



MINISTRY OF AGRICULTURE, FORESTRY
AND WATER MANAGEMENT
MANAGING AUTHORITY



IPARD
EU4Rural Areas

PROPOSAL OF THE FOURTH MODIFICATION OF THE IPARD II PROGRAMME

Slobodan Živanović

**Head of the Group for Programming of
Measures for Competitiveness Improvement
and Local Rural Development**

30th October 2020, Belgrade

PROPOSAL OF THE FOURTH MODIFICATION OF THE IPARD II PROGRAMME

MODIFICATION PROPOSAL

CHANGES IN BUDGET ALLOCATIONS

Reallocation of funds from non-entrusted measures to entrusted measures

Reallocation of funds to measures with a larger number of interested recipients

DEMARCATIION BETWEEN IPARD MEASURE 7 AND NATIONAL RURAL DEVELOPMENT PROGRAMME

CHANGE OF THE DEFINITION OF A YOUNG FARMER



Proposal of budget allocations modification per years

REALLOCATION OF FUNDS FROM NON-ENTRUSTED MEASURES TO ENTRUSTED MEASURES

M4

Agri-environment-climate and organic farming measure

2017	2018	2019	2020
2,187,500	2,187,500	2,187,500	2,187,500

EUR 8,750,000

Amendment proposed

M7

Farm diversification and business development

2017	2018	2019	2020
+2,187,500	+2,187,500	+2,187,500	+2,187,500

M5

Implementation of Local Development Strategies – LEADER approach

2017	2018	2019	2020
500,000	1,000,000	1,900,000	1,850,000

EUR 5,250,000

Amendment proposed

M1

Investments in physical assets of agricultural holdings

2017	2018	2019	2020
+500,000	+1,000,000	+1,900,000	+1,850,000



Proposal of budget allocations modification per years

BETTER ABSORPTION OF FUNDS

M9

Technical Assistance

2017	2018
1,000,000	1,450,000

EUR 2,450,000

Amendment proposed

M7

Farm diversification and business development

2017	2018
+1,000,000	+1,450,000

M3

Investments in physical assets concerning processing and marketing of agricultural and fishery products

2020
16,182,475

EUR 16,182,475

Amendment proposed

M1

Investments in physical assets of agricultural holdings

2020
16,182,475

M3

The number of submitted applications

202

The requested expenditures

EUR 109,822,124

M1

The number of submitted applications

1,235

The requested expenditures

EUR 195,459,439



Proposal of budget allocations modification

NON-ENTRUSTED MEASURES

M4

Agri-environment-climate and organic farming measure

EUR 8,750,000

Amendment proposed

EUR 0

M5

Implementation of Local Development Strategies – LEADER approach

EUR 5,250,000

Amendment proposed

EUR 0

ENTRUSTED MEASURES

M1

Investments in physical assets of agricultural holdings

EUR 76,040,000

Amendment proposed

EUR 97,472,474

M3

Investments in physical assets concerning processing and marketing of agricultural and fishery products

EUR 65,510,000

Amendment proposed

EUR 49,327,526

M7

Farm diversification and business development

EUR 15,000,000

Amendment proposed

EUR 26,200,000

M9

Technical Assistance

EUR 4,450,000

Amendment proposed

EUR 2,000,000



Proposal of budget allocations modification

M1

Investments in physical assets of agricultural holdings



≈ EUR 41,000,000

- M1 allocation for 2020
- M5 allocations for 2017, 2018, 2019 and 2020
- M3 allocation for 2020

M3

Investments in physical assets concerning processing and marketing of agricultural and fishery products



≈ EUR 20,000,000

- M3 allocation for 2019 (remaining funds)

M7

Farm diversification and business development



≈ EUR 11,000,000

- M5 allocations for 2017, 2018, 2019 and 2020
- M9 allocations for 2017 and 2018

M9

Technical Assistance



EUR 2,000,000

- M9 allocations for 2019 and 2020



Demarcation of IPARD Measure 7 and NRDP

Farm diversification and business development



NATIONAL RURAL DEVELOPMENT PROGRAMME

MAXIMUM AMOUNT OF
SUPPORT IS
EUR 20,000



IPARD Measure 7

MINIMUM AMOUNT OF
SUPPORT IS
EUR 20,000



PREVENTION OF DOUBLE FINANCING



Change of the definition of a young farmer



PROPOSAL IS IN LINE WITH MODIFICATION OF THE SECTORAL AGREEMENT FOR IPARD II PROGRAMME

M1

Aid intensity, expressed as the share of public support in the eligible expenditure of an investment, amounts up to:

65% in case where investments are done by young farmers (younger than 40 years at the time **when the decision to grant support is taken**)



65% in case where investments are done by young farmers (younger than 40 years **at the moment of submission of application for project approval**)

Table 8.2.9. Selection criteria

Applicant is a person younger than 40 years at the time when the decision to grant support is taken	yes/no	15/0
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Applicant is a person younger than 40 years at the moment of submission of application for project approval	yes/no	15/0
--	--------	------

M7

Table 8.6.10. Selection criteria

Applicant is a person an younger than 40 years at the time when the decision to grant support is taken	yes/no	20
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Applicant is a person an younger than 40 years at the moment of submission of application for project approval	yes/no	20
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THANK YOU FOR YOUR ATTENTION!

Slobodan Živanović

Head of the Group for Programming of Measures for Competitiveness Improvement and Local
Rural Development

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 IPARD na dlanu



Governmental Audit Office of EU Funds

**System audit report for IPARD II Programme
for 2020**

Governmental Audit Office of EU Funds

- The Governmental Audit Office is a governmental service, founded by a governmental decree on 02 June 2011.
- It is an independent audit body for the Instrument of Pre-Accession Assistance of the European Union;
- Competencies of the Governmental Audit Office include auditing and verification of the compliance of the implementation system for EU programmes (verification of the efficiency and sound functioning of the management and control systems for the EU funds, audit of underlying transactions, verification of reliability of the relevant accounting information).



Activities of the Governmental Audit Office related to IPARD II Programme

- The present trend of outflow of civil servants from the public administration bodies in charge of implementing IPA programmes is reflecting on the functioning of the Governmental Audit Office of EU Funds as well;
- After the period marked by reduction of the number of auditors, primarily in the organisational unit tasked with IPARD programmes, a completely new team has been established;
- Aiming at full implementation of the GAO competencies and recommendations of DG AGRI, the new audit team has finalised the system audit of the IPARD II Programme for the year of 2019 and started the audit of operations for the year of 2019. By the time of issuing the annual audit opinion (15 March 2021), the audit team also plans to complete the audit of operations for the year of 2020, on which the team will inform all relevant actors in the IPARD system;
- GAO is simultaneously working actively on capacity-building of the Audit Group for IPARD Programme, by employing new civil servants and further professional development of employees, in cooperation with IPARD bodies in the Republic of Serbia and the National Academy for Public Administration;

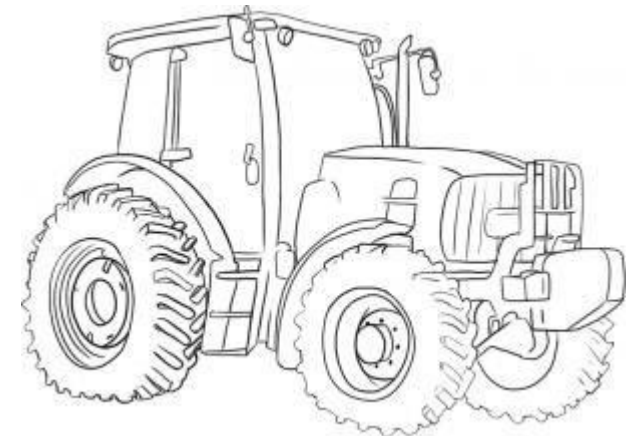
Main information on the procedure of the IPARD II Programme system audit

- System audit of IPARD II programme included operation in IPARD bodies in the period from 01 January 2019 to 31 March 2020;
- The following IPARD bodies were audited:
 1. Directorate for Agrarian Payments (IPARD Agency)
 2. Sector for rural development – MAWMF (Managing authority)
 3. Sector for managing EU funds EU – MF (NAO SO and National Fund)



Main information on the procedure of the IPARD II Programme system audit

- The Governmental Audit Office team has implemented the audit procedure in IPARD bodies through:
 1. Verifying the functioning of the management and control system in all institutions within the IPARD system;
 2. Detailed testing of the submitted applications for Measures 1 and 3 (10 applicants for Measure 1 and 10 applicants for Measure 3) – starting from the phase of applications submittal to the phase of payment/refusal of the applicant, using audit techniques (test of procedures, walk-through tests and test of controls);



Findings identified by the Governmental Audit Office in IPARD II system audit

- The audit team identified certain activities which are not in accordance with the Framework Agreement or the Sectoral Agreement signed with the EU, nor with existing procedures confirmed by DG AGRI;
- The total of **35 findings** was identified in auditing IPARD bodies:
 1. **5** major findings;
 2. **22** intermediate findings;
 3. **8** minor findings;
- After reconciliation with the auditees, the findings, together with general evaluation of the functioning of the IPARD system, are explained in the *System Audit Report for the IPARD II Programme for the year of 2020*;



Overview of the most important findings identified by the Governmental Audit Office in IPARD II system audit

- Discrepancy between the List of eligible expenses with public calls and the the LEE accepted by DG AGRI;
- Miscalculation of the eligible expenses, using inappropriate exchange rate in calculating the eligible expenses;
- Inadequate actions by the organisational units in the event of extraordinary situations;
- Untimely submittal of information of the organisational units necessary for producing key reports, as per IPARD II Programme;



Overview of the most important findings identified by the Governmental Audit Office in IPARD II system audit

- Deficiencies in the process of receipt and processing the applications (the 9-month deadline set for administrative processing is overstepped, deficiencies in the procedure of calling the applicants to correct their applications, inconsistent document flow through the organisational units, the lack of the 4-eyes principle in applications processing);
- Deficiencies in the process of establishing eligibility of applications from foreign countries;
- Insufficient numbers of staff working in the IPARD system institutions, and consequentially, work overload of employees in performing their everyday duties;
- Deficiencies in functioning of the IT Sector of the Directorate for Agrarian Payments, which has the role of key support to quality functioning of the IPARD system;



Activities undertaken by IPARD bodies in order to meet recommendations issued by GAO

- Two findings from the System Audit Report for IPARD II Programme 2020 have been closed;
- IPARD bodies have already taken measures to eliminate certain deficiencies, and the GAO will close the findings once the implementation of the recommendations has been confirmed, through the follow-up process;
- An additional effort has been made to increase the number of classified job positions in IPARD bodies, and the institutions in the IPARD system have announced the filling of vacancies;



General rating of the IPARD II management and control systems

- On the basis of the system audit in IPARD bodies for the period from 01 January 2019 to 31 March 2020, the Governmental Audit Office of EU Funds has rated the system as functioning (**Works – Category 3**), with certain deficiencies which have a moderate impact on the functioning of the key requests defined in the Framework, the Sectoral and the Financing Agreements;

Activities of the GAO in the upcoming period

- The Governmental Audit Office of EU Funds will proceed by auditing operations for the years 2019 and 2020, aimed at verifying the legality and regularity of underlying transactions, in line with Clause 5 (3)(a)(III) of the Framework Agreement;
- Due to special circumstances caused by the Covid-19 pandemic, and in line with recommendations of DG AGRI and competent institutions of the Republic of Serbia, the Governmental Audit Office shall focus its activities on e-communication and exchange of documents, in order to ensure quality audit report for the relevant institutions under the new circumstances;
- The Governmental Audit Office shall inform all IPARD bodies about the implemented procedures in timely manner.

IPARD Monitoring Committee

30 of October 2020

Implementation of IPARD II Programme

Stojan Janković

Acting Assistant Minister, Department for Management of EU funds

Management Structure

(NAO Support Office and National Fund)

Ministry of Finance



Overview of the most important activities 2/3

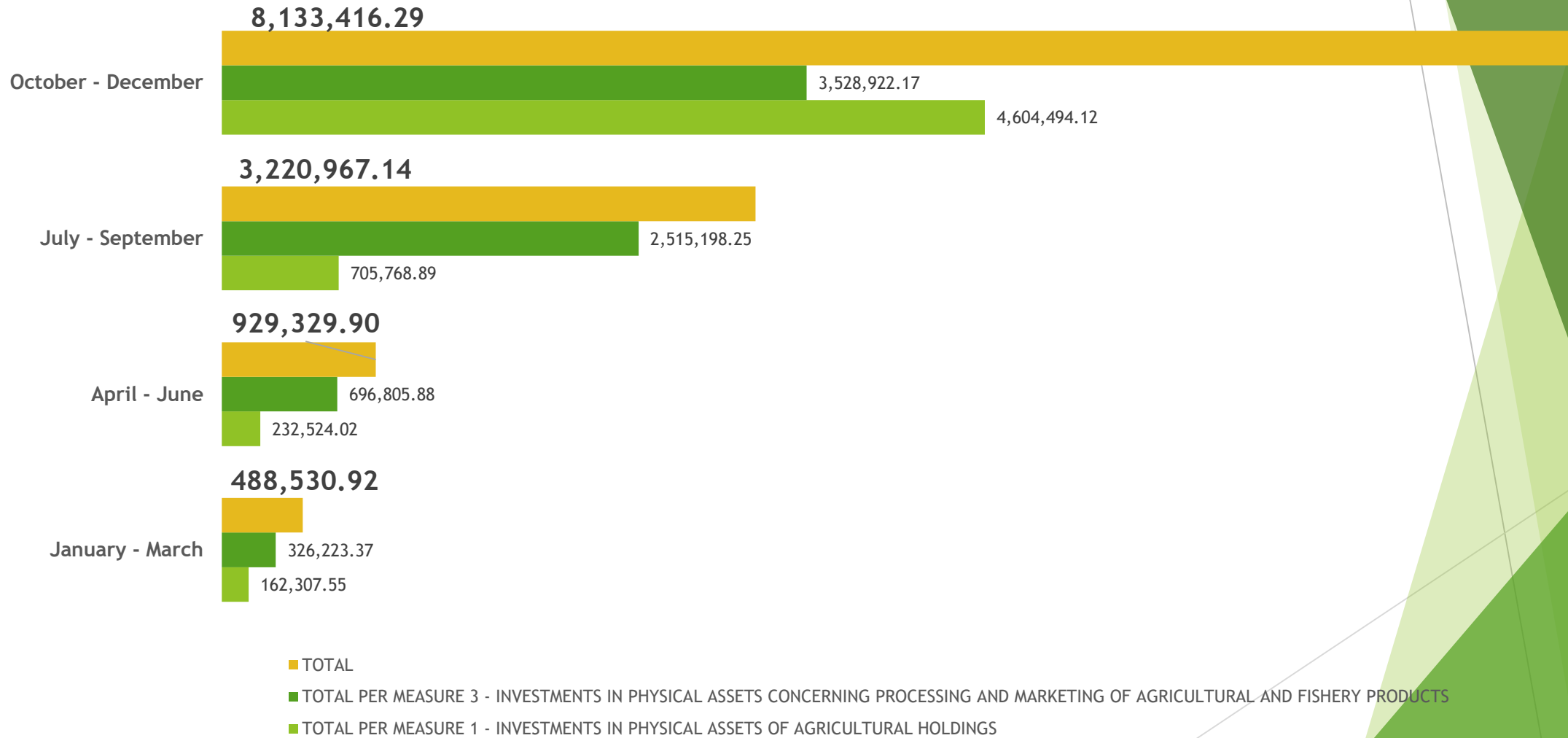
- **Amendment to the Financing Agreement 2014-2020 and implementation new Measures:**
 - **IPARD Measure 7** (Farm diversification and business development)
 - **IPARD Measure 9** (Technical assistance)
- **First Public Call for Measure 7 is open to 30 October**
- **Sistem Audit 2020 by Governmental Audit Office of EU Funds, conducted in period april-august 2020**
 - Final Report issued on 13 October, 2020 (Management structure has no findings, Managing Authority have 2 and IPARD Agency have 32 findings)
- **Audit of operations for IPARD II Programme for FY 2019, by Governmental Audit Office of EU Funds, will be performed in period from 25 September to 15 December 2020**

Overview of the most important activities 3/3

- **Declaration of Expenditure and Revenue under IPARD II Programme (D1) for the III quarter of 2020**
 - submitted by NAO to EC on 20 October 2020
 - declared eligible expenditure amounts for the III quarter of 2020: **2.436.644,46 EUR** (out of which **1.827.483,34 EUR** is IPA contribution)
 - declared total eligible expenditure amounts for the whole 2020 is: **4.327.125,54 EUR** (out of which **3.245.344,20 EUR** is IPA contribution)
- **Payment overview**
- **Total 49 submitted and approved Requests for funds** for 192 recipients since the beginning of implementation
 - **Total disbursed amount 10.708.002,79 EUR**
(out of which **IPA contribution is 8.031.002,03 EUR**, and cofinancing 2.677.000,76 EUR)
- **Request for pre-financing payment – 3rd instalment**
 - **6.000.000 EUR** submitted by NAO to EC on **14 September 2020**.

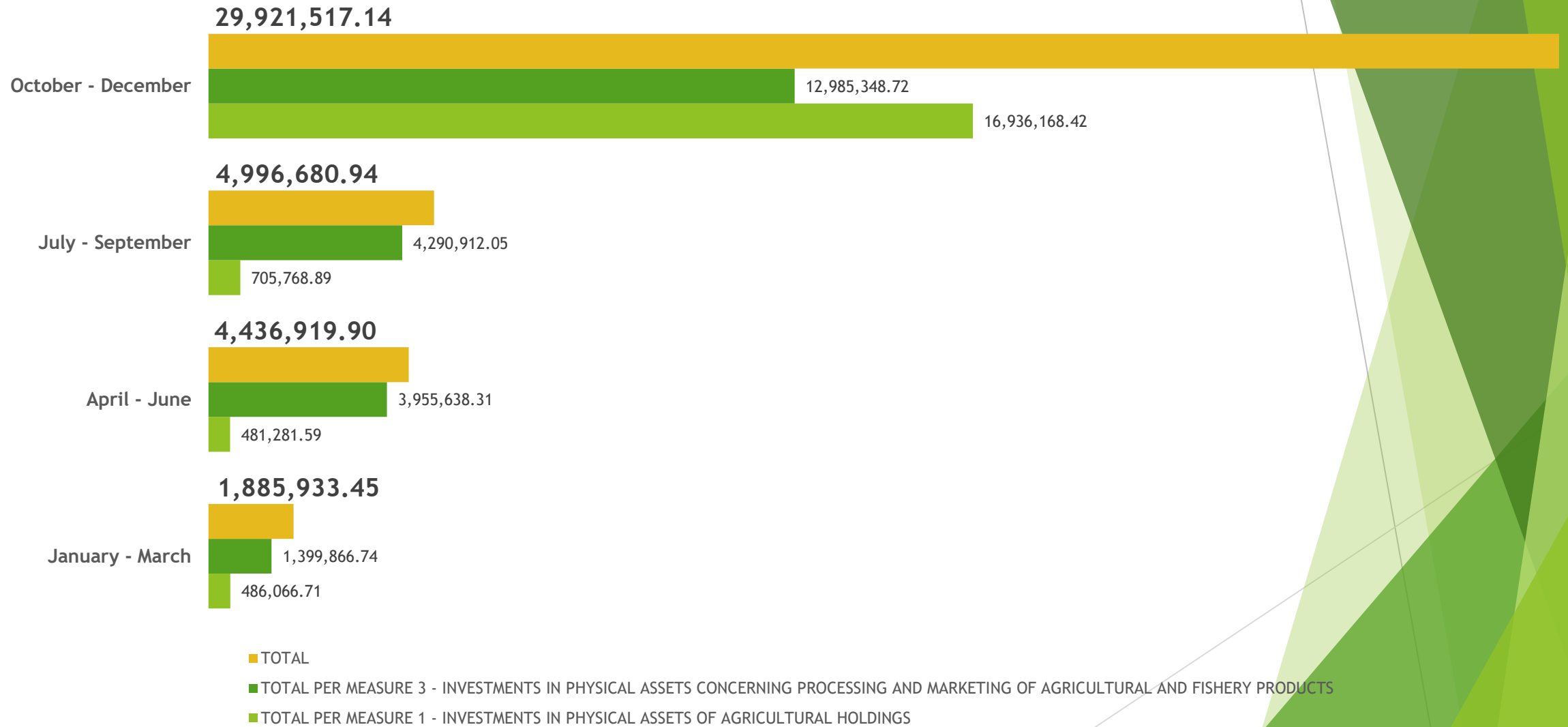
Forecast of Likely Payment Requests 2020-2021

2020



Forecast of Likely Payment Requests 2020-2021

2021



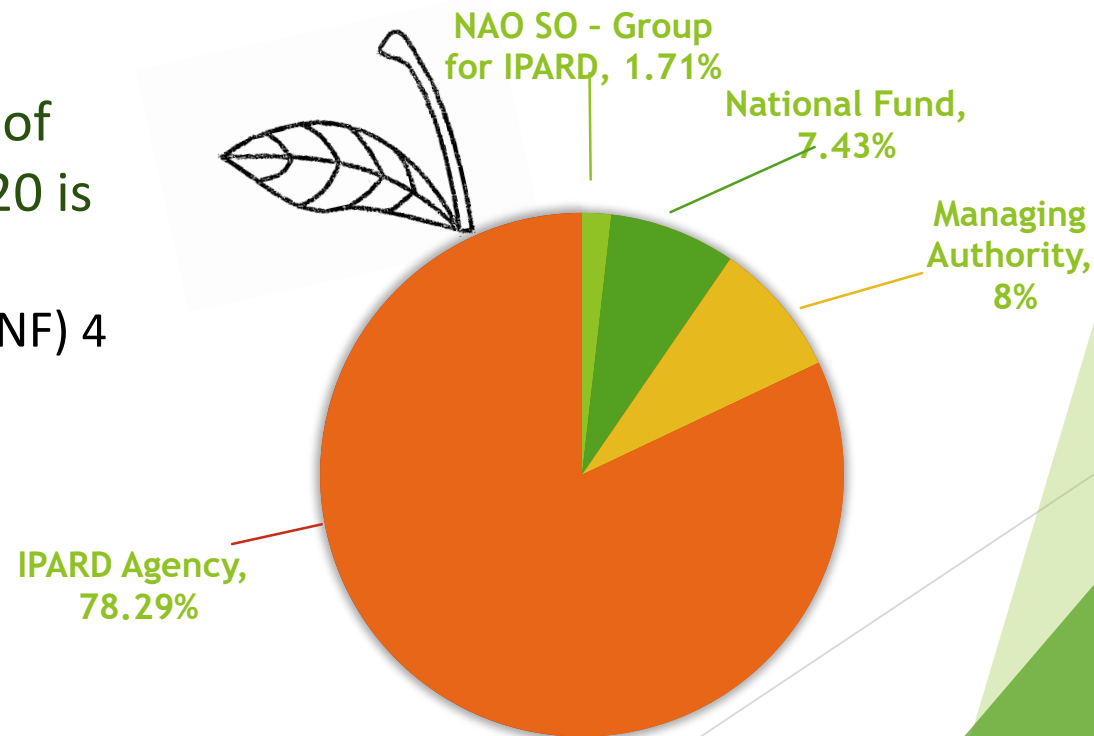
Administrative capacities for IPARD bodies

➤ Total number of employees in all IPARD bodies is **175**, out of which:

- Management Structure (NAO SO and NF) 24
- Managing Authority 14
- IPARD Agency 137

➤ The overall gap regarding the filled positions in relation to the number of employees required by WLA for 2020 is 160, out of which:

- Management Structure (NAO SO and NF) 4
- Managing Authority 11
- IPARD Agency 145



Further activities planned to be taken in relation to the IPARD II implementation

- **Monitoring findings and reporting to the DG AGRI on the state of play of implementation**, in accordance with conditions stated in Amended Financial Agreement 2014-2020; First report with updated Action Plan sent on 01 October
- **Further preparation of changes of legal framework and procedures** in order to simplify working processes and increasing of absorption of funds
- **Increased National Authorising Officer supervision** related to the activities planned to be implemented in cooperation with all IPARD bodies
- **Ensuring staff capacity in all IPARD Bodies**, focusing on: further recruitment of staff in line with WLA, applying different tools and mechanisms for retaining staff and continuous training and improving institutional capacity



Thank you for the attention!



Ministry of Finance
Department for Management of EU funds



MINISTRY OF AGRICULTURE, FORESTRY
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IPARD
EU4Rural Areas

IMPLEMENTATION OF THE IPARD II PROGRAMME, PROMOTIONAL ACTIVITIES AND NEXT STEPS

MSc Jasmina Miljković
Head of the Managing Authority

30th October 2020, Belgrade

CONTENT OF THE PRESENTATION



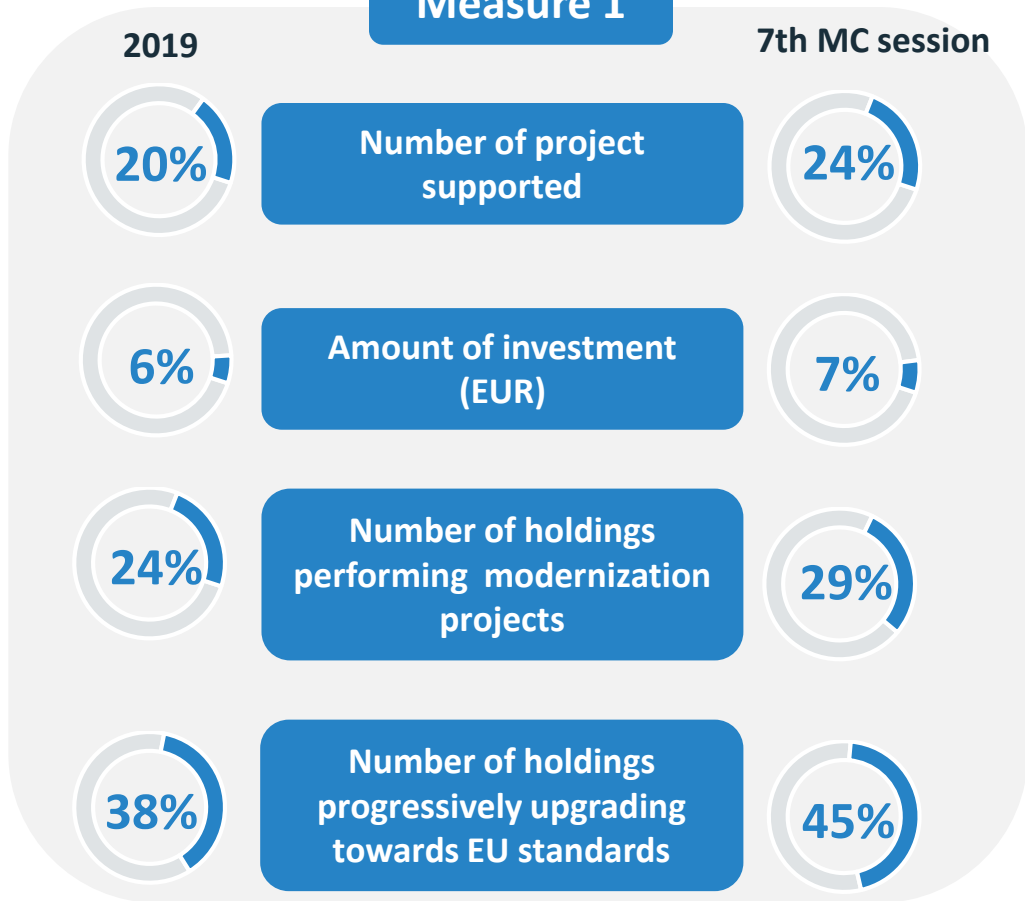
ANNUAL IMPLEMENTATION REPORT ON THE IPARD II PROGRAMME



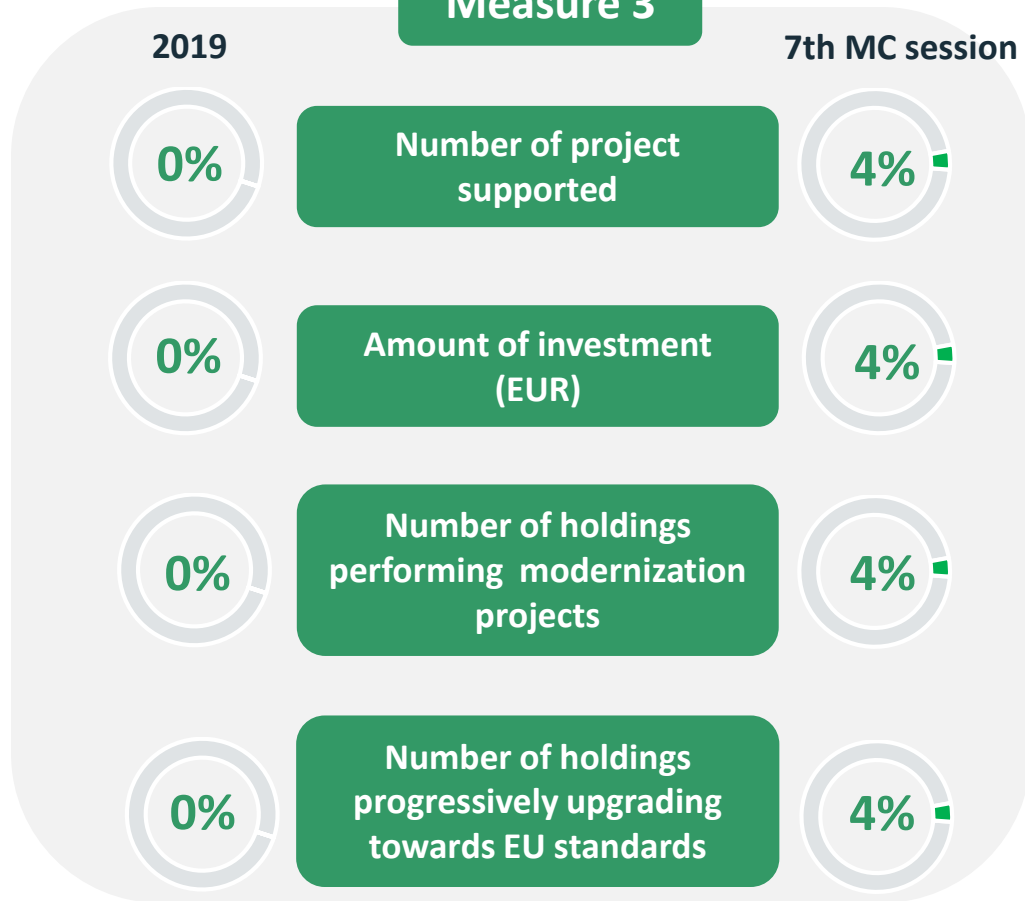
- The First Annual Implementation Report on the IPARD II Programme in the RS was adopted by the IPARD II Monitoring Committee in written procedure and submitted to the EC within set deadline
- The revision of the Annual Report was in accordance with the comments submitted by EC

PROGRAMME INDICATORS

Measure 1

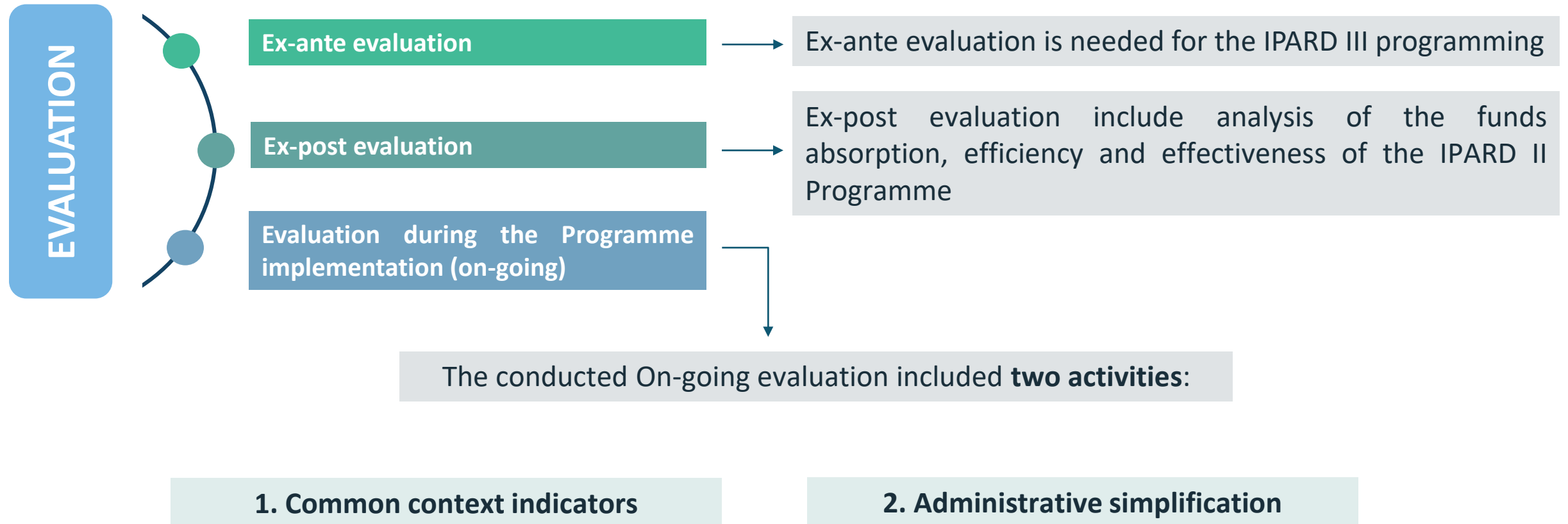


Measure 3



ON-GOING EVALUATION OF THE IPARD II PROGRAMME

The results of the On-going evaluation are presented in the first Annual Implementation Report on the IPARD II Programme.



THE RESULTS FROM THE ONGOING EVALUATION

Common context indicators

- The largest number of socio-economic and sectoral indicators are available
- **The largest number of missing indicators is in the group of environmental indicators**
- An electronic database of all common context indicators for the period 2012-2018 has been established

Administrative simplification

- A total of 45 structured interviews were conducted
- Five focus groups with rejected applicants were held
- One focus group with the approved IPARD recipients were held

Evaluator's recommendations:

- Managing Authority (11 recommendations: 4 accepted/1 not relevant),
- IPARD Agency (16 recommendations: 9 accepted),
- IPARD Technical bodies (4 recommendations: 4 accepted),
- AAS (6 recommendations: 6 accepted, 4 implemented),
- MAFWM (6 recommendations) and
- Ministries in charge of construction and local self-government (1 recommendation)

Action Plan for implementation of the evaluator's recommendations has been prepared



CURRENT SITUATION

**IPARD II PROGRAMME
OF THE REPUBLIC OF SERBIA (2014-2020)**

175M

ANNOUNCED: EUR 130M

1437



Approved:

EUR 39.6M

486

Paid out:

EUR 10.7M

192

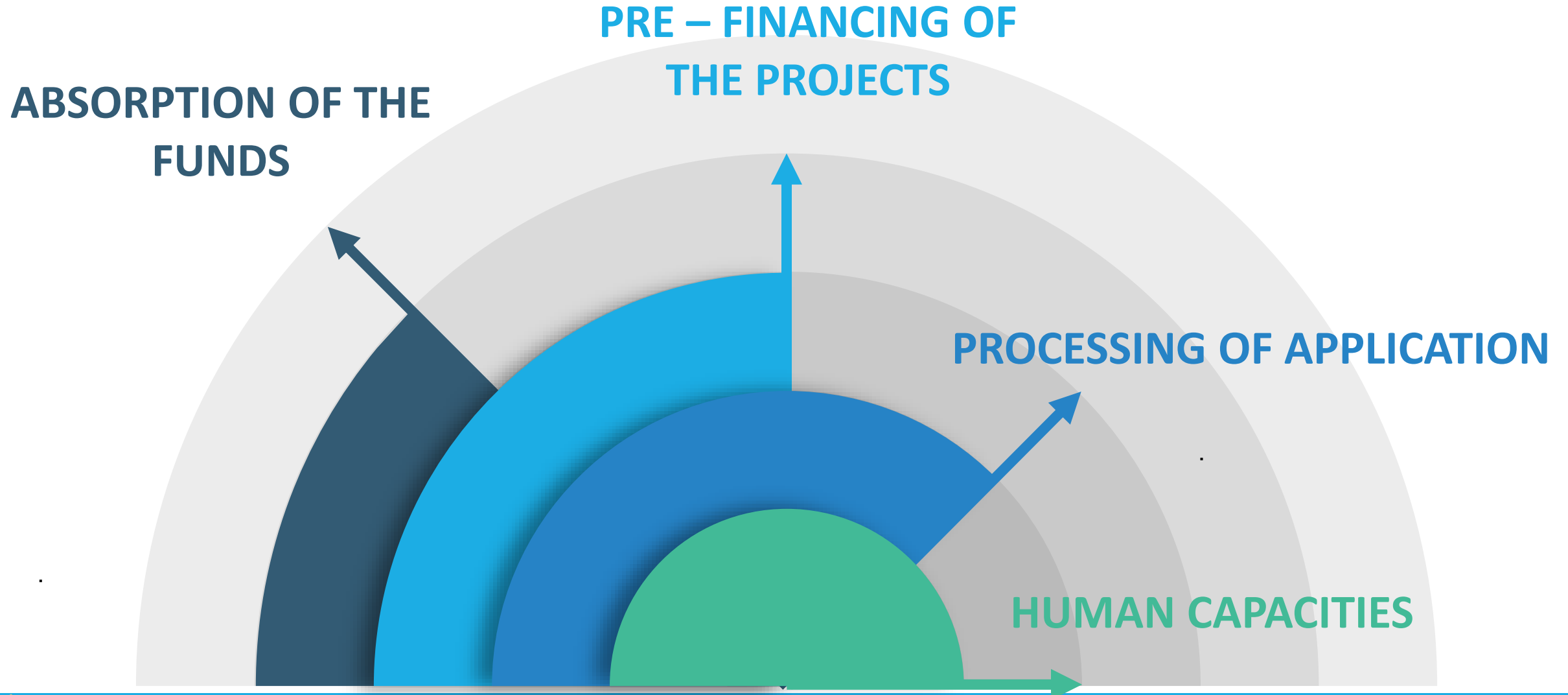


EUR 8M – EU contribution

Letter to EC to request extension of period from n+3 to n+5 for spending the budgetary commitment for 2017, with action plan



CHALLENGES



IMPLEMENTATION OF THE ACTION PLAN FOR OVERCOMING THE RISK OF DE-COMMITMENT

Recruitment of new staff

- Adopted of working positions (MA 6 wp, IA 102 wp)
- Complete competition for 2 wp in the MA and 18 wp in the IA
- New competitions 2020/2021

Further simplification of IA procedures

- M9 - expert to revise the IA procedures (50% advance payment)
- Amendments to laws/bylaws/procedures for the introduction of mandatory complete documentation

Pre-check of applications of potential recipients by AAS

Pre-check lists are prepared and introduced



Rising visibility of IPARD in Serbia

- Bi-monthly IPARD newsletter
- Establishment of social networks (Facebook and Instagram)
- TV campaign "WELL INVESTED IPARD RETURNS WELL"

Workshops

For consultants:

Informative online workshop

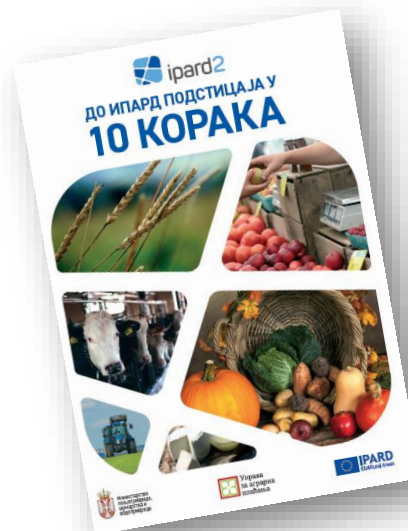
For advisors:

Educational and advisory module

Implementation of the Measure 7 and Measure 9



PROMOTIONAL ACTIVITIES PUBLICATIONS



← Subscribe to our bi-monthly IPARD newsletter:
ipardnadlanu@minpolj.gov.rs



PROMOTIONAL VIDEOS



M1



TO IPARD SUPPORT IN 10 STEPS



M3



M7

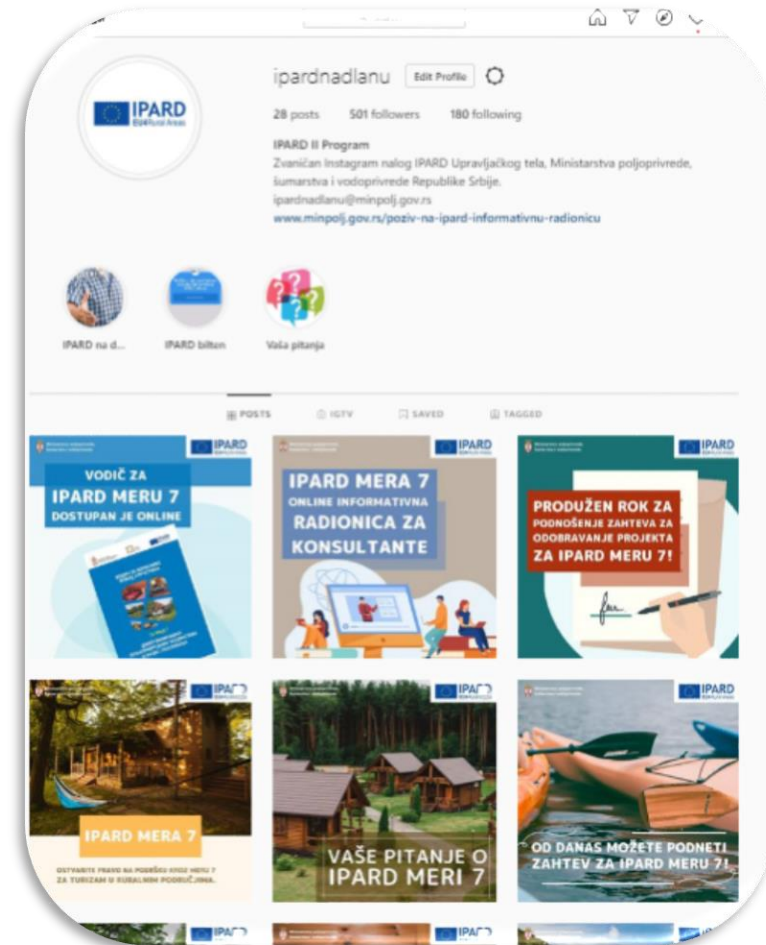


NEW PROMOTIONAL ACTIVITIES

Facebook



Instagram



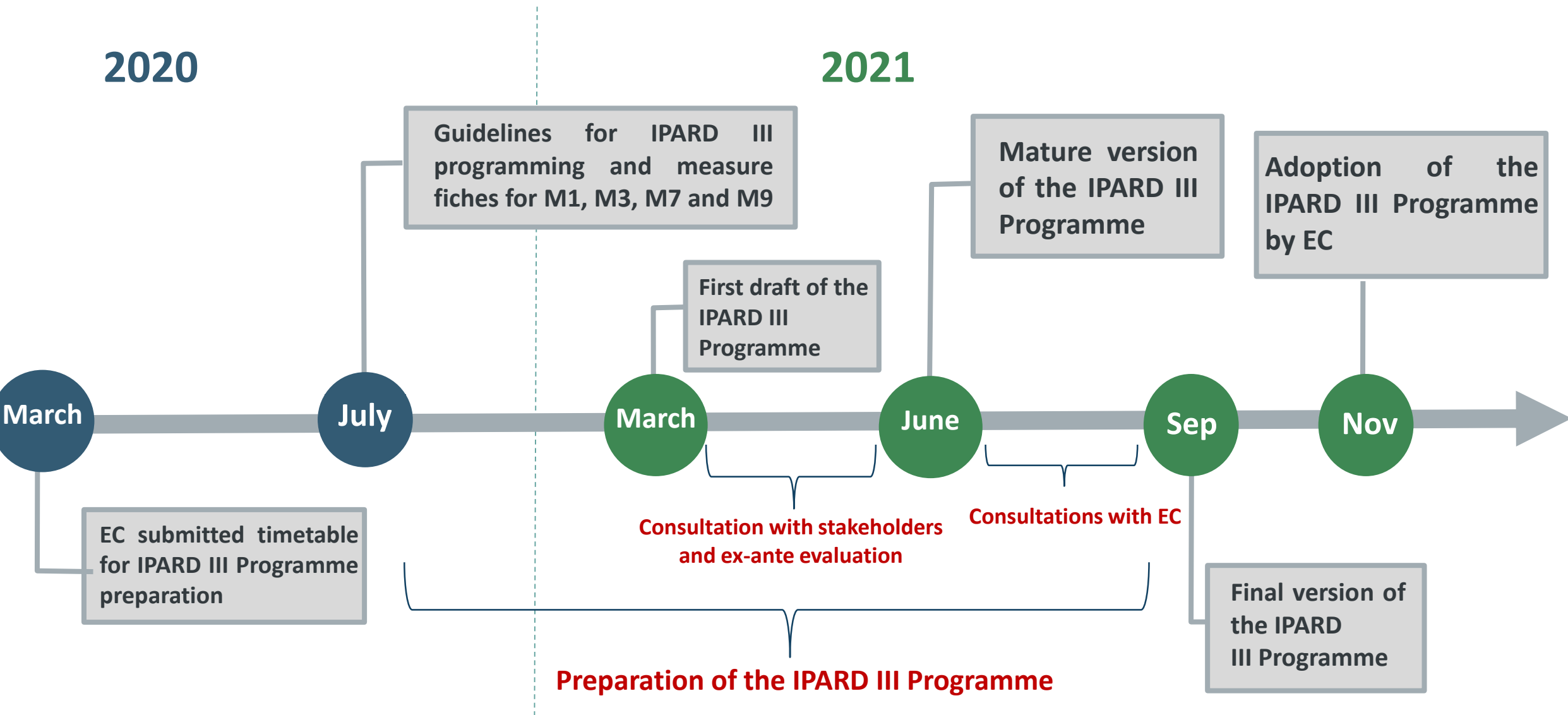
ACTIVITIES of AAS of Republic of Serbia and AAS AP Vojvodina

1st January – 30th June 2020

Information tool	AAS Serbia		AAS AP Vojvodina	
	No. of events held	No. of participants	No. of events held	No. of participants
Events (winter schools, forums, lectures, workshops)	117	2,591	60	1,215
Media (local TV, radio, newspapers)	62	/	3	/
Bulletin / Portal of Advisory Services	19	/	/	/



NEXT STEPS - PREPARATION OF THE IPARD III PROGRAMME



SET OF MEASURES WITHIN IPARD III PROGRAMME

M1 Investments in physical assets of agricultural holdings

M2 Support for the setting up of producer groups

M3 Investments in physical assets concerning processing and marketing of agricultural and fishery products

M4 Agri-environment-climate and organic farming measure

M5 Implementation of Local Development Strategies - LEADER approach

M6 Investments in rural public infrastructure

M7 Farm diversification and business development

M8 Improvement of training

M9 Technical Assistance

M10 Advisory Services

M11 Establishment and protection of forests

M12 Financial instruments

M13 Innovation and knowledge transfer



RECOMMENDATIONS OF THE SECTORAL ANALYSIS FOR CHANGES IN THE IPARD III PROGRAMME FOR MEASURE 1



Proposal to increase the minimum support intensity to EUR 20,000



Proposal to introduce the Fishery sector



Proposal to equate the eligibility criteria for the procurement of tractors with the criteria for the procurement of machinery and mechanization and construction of facilities



Proposal to increase the minimum capacity for existing animal species and to introduce investments for turkeys and geese



Proposal to separate the Fruit and Vegetable sector on Fruit sector and Vegetable sector
Proposal that recipients with investment value > EUR 50,000 are eligible, including nursery production



Egg, Milk and Wine sector unchanged



RECOMMENDATIONS OF THE SECTORAL ANALYSIS FOR CHANGES IN THE IPARD III PROGRAMME FOR MEASURE 3



Proposal to increase the minimum support intensity to EUR 20,000



Proposal to introduce the Other Crops processing sector and the Fish processing sector



Proposal to introduce turkeys and geese for slaughterhouses



Proposal to separate the Fruit and Vegetable processing sector on Fruit processing sector and Vegetable processing sector

Proposal that recipients with investment value > EUR 50,000 are eligible



Egg processing, Milk processing and Wine processing sector unchanged



RECOMMENDATIONS FROM THE ANALYSIS FOR THE IPARD III PROGRAMME FOR MEASURE 7



Direct marketing of agricultural and local products

- marketing facilities (e.g. at farm-gate, in local shops, on greenmarkets, in restaurants, online)

Rural tourism

- construction and equipping of categorized accommodation facilities (e.g. rooms, apartments, tourist camps, small hotels...)
- construction and equipping of facilities for providing additional rural tourism services (e.g. sports, recreational, entertainment services)



Small-scale services for local people and tourists

- facilities for providing services (e.g. childcare, eldercare, care for disabled people, hairdressing and beauty treatment ...)



Aquaculture?





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THANK YOU FOR YOUR ATTENTION!

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MINISTRY OF AGRICULTURE, FORESTRY
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IPARD AGENCY



IPARD
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IMPLEMENTATION OF IPARD II PROGRAMME

BILJANA PETROVIĆ

ACTING DIRECTOR OF THE DIRECTORATE FOR AGRARIAN PAYMENTS

IPARD AGENCY

IPARD IMPLEMENTATION IN FIGURES

Applications

Requested support:
170.62 mil. EUR



Awarded contracts

Requested support:
39.59 mil. EUR



Payment requests

Requested support:
14.52 mil. EUR



Recipients

Payed funds:
10.70 mil. EUR



Measures 7
and 9
accredited



MEASURE 1



M1 - The First, Second and Third Public Call	November 2019	October 2020
Number of Applications	629	1235
Requested amount of funds	72,27 million EUR	193,52 million EUR
Completed Applications	67,25%	58,46%
Adopted	212	430
Approved amount of support	8,71 million EUR	23,64 million EUR
Number of Payment Requests	170	222
Requested amount of funds	6,69 million EUR	10,07 million EUR
Paid funds	5,09 million EUR	7,42 million EUR

*The fourth and fifth Public Call were published on September 24th 2019. and are not included in statistics for November 2019.



MEASURE 3



M1 - The First, Second, Third, Fourth and Fifth Public Call	November 2019	October 2020
Number of Applications	107	202
Requested amount of funds	45,44 million EUR	109,03 million EUR
Completed Applications	58,88 %	54,46%
Adopted	29	56
Approved amount of support	5,61 million EUR	15,58 million EUR
Number of Payment Requests	5	28
Requested amount of funds	536.810 EUR	4,45 million EUR
Paid funds	/	3,29 million EUR

*The third Public Call has been published on November 26, 2019. and it is not included in statistics for November 2019.



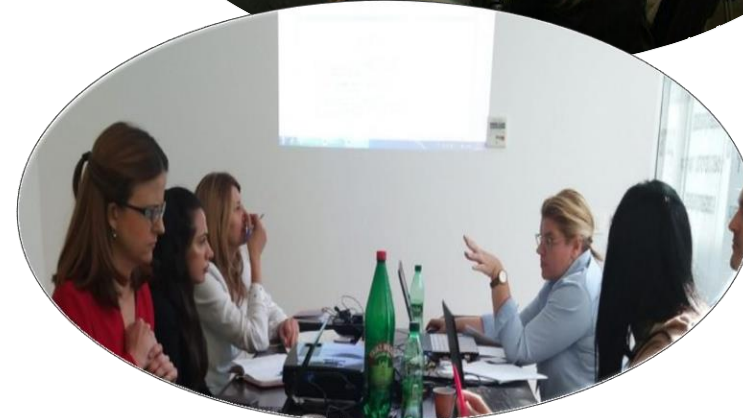
THE AFTERMATH OF COVID 19

- IPARD Agency strives to maintain the work processes and business continuity
- Reorganization of work process
- Work from home was introduced for horizontal functions
- Employees who are processing applications were on duty on certain work days
- All deadlines envisaged by the administrative procedure were postponed until the end of State of emergency
- Significant number (around 100) of Decisions for Project Approval were issued
- Low number of submitted Payment requests due to difficulties in the realization of investments
- The work of on-the-spot control is regulated through the mechanism of exceptional situations



Strengthening the capacities

- The Rulebook on Internal Organization and Systematization of Workplaces entered into force on January 22, 2020.
- **234** workposts systematized for IPARD
- **121** filled positions
- Clear division of responsibilities
- **16** temporary employees are engaged in the Project Approval Sector
- **16** new employees were hired for IPARD according to the last public competition
- Two public competitions for filling of **102** workposts are in preparation
- The stage to fill 50 vacancies by the end of the year
- The first stage of preparation of the Study on the Establishment of the Paying Agency



Facilitated access to finance for IPARD users

➤ Cooperation with USAID

- With 60% of collateral, this Guarantee allows banks to provide loans to finance SMEs and farms in the Serbia's agricultural sector. This programme will provide easier access to finance.
- The first allocated funds of 90 million dollars have already been distributed
- 70% of loans are granted to finance investments approved through the IPARD program
- Guarantee is approved for loans with the purpose of investing in assets i.e. investments in facilities, cool storages, processing equipment, mechanization...
- Banks involved – Procredit bank, Adicco bank and Intesa bank

➤ Communication wiith banks on daily basis

➤ Advance payment in IPARD III programme



Promotion activity in 2020

➤ Active participation in events with lots of potential beneficiaries:

- **How to buy new mechanization** - presentations to farmers and their associations in Novi Sad, Rivica, Bečej and Zrenjanin: around 200 visitors per event
- **Agro Belgrade fair:** around 5000 visitors
- **100 p+ Association of agricultural producers - winter seminar** gathering major agricultural producers/ farmers in Serbia

➤ Education

- **IPARD workshop for M7**
- **In your service** – 12 episodes about IPARD Agency and IPARD Programme that will be broadcast on Agro TV - first specialized television channel for agriculture

➤ Communication with beneficiaries on daily basis



У ВАШОЈ СЛУЖБИ



On-going activities

Support of IPARD operating structures

Upgrading and initialization of RD IT software solution

IA support during the initial phase in the implementation of IPARD II measures 7 and 9

Improvements of the procedures

Advance Payment

Simplified business plan

Amendments to the Sectoral Agreement

Amendments to the Rulebook for the implementation of IPARD measures

Technical corrections

Amendments to the legal base





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**THANK YOU FOR
YOUR ATTENTION!**

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IPARD II and IPARD III

Changes and new proposals to improve the implementation

Anna NOWAK-WOOD

European Commission, 30 October 2020

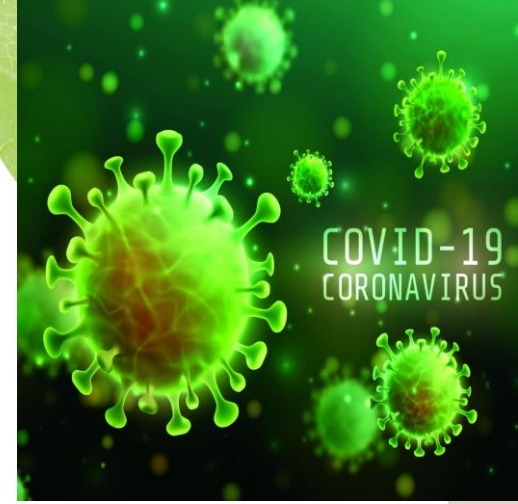
Proposed changes

IPARD II – Sectoral Agreement

IPARD III :

- Timing for adoption
- New measures
- New elements

IPARD II Sectoral Agreement



- Article 33(3)
- The following expenditure shall not be eligible under the IPARD II programme:
 - (e) operating costs, except where duly justified by the nature of the measure in the IPARD II programme or **in the case of force majeure or exceptional circumstances;**
 - (k) any maintenance, depreciation and rental costs, except where duly justified by the nature of the measure in the IPARD II programme or **in the case of force majeure or exceptional circumstances;**



IPARD II Sectoral Agreement



- New concept of “collective projects” and additional **10 % of aid** can be given for collective investments
- (d) ‘**collective investments**’ means investments by producer organisations in:
 - facilities, machines, equipment and other infrastructure for production and processing of agricultural products up to the EU standards or for quality products;
 - establishing and development of short supply chains and local markets.

Could be relevant for M1, M3 and M7





Examples of collective investments

Facilities, machines, equipment and other infrastructure for processing of agricultural products up to the EU standards. This can concern also quality and organic products

- Examples: purchase of packing/bottling/processing machines in fruit and vegetable sector; cool storage facility in fruit and vegetable sector; milk collection centre; press for olive oil production.

Establishing and development of short supply chains and local markets

- Examples: market stall vehicle for direct sales; equipment for market stalls; fridges.



NEW under TECHNICAL ASSISTANCE: pilot projects in setting up cooperation in short value chains and value chains for quality products

- Other ideas for Technical Assistance:
- Guidelines for short value chains, quality products, local markets
- Guidelines for setting up producer organisations
- Study trips
- Studies for establishment of food trails in local tourism
- Websites, publications
- Best practice exchange
- Networking



And in Serbia ?



IPARD II Sectoral Agreement



- Alignment of a definition ‘young farmer’ means a farmer under 40 years of age at **the time of submitting the application**, possessing adequate occupational skills and competence..
- Payments of advances qualify as eligible expenditure up to **50%** of the public aid related to the project and shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to **110%** of the amount of the advance.



| IPARD III - Timing



- **IPARD II 2014-2020, but real implementation (calls, contracts, payments) by 31/12/2023**
- **IPARD III 2021-2028**
- **Sectoral analyses done !**
- **Consultations with stakeholders and ex-ante evaluation – early 2021**
- **Mature versions submitted for discussion to DG AGRI – spring 2021**
- **Final versions – early September 2021**
- **Adoption November 2021 !**



Current and new measures – IPARDII & IPARDIII

M1 – Investments in physical assets of agricultural holdings

M2 – Setting up Producer Groups

M3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products

M4 - Agri-environment-climate and organic farming measure

M5 – LEADER

M6 - Investments in rural public infrastructure

M7 – Farm diversification and business development

M8 – Improvement of Training

M9 – Technical Assistance

M10 – Advisory Services

M11 – Forestry measures

M12 – Financial instruments

M13 - Innovation

New elements under IPARD III

- *Stronger emphasis on sustainable food system and climate footprint– in line with the European Green Deal and Green Deal for Western Balkans, support to short food supply chains and collective investments*
 - **10 % additional for collective investment under M1, M3, M7**
 - **Eligible general costs for collective projects** (establishment, studies, marketing, development of the products, animation)
- *Stronger emphasis on environmental aspects and renewable energy*
 - **10% additional for young farmers and /or organic farmers for M1, M7**
 - **10% additional for renewable energy projects for M1, M3, M7**
- **Circular economy projects, higher co-financing (10%) for M3 and M7**
- **New elements in Serbia (new sectors, new beneficiaries ect.) – to be decided by the Ministry in consultation with stakeholders**



Thank you ! Any questions ?



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MINISTRY OF AGRICULTURE, FORESTRY
AND WATER MANAGEMENT
MANAGING AUTHORITY



IPARD
EU4Rural Areas

ACTION PLAN FOR THE TECHNICAL ASSISTANCE MEASURE 2020 & 2021

Sanja Prodanović
Head of the Group for Technical Assistance and Promotion
30th October 2020, Belgrade

Content of presentation

I MODIFICATION OF THE ACTION PLAN FOR 2020

II ACTION PLAN FOR 2021

- 9.1. Expenditures on meetings of the Monitoring Committee
- 9.3. Expenditure associated with meetings and ancillary task of working groups
- 9.4. Expenditure on information and publicity campaigns
- 9.6. Expenditure associated with visits and seminars
- 9.7. Expenditure associated with the preparation or streamlining of implementation of measures in the Programme
- 9.8. Expenditure associated with “Acquisition of skills” to prepare potential LAGs for the implementation of the measure “Implementation of local rural development strategies – LEADER approach”
- 9.9. Expenditure for evaluations of the programme
- 9.12. Expenditure associated with the streamlining of specific parts of the management and control system, with the objective to increase effectiveness and efficiency through short term specific activities
- 9.13. Expenditure associated with preparation for the new programming period



M9 - TECHNICAL ASSISTANCE

Objectives:

- Assistance in preparation, modification and implementation of the IPARD II Programme
- Monitoring of the IPARD II Programme
- Evaluation of the IPARD II Programme
- Promotion of the IPARD II Programme
- Preparation for the new programming period

Specific objectives:

- Monitoring the implementation of the IPARD II Programme (sessions of the IPARD Monitoring Committee, WG, etc ...)
- Adequate flow of information and promotion
- Studies, study visits, seminars
- External expertise
- Support to potential LAGs
- LAGs and preparations for the LEADER measure of the IPARD II Programme;
- Drafting Rulebooks for IPARD III Programme



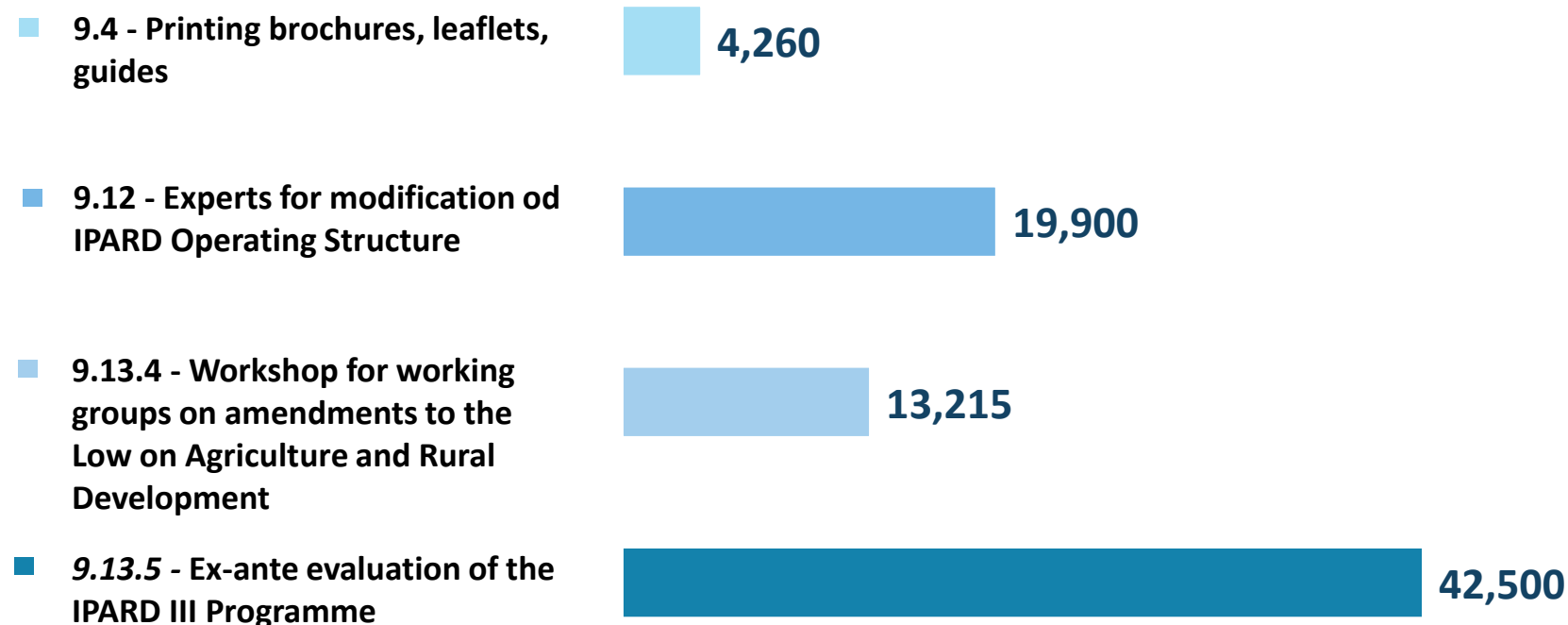
MODIFICATION OF THE ACTION PLAN FOR 2020



TOTAL BUDGET FOR 2020
79,875.00


EU CONTRIBUTION
67,893.75

Structure of the expenditures per group of activities in the total budget for 2020



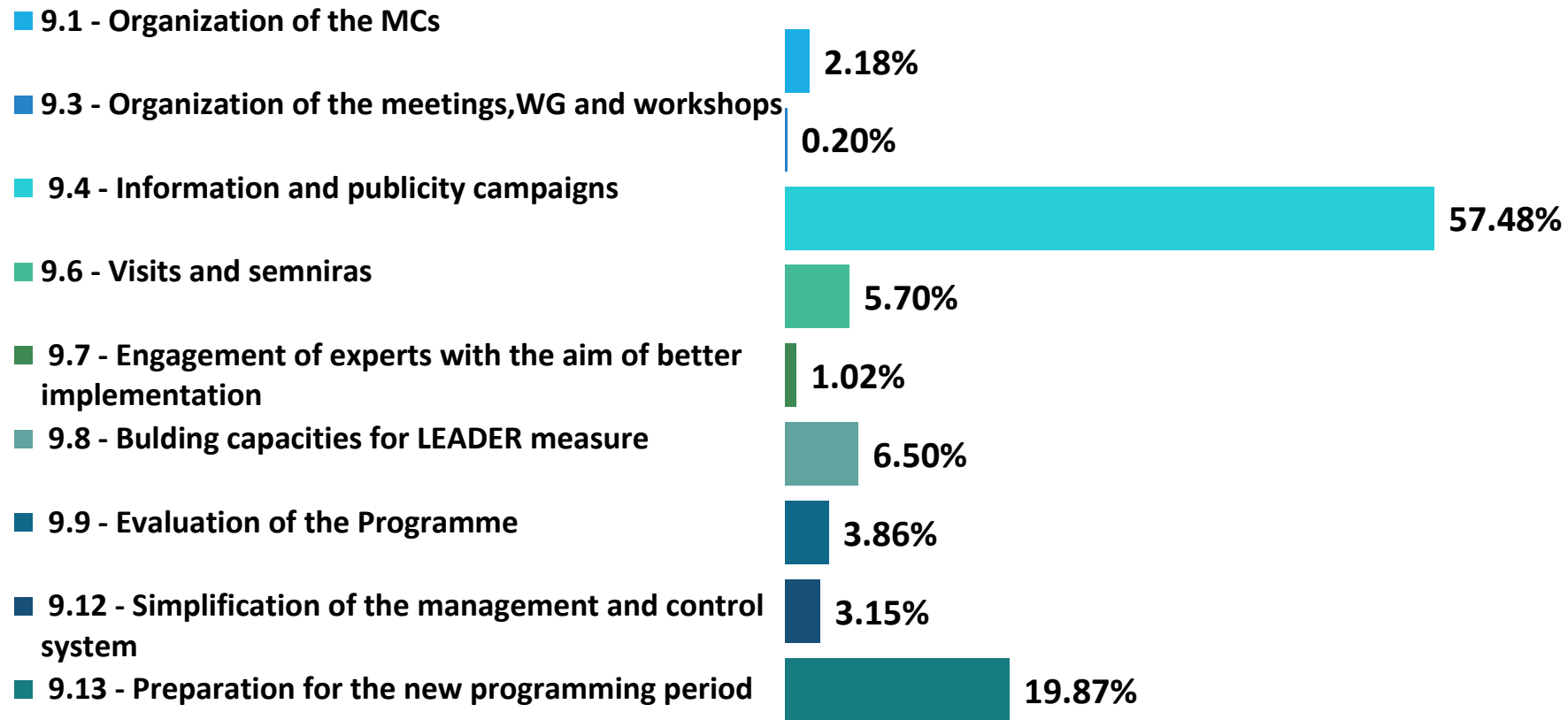
ACTION PLAN FOR 2021

Structure of the expenditures per group of activities in total budget for 2021



TOTAL BUDGET FOR 2021
1,262,316.00

EU CONTRIBUTION
1,072,969.00



9.1. Expenditures on meetings of the Monitoring Committee

Organization of two MCs including all costs

Monitoring
Committee
in Belgrade

- Rental of facilities
- Equipment
- Accommodation
- Catering
- Translation
- All cost for participants

Monitoring
Committee
out of
Belgrade

Indicative allocation for MC in
Belgrade EUR 10,000

Indicative allocation for MC out
of Belgrade EUR 17,000



9.3. Expenditure associated with meetings and ancillary task of working groups

Modifying procedures of IPARD Operating Structure with the aim to their simplification



Indicative allocation
3,000

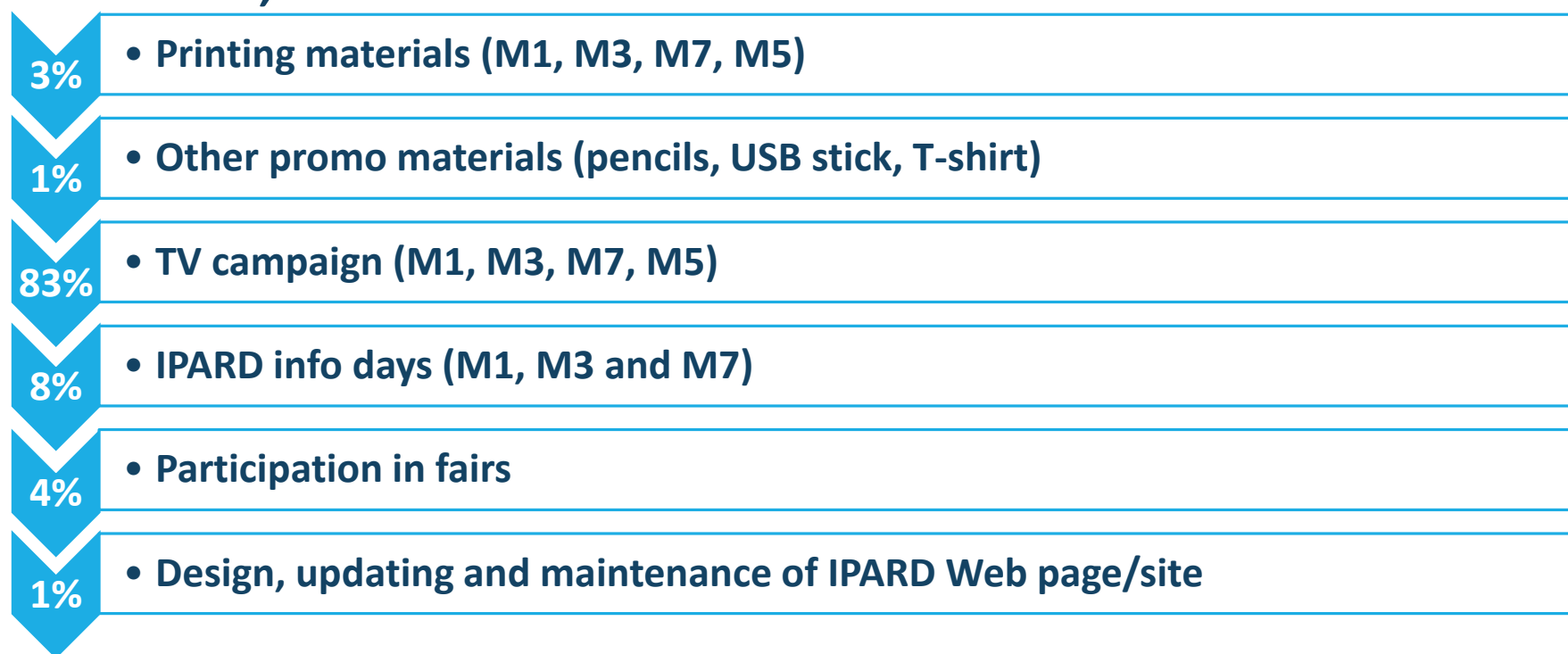
Internal Control Weaknesses (ICW) – review of procedures that may indicate weaknesses of the system, their harmonization and linking with risks



9.4. Expenditure on information and publicity campaigns

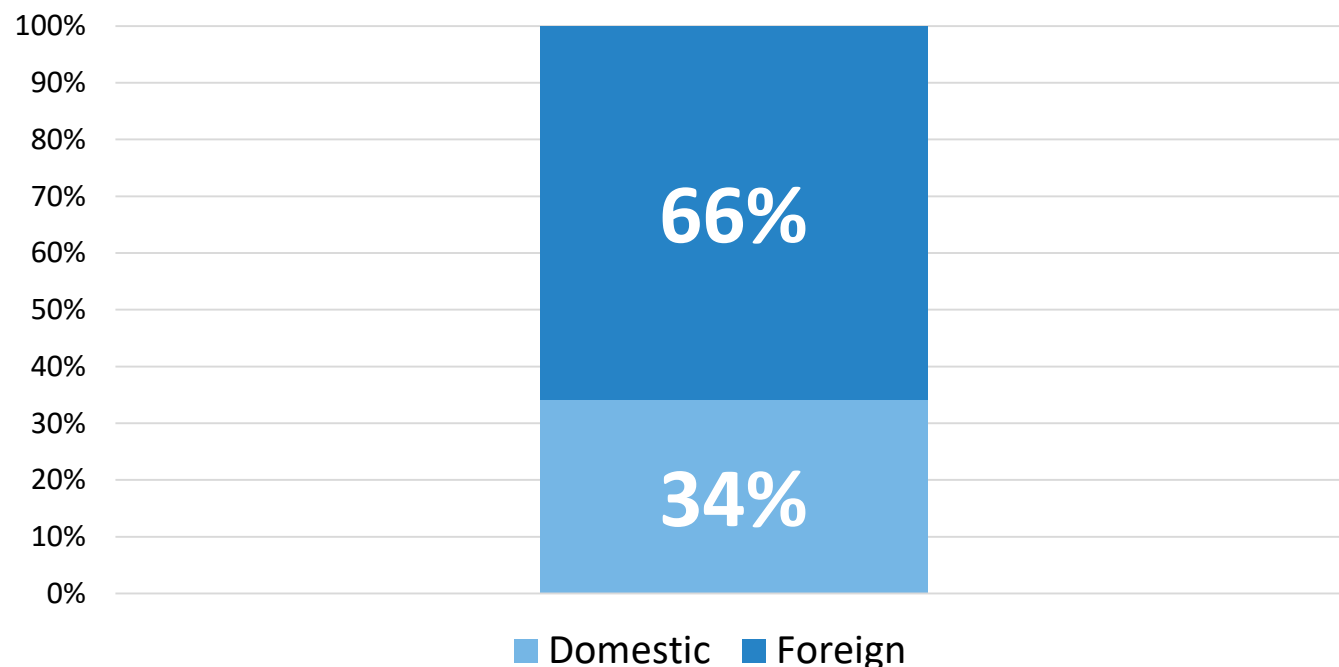
Information and publicity campaign for measures in implementation (M1, M3, M7) and measures in preparation (M5)

WELL INVESTED, **IPARD** RETURNS WELL



9.6. Expenditures associated with visits and seminars

Capacity building and participation of IPARD Operating Structure in seminars, congresses, study visits, trainings



Indicative allocation
72
thousand



9.7. Expenditure associated with the preparation or streamlining of implementation of measures in the Programme

Engagement of experts:

- for implementation of Measure 9 through PRAG rules



9.8. Expenditure associated with “Acquisition of skills” to prepare potential LAGs for the implementation of the measure Implementation of local rural development strategies – LEADER approach

Planned activities for capacity building for target groups (animators, managers, members of the potential LAGs steering boards, IPARD OS, local self-government, local residents):

- 5 educational modules - expert services
- 6 workshops - expert services and organization of workshops
- 2 study visits - organization of study visits

Support to the awareness raising, animation process and building of local capacities for revival of LEADER approach in Serbia



9.9. Expenditure for evaluations of the programme

Engagement of experts

Updating of evaluation plan, preparation of ToRs, Building up of capacities MA and IA relevant staff



Ongoing evaluation of the IPARD II Programme

Indicative allocation

49

thousand



9.12. Expenditure associated with the streamlining of specific parts of the management and control system, with the objective to increase effectiveness and efficiency through short term specific activities

Modifying procedures of IPARD Operating Structure with the aim to their simplification



Internal Control Weaknesses (ICW) - review of procedures, their harmonization and linking with risks

Indicative allocation

40

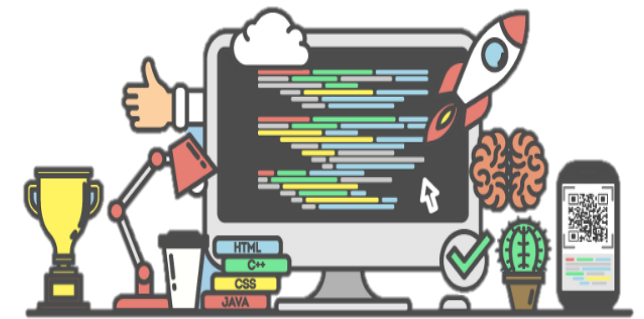
thousand



9.13. Expenditure associated with preparation for the new programming period

IPARD III Programme preparation:

- Sectoral analyses for AE measure and Diversification measure
- Collecting of data (indicators) needed for programming and implementation of measures
- Engagement of experts for programming (M1, M3, M4, M5, M6, M7) and drafting rulebooks
- Ex-ante assessment of IPARD III programme
- Organizing workshops related to IPARD III programming and consultation process with stakeholders
- Organizing study tours for gaining knowledge, experience exchange and good practice





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THANK YOU FOR YOUR ATTENTION!

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IPARD na dlanu



ON GOING EVALUATION OF THE IPARD II PROGRAM IN THE REPUBLIC OF SERBIA FOR THE PERIOD 2017-2019.

Belgrade, 2020.



CONTENT

1. Introduction
2. Activity 1. Evaluation of common contexts of the IPARD indicators and programs in the Republic of Serbia
3. Activity 2: Administrative simplification of the processing of submitted applications
4. Concluding considerations and recommendations



INTRODUCTION



On-going evaluation of the IPARD II program in the Republic of Serbia for the period 2017-2019. was carried out for the needs of the MAFWM by the Institute of Agricultural Economics from Belgrade.



The overall objective of the On-going IPARD II program evaluation is to improve the quality and efficiency of the implementation of the IPARD II program in the Republic of Serbia, as well as to assess the availability of common context indicators, weaknesses and deficiencies in the process of their collection, and for the purpose of monitoring the effectiveness of the IPARD II program implementation.



INTRODUCTION



In order to implement the project, a total of 45 structured interviews were conducted with: representatives of the IPARD MA (Rural Development Department, MAFWM); representatives of the IPARD Agency (MAFWM); representatives of the Rural Development Sector MAFWM - Advisory Group; representatives of the IPARD Monitoring Committee; to representatives of technical bodies (Phytopathology Inspection, Environmental Inspection, Agricultural Inspection and Veterinary Inspection); representatives of consulting firms engaged in the IPARD II program; and Agricultural extension services' representatives.



Six focus groups were held, one focus group with beneficiaries of IPARD incentives and five focus groups with those who did not qualify.



INTRODUCTION



Implementation of the IPARD II program in Serbia began with the First Public Invitation for Measure 1, which was launched on December 25, 2017.



In the period 25.12.2017. do 21.12.2019., five public calls for Measure 1 and two public calls for Measure 3 were launched, while the implementation of the Third Public Call for Measure 3 was in progress at the time of drafting the Report. A total of six IPARD II Monitoring Committee sessions were held. Three changes to the IPARD II program have been adopted



The results of the implementation of the IPARD II program are lower than the planned and projected goals of the previous ex-ante evaluation, primarily due to delays in the beginning of the implementation of the program. The reason for the delay is due to the late receipt of accreditation (transfer of management authority). Financial Agreement between the Government of the Republic of Serbia and the European Commission entered into force on 12.06.2018 years



ACTIVITY 1: EVALUATION OF THE COMMON CONTEXT INDICATORS FOR IPARD II PROGRAMME IN SERBIA

The common context indicators are a framework for monitoring and evaluating the common agricultural policy and rural development policy in the EU countries, and can be grouped into three pillars:

I Socio-economic indicators;

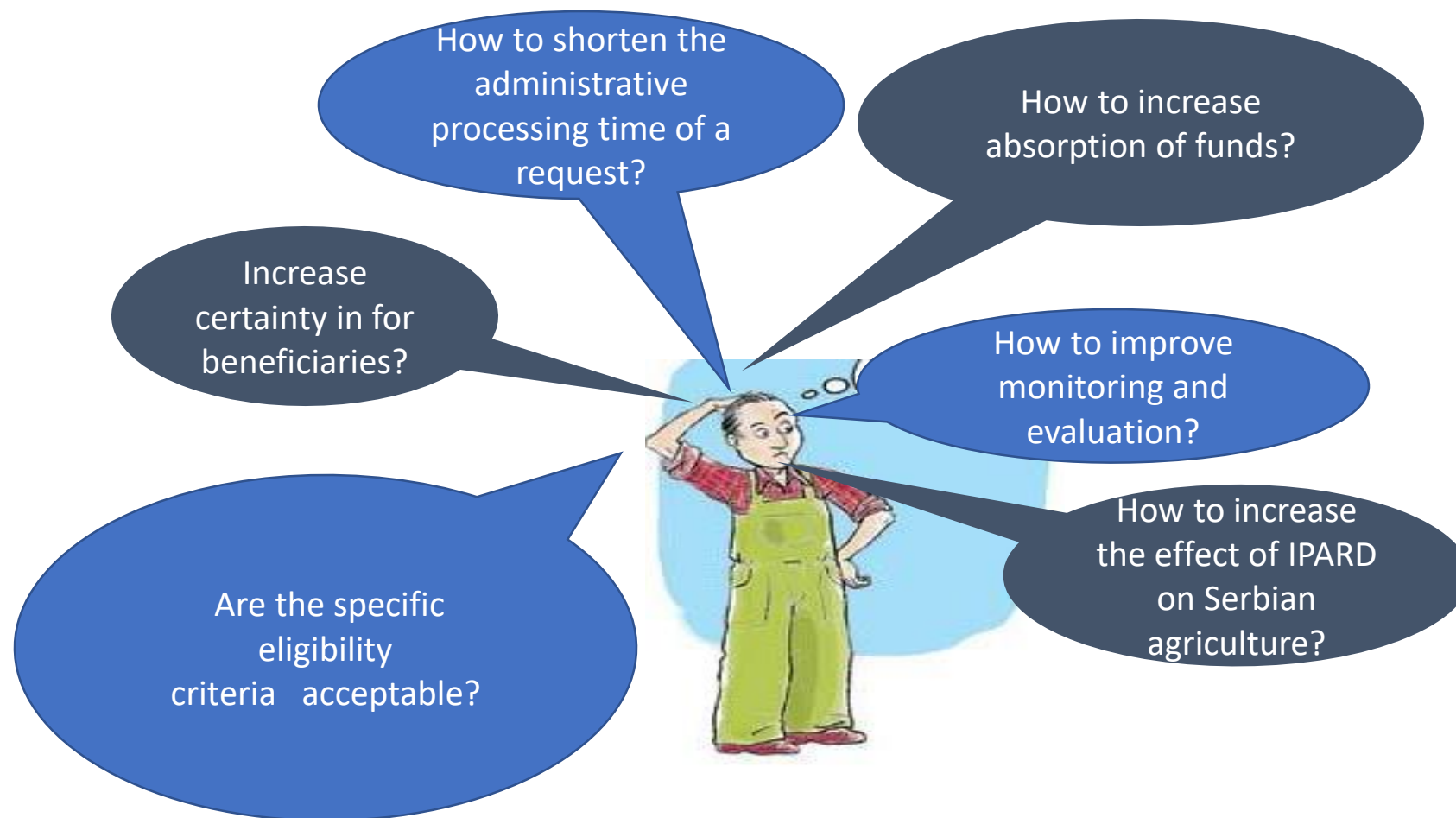
II Sectoral indicators;

III Environmental indicators.

The evaluation of common context indicators included evaluation of each individual indicator (in all three groups), set out in the IPARD II programme document for RS for the period 2014-2020, based on the list of EC DG AGRI recommended indicators (for countries with EU candidate status for the purpose of IPARD II programme evaluation).



Conclusions and recommendations





RECOMMENDATION RELATED TO CONTEX INDICATORS



It is necessary to abandon the current statistical classification of settlements by type (urban and other) and apply the area classification for the NSTJ 3 area level according to the accepted urban-rural typology of EC and Eurostat.



It is necessary for the SORS to classify the spatial units for the municipal level (*LAU 2*) according to the degree of urbanization, in accordance with *DEGURBA* methodology, which is expected after the 2021 Census of population



The SORS needs to establish an indicator “*number of employees*” according to the concept of national accounts.



RECOMMENDATION RELATED TO CONTEX INDICATORS



Within the SORS - Economic accounts of agriculture establish statistics on the monitoring of Labour Consumption in Agriculture in AWU.



Secure financial resources in the RS budget for the implementation of the Farm Structure Survey (SORS).



Following the recommendations of EC DG AGRI, indicator “*Forests and Other Wooded Land*” is to be monitored based on national reports and forest assessments prepared within the FAO Global Forest Resources Assessment (FRA).



By establishing a Central Information System (CIS, E tourist) in the field of hospitality and tourism, enable SORS to retrieve data on tourist traffic and accommodation capacities (by downloading data from an administrative source, the SORS data will be more reliable and of better quality).



RECOMMENDATION FOR IPARD MA



In case of changes requiring changes of procedures, leave a longer period of time until the competition is announced and the IPARD Agency would be prepared!



Improve monitoring of the IPARD II program implementation. For every element that is considered to be necessary changes **MUST** begin with monitoring and evaluation to make a rational decision!



Creating opportunities to use interest rate subsidized loans for the implementation of IPARD projects.



RECOMMENDATION FOR IPARD MA



Modification of the criteria in the Measure 3 in such a way as to separate the milk categories (sheep and goat milk) in the specific criteria in the milk sector



Formation of a coordination body by the IPARD MA and the IPARD Agency that would provide a separate channel for AES information



Establishment of a special education and information program for potential beneficiaries of the Measure 1 in the meat and milk sectors related to manure management, as well as promoting the possibility of using the IPARD program to finance this type of investment



RECOMMENDATION FOR IPARD MA



Continuous training of inspectors of all IPARD technical bodies for the purpose of quality and uniform control.



Development of a user guide for the Measure 1 related to inspection in manure management



Development of a guide for IPARD users on environmental inspections



RECOMMENDATION FOR IPARD Agency



Separation of IPARD agency from MAFWM and definition as an independent institution



Establishment of regional offices of the IPARD Agency, recommendations in the offices of the Treasury Directorate (in accordance with the Action Plan for the Negotiating Group 11)



Introduction of LPIS and IACS systems



After forming a list of beneficiaries to be approved for the implementation of the IPARD project, beneficiaries who do not have enough points would be rejected due to lack of funds to pay incentives!



RECOMMENDATION FOR IPARD Agency



Defining obligatory documentation that must be submitted duly completed on public invitation. A recommendation is made to introduce an obligation to submit a fully and correctly completed IPARD Application Form



Limitation in the number of extensions of the project in implementation phase



Introducing central records of complaints received at the IPARD Agency and appointment the person responsible for monitoring the flow of complaints cases



RECOMMENDATION FOR THE IPARD Agency



Along with the list of approved users that is being made public, information is also added about the consulting firms that provided the services



Amendment to the Memorandum of Cooperation between the IPARD Agency and the RGA, as well as the creation of technical capabilities that will allow the IPARD Agency's immediate access to RGA data related to building permits



Direct access to the IPARD Agency's Register of approved facilities kept by the Veterinary Administration



Providing direct access to the IPARD Agency with the necessary data from the Tax Administration that are relevant to the work of the IPARD Agency



RECOMMENDATION FOR THE IPARD Agency



Provision of direct access to IPARD Agency to the necessary data kept in local governments in terms of providing information on subsidies in the agricultural sector kept electronically by LG.



Improvement in the evidence of the IPARD applications. The software solution would allow to enroled data in one program for: Sector for project approval, Sector for on-site control, Sector for economic and financial affairs



Introducing a software solution for the electronic submission of documents



RECOMMENDATION FOR IPARD technical bodies



Allowing IPARD technical body inspectors direct access to the AHR database



Connecting the IPARD Technical Body - Agricultural Inspection to the Central Register of foodstuff processors database



Connecting the IPARD Technical Body - Agricultural Inspection to the Central Database of the Veterinary directorate



RECOMMENDATION FOR IPARD agricultural extension services



Appointment of the responsible person for the IPARD II Program Manager in each AES



Appointment of responsible persons for each of the technical standards in each AES (one person may cover all or more standards)



Provision of a direct link between the IPARD Technical Bodies and the person designated in the AES for a given mandatory stand



Creation of two forms for which the user requests IPARD support from AES



RECOMMENDATION FOR IPARD agricultural extension services



Development of checklists or software solution for evaluation of IPARD potential users by agricultural advisers



RECOMMENDATION FOR MAFWM



Further improvement of evidence of the second instance appeals process cases



Increasing the number of Complaints Commission members in IPARD incentive proceedings, from the current three Commissioners to no less than five



Improvement of the working conditions of the Complaints Commission in the process of exercising the right to IPARD incentives, in terms of additional remuneration for work and / or reduction of other obligations not related to the work of the Commission



Establishing a procedure for priority signing of prepared Commission decisions in MAFWM



RECOMMENDATION FOR MAFWM



Improvement of the Central Register of Facilities in which Processing Facilities are Enroled



Publication of checklists of IPARD technical bodies - Agricultural inspections, Environmental inspections and Occupational health inspections on the IPARD website



RECOMMENDATION FOR LOCAL GOVERNEMENTS AND RELEVANT MINISTRIES



A significant obstacle to the implementation of the IPARD II program is the unequal licensing and approval procedures (first of all, the problem of building permits was noted) by local governments. To this end, it would be important to: (1) conduct training for employees on licensing and approvals in local self-governments by the ministry in charge of construction, which would improve and streamline licensing and approval procedures in the agricultural sector; and (2) the establishment of an information center by the ministry responsible for local self-government and construction, which would provide rapid responses to representatives of local self-government, as well as users related to the issuance of building permits for agricultural and rural tourism facilities.



OTHER RECOMMENDATIONS



Improvement of the reward system of employees in the IPARD management structure. Amendments to the Decree on Classification of Jobs and Criteria for the Description of Jobs of Civil Servants (Official Gazette of the RS, No. 117/05, 108/08, 109/09, 95/10, 117/12, 84/14), Article 2. an exemption would be granted for the conditions of acquiring the title of employee.



THANK YOU FOR ATTENTION

For further questions and suggestions

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