a Guarantee Fund
- 👉 Development of new measures by the existing financial institutions of the Republic of Serbia. A potential institutional partner is the Agency for Insurance and Financing of Exports - AOFI

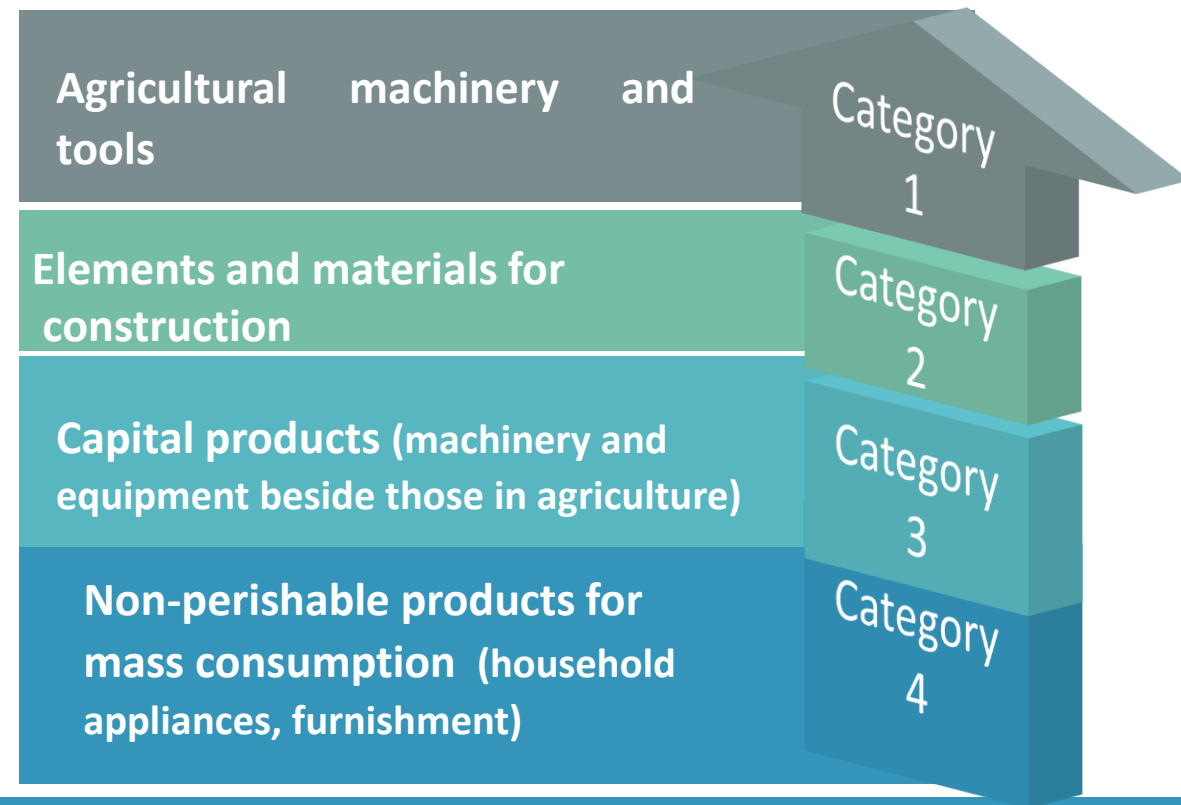
- 👉 **45 requests for 6,86 mills. EUR** is paid
- 👉 **15 requests for 3,28 mills. EUR** is paid in 2023
- 👉 **5 requests for 900.000** are in line for payment
- 👉 **11 rejected requests for 1,3 mills. EUR** have no bank guarantee



Price indexation

- Providing legal framework for increasing the amount of support using a price index for certain and justified categories of costs through amendment of rulebooks for implementation of M1, M3 and M7
- If the request for final payment contains eligible costs within the justified categories in a value greater than the value determined by the decision on project approval, IPARD agency checks whether, within the period from closing the public call until the decision of project approval, there was an increase in the price
- If there is an increase in the price IPARD Agency carries out indexation of the value of these eligible costs for the specified period

- Republic Statistical Office prepare the table with monthly prices for four categories starting from the closing date of the second call in M1 – February 2018
- The data are publicly available on the IPARD agency website
- Each category are connected with each individual cost in the LEE



❖ Obstacles

❖ Challenges

❖ Solutions



Rejections/withdrawals/appeals - reasons

MEASURE	Rejected Applications
Measure 1	328
Measure 3	86
Measure 7	89
Total	503

MEASURE	Withdrawn Applications
Measure 1	229
Measure 3	27
Measure 7	37
Total	293

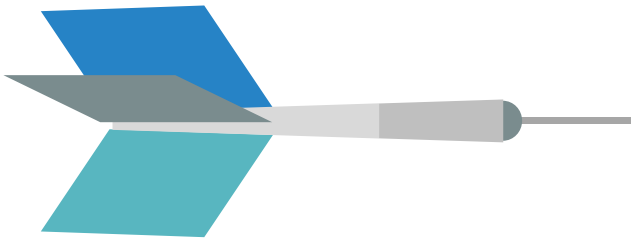
MEASURE	Appeals in Progress (Second instance)
Measure 1	0
Measure 3	0
Measure 7	2
Total	2



- Non-compliance with requirements regarding investment criteria
- Failure to supplement the Applications
- Incomplete documentation
- Application submitted outside the prescribed deadline

- Non-compliance with national and EU standards
- Dissatisfaction with the amount of subsidies approved
- Insufficient funds

Project Approval	Payment Approval
<ul style="list-style-type: none"> • Tax debt • Lack of complete construction documentation • Non-compliance with specific requirements • Application submitted outside the prescribed deadline 	<ul style="list-style-type: none"> • Application submitted outside the prescribed deadline • Non-compliance with national and EU standards • Failure to comply with the obligations granted by the project approval decision • Around 75% of complains are rejected



Challenges being addressed

Late start of the IPARD implementation

- Implementation started in 2018 due to the extended accreditation procedure
- Three implementation years are lost at the very beginning
- Establishing a link with increasing allocations was the main task from the start

Processing efficiency

- Quality of applications
- Personnel who possess specific knowledge and skills. IA cannot rely on institutional memory and pre-existing experiences and practices
- Manual processing
- SarsCov-19 pandemic made regular activities difficult
- An increasing number of requests and small number of personnel

Complex macro-economic context

- COVID -19 led to the whole series of market fluctuations
- Extreme price fluctuations, disruptions in supply chains, inflation, recession, an increase in the reference interest rate, etc., limited users' ability to invest
- Energy supplies and difficulty with transporting products to foreign markets have been added to the list of issues as a result of the Ukraine crisis

Preparation for new program cycle

- Preparation for implementation of IPARD III
- Legal framework
- (Re)accreditation of the procedures

Strengthening human resources

Continuous announcement of vacancies

Public competition in 2022

- Public competition to fill the 29 IPARD positions, which was launched in July 2022, has finished
- 28 new employee

Public competitions in 2023

- Public competition to fill the 32 IPARD positions launched on May 17, 2023

Position of assistant director

- The positions of assistant directors for Sector for Project Approval, Sector for Coordination, International Cooperation and IACS, Sector for Legal and General Affairs, Sector for Payment Approval and Sector for Economic and Financial Affairs are filed.
- The competition to fill the positions of assistant directors for IT Sector is on going
- The competition for filling the position of assistant director of Sector for on-the-spot Control will be announced after the end of the six-month period for which the current acting assistant director was appointed

Position of the director

- The public competition for filling the position of director will be conducted at the beginning of the third quarter of 2023

Improving efficiency by additional training, increased supervision and weekly monitoring

Retention policy

- More senior ranks are already systematized
- Civil servants' salaries are raised by 12,5% in January 1, 2023
- New salary increase in 2024

232

systematized
IPARD posts

164

filled positions

22

temporary employees

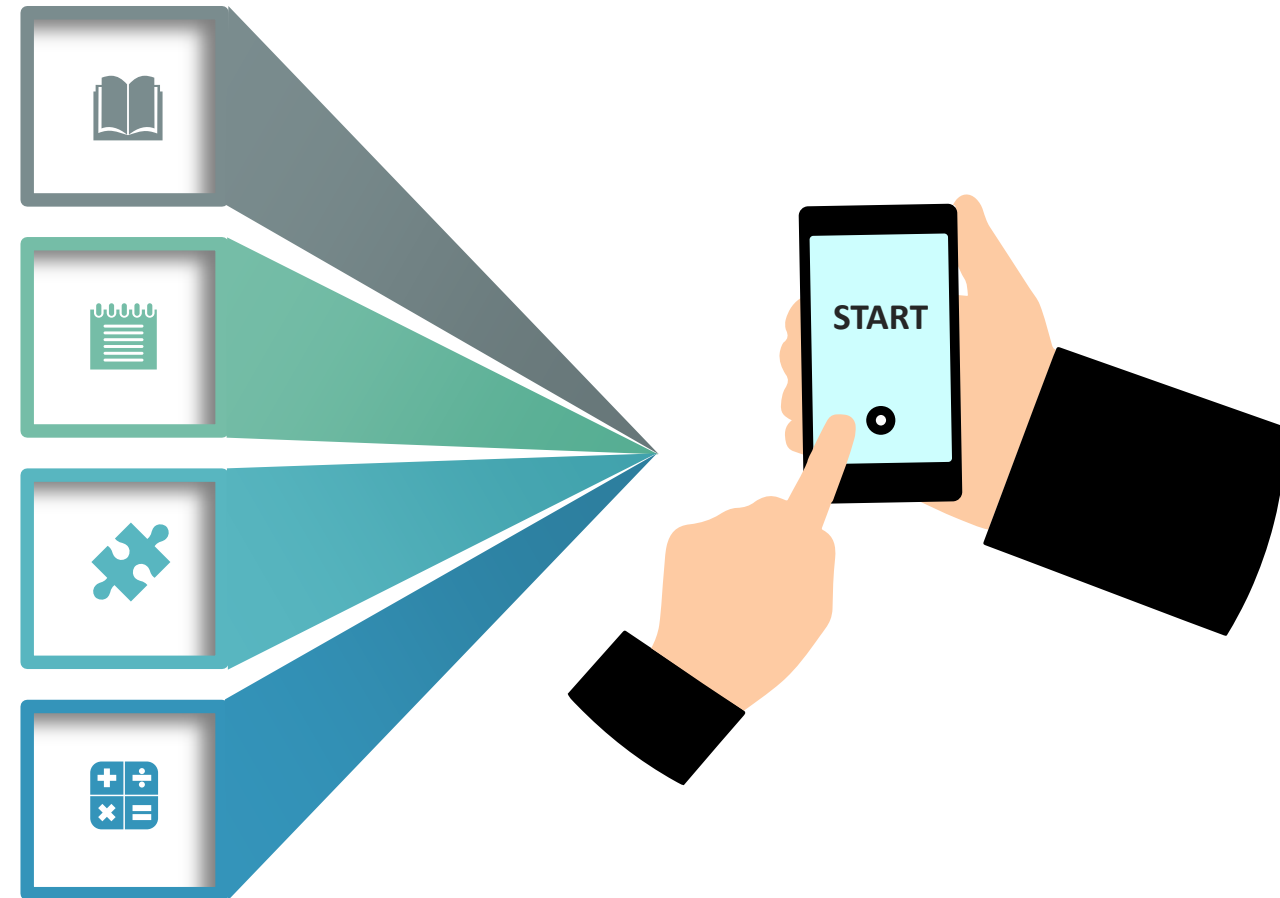
Re(accreditation process)

Active preparation of the internal procedures and capacities of the UAP for the implementation of the new IPARD III program cycle

Alignment of the existing accredited procedures to the requirements of the new program cycle

Preparation of rulebooks for all IPARD III measures

Preparation of procedures for measures that have not been implemented so far - Measure 4 and Measure 5. Implementation from 2024



IPARD



REPUBLIC OF SERBIA
MINISTRY OF AGRICULTURE, FORESTRY
AND WATER MANAGEMENT
IPARD AGENCY



Co-funded by
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THANK YOU FOR YOUR ATTENTION!



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