

IPARD Monitoring Committee

21 June 2022

Overview of the IPARD II Programme from the perspective of the Management structure

The Management Structure

The National Fund and the NAO support office



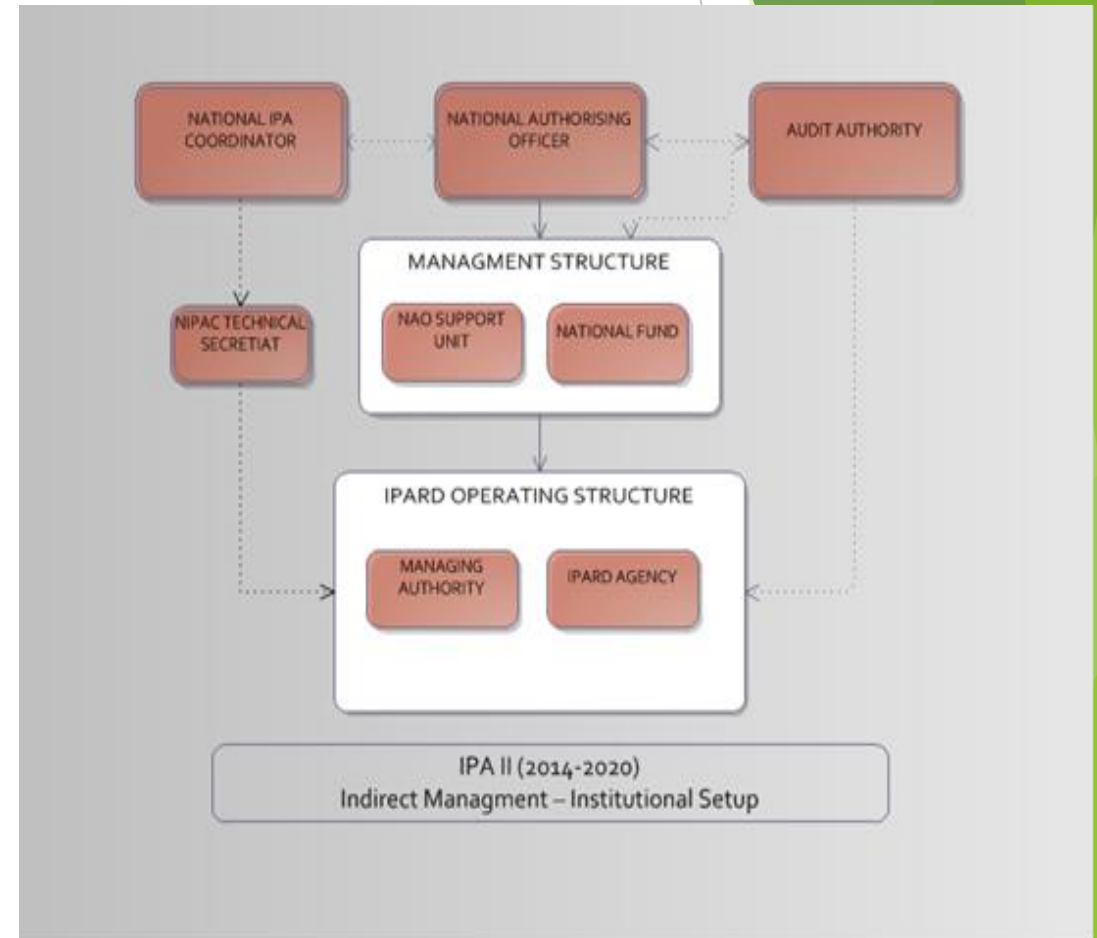
The Ministry of Finance of the Republic of Serbia

Jovana Zdravković, Assistant Minister

Scope of work of the Management structure

Management structure bodies (NAO SO/NF) monitor and supervise the effective functioning of the management and control system under IPA in terms of providing legal and regular expenditure, through monitoring and reporting on:

- ▶ Changes of internal control framework related to legal base, organizational setup, key positions, procedures, etc.
- ▶ Administrative capacities of IPARD bodies
- ▶ Performance of system and certification OSCs
- ▶ Financial implementation flow
- ▶ Audit findings implementation and follow-up reporting



Overview of ICF changes: legal base, procedures, key management positions

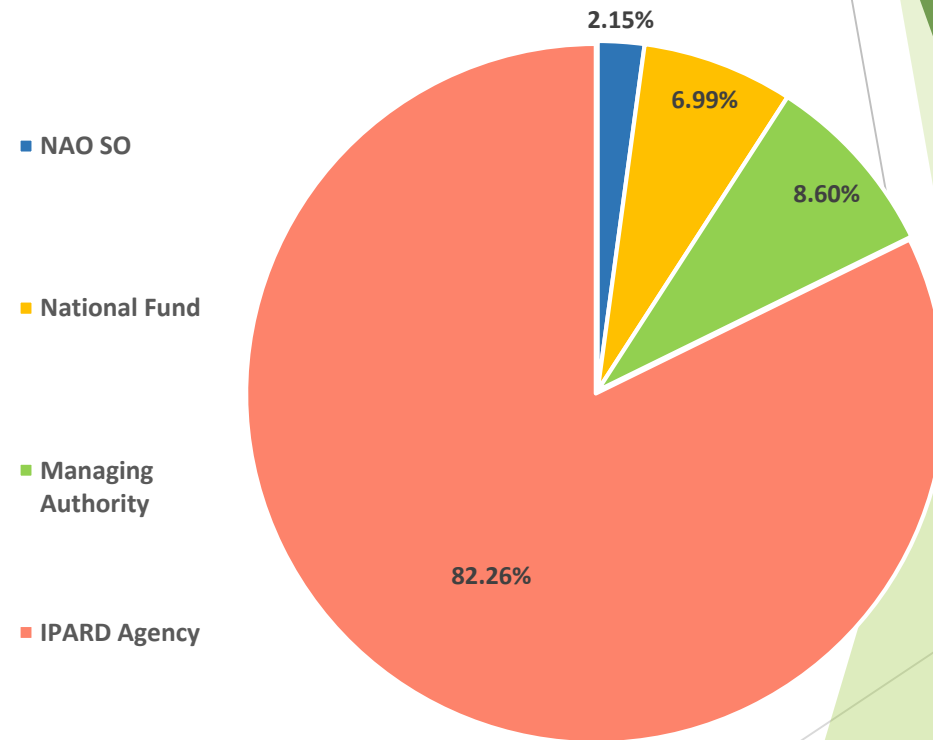
- ❖ Extension of the implementation of the budgetary commitment 2018 under the IPARD II Programme by one year (N+4), until 31 December 2022;
- ❖ *Law on Agriculture and Rural Development* was amended and adopted in December 2021;
- ❖ Changes of IA and MA procedures based on audit findings and recommendations and operational experience;
- ❖ Changes in key management positions:
 - Head of the Management Structure
 - Head of the IPARD Agency
- ❖ The Working Group for monitoring of the Action Plan and reporting to the EC, was established.

Administrative capacities of IPARD structure bodies

❖ Total number of employees in all IPARD bodies is 186, out of which:

- NAO SO: 4
- National Fund: 13
- Managing Authority: 16
- IPARD Agency: 153

**cut-off date 31/12/2021*



On-the-spot checks performed by bodies of the Management structure in 2021

❖ NAO SO/NF 2021 OSCs:

NAO SO OSCs: 9 in total (6 according to OSC plan and 3 ad-hoc)

- in IPARD Agency: 4
- in Managing Authority: 1
- OSCs at the recipient: 4

Main subjects of OSCs: Measures 1,3,7, irregularity management, horizontal issues, project approval processes, payment approval processes, IA OSCs before project and payment approval, including follow-ups of the previous NAO SO findings.

National Fund performed one certification on-the-spot check according to the Annual plan.

All results of OSCs are recorded in NAO SO OSC reports, and elaborated in the relevant Progress report annexed to the Annual management declaration sent to the European Commission on 14 February 2022.

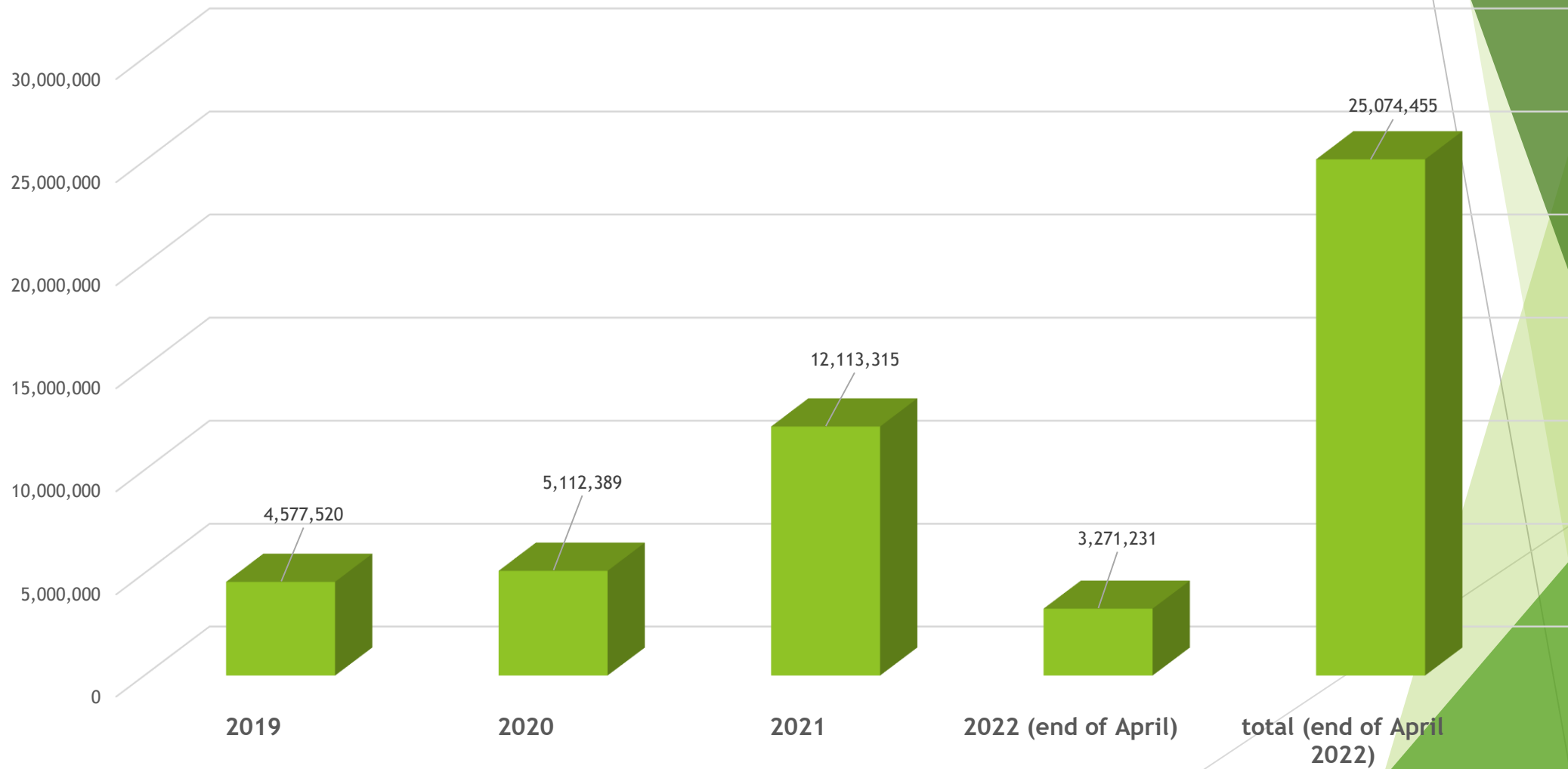
- ❖ In accordance with the NAO SO annual OSC plan, six OSCs are envisaged to be performed in 2022 that will cover main operational processes (project approval, payment approval, on-the-spot check performance, visit to the recipients, horizontal processes). NF annual OSC plan, envisages one certification OSC.

Financial implementation

- ❖ **Declaration of Expenditure and Revenue under IPARD II Programme (D1) for the I quarter of 2022**
 - submitted by NAO to EC on 20 April 2022
 - Total declared eligible expenditure amounts for the I quarter of 2022: **3.864.376,54 EUR**
 - Total declared eligible expenditure amounts for the 2021: **16.151.086,98 EUR**
- ❖ **Disbursement (cut-off 30/04/2022)**
 - **Total disbursed amount to the recipients** (since the beginning of IPARD II implementation) is **25.074.455 EUR** (EU contribution)
 - **Disbursement rate 14.33%**

Disbursement data

Disbursed amount to recipients, per years and total (EU contribution)



Audits performed over the IPARD MCS in 2021

❖ **By the Governmental Audit Office of EU funds (Audit Authority):**

1. Audit of **Management, Control and Supervision System** for FY 2021,
 2. Audit of **Operations** for IPARD II Programme for FY 2021,
 3. Audit of **Annual Account and Management Declaration** for FY 2021.
- *Audit of Management, Control and Supervision System for FY 2022 – on-going*

❖ **Internal Audit was performed in the IPARD Agency**

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

- ❖ Increased National Authorising Officer supervision
- ❖ Support in ensuring staff capacity in all IPARD Bodies
- ❖ Treatment of irregularities and frauds
- ❖ IPARD III preparation

Thank you!



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IMPLEMENTATION OF IPARD II PROGRAMME

MARKO KESIĆ

ACTING DIRECTOR OF THE DIRECTORATE FOR AGRARIAN PAYMENTS

IPARD AGENCY



Crossroads of two programmes

- Administrative and field verification of received applications
- Incentive payout
- Implementation of the last public calls
- Summing up the results

IPARD II

IPARD III

Preparation for implementation:

- legal framework
- (re)accreditation of the procedures

👤 Implementation of the IPARD II programme, after a long accreditation process, began in the middle of the programme cycle

👤 Half of the implementation time was marked by COVID 19

👤 Strengthened administrative capacities, now prepared for acting according to EU procedures

👤 Agricultural producers, who expressed great interest with 3177 requests for project approval, gradually adapted to EU rules through this process



An increasing number of requests

Improve efficiency by strengthening human resources, additional training, increased supervision, and weekly monitoring

Process efficiency

Procedures that are easier to follow and clearly defined documentation that users are obliged to submit

Challenge of new market conditions

Support for customers facing unfavorable investment conditions, such as increased construction material prices and equipment and machinery shortages. Manage a large number of project modification requests

Limitations of the legal framework

Amendments to the Law on Agriculture and Rural Development, as well as the rulebook for implementing measures

Access to finance

Advance payment

Field controls in new circumstances

Use of modern technologies for efficient work in pandemic conditions





Advance payment



- ☞ Providing legal framework through amendment of:
 - ☞ Sectoral Agreement,
 - ☞ Law on Agriculture and Rural Development,
 - ☞ Rulebooks for implementation of IPARD measures 1, 3 and 7
- ☞ Advance payment of up to **50%** of the approved funds is enabled for the applications that are contracted after 1 November, as well as for all ongoing submissions
- ☞ **5** million Euros estimated effect of realization of advance payment, especially within Measure 3
- ☞ **18** advance payment requests, and **9** paid requests with **1,01** million Euros
- ☞ A bank guarantee covering 110 percent of the approved advance amount
- ☞ The possibility of advance payment utilizing various security mechanisms such as mortgages for physical persons is expected to be established in the second half of 2022.





Innovation of the legal framework

Defined reasons for procedure's suspension

In case of the death of the applicant

Modification of the approved project

- the maximum extension of the deadline for the procurement of machinery, tractors, and equipment is up to 6 months, while for construction the deadline is up to 12 months.
- only one request for project modification can be submitted

Precisely defined deadlines at each stage of the procedure

- Due to the COVID pandemic, the deadlines for the procurement of machinery have been extended from 90 to 365 days
- The deadlines for application supplementation have been set, and they now range from 8 to 20 days

Mandatory documentation is prescribed

- Filled application form, proper offers, business plan, and inventory of movable and immovable property

Legal framework for advance payment



On -the -Spot verification with alternative means



In zero controls of M1C6 applications for investments in the purchase of mechanization

Virtually 100% positive results in controls before payment after doing alternative “zero checks”



Plan for procedure simplification when it comes to “zero checks”

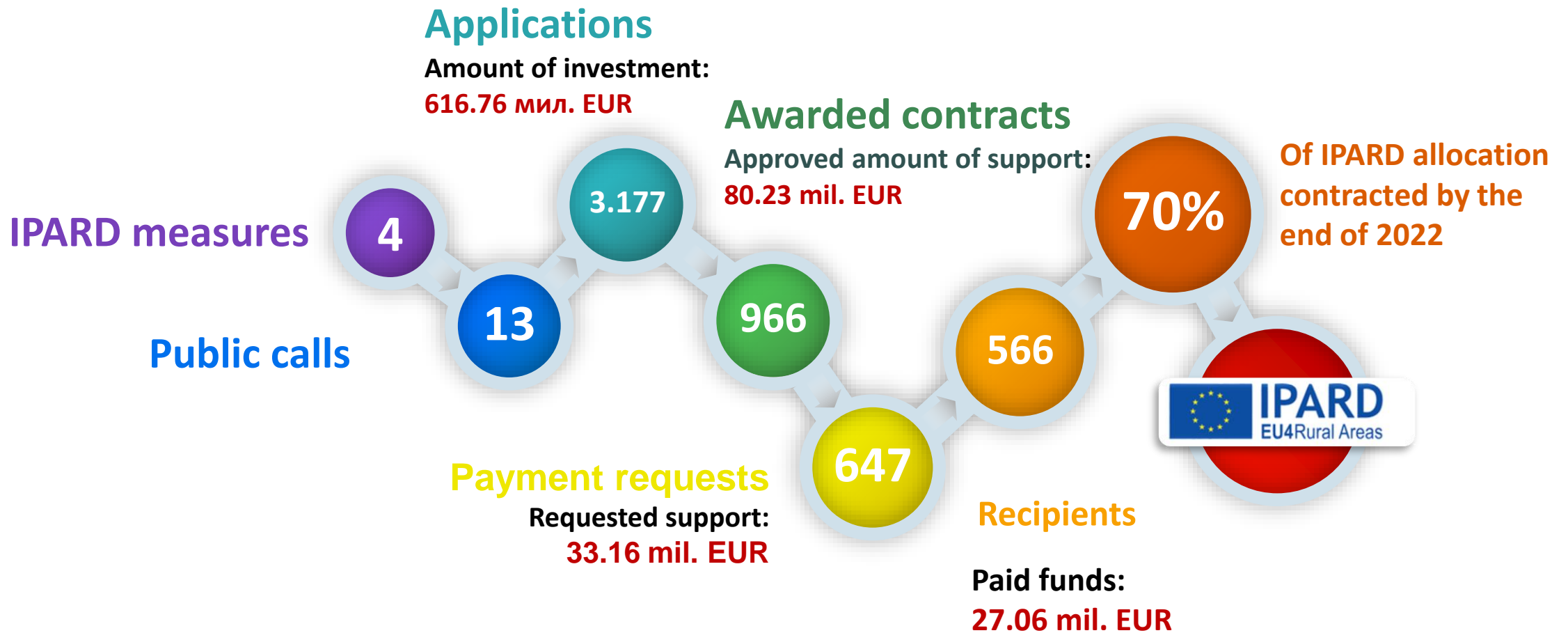
Additional time to analyze the impact of alternative methods

Applicants gathering formally requested material with help of GPS Map Camera application



Preparation of a procedures for the IPARD III Programme
Emphasis is on area-based measures
Preparation of adequate sampling model
User self-control and self-assessment as well





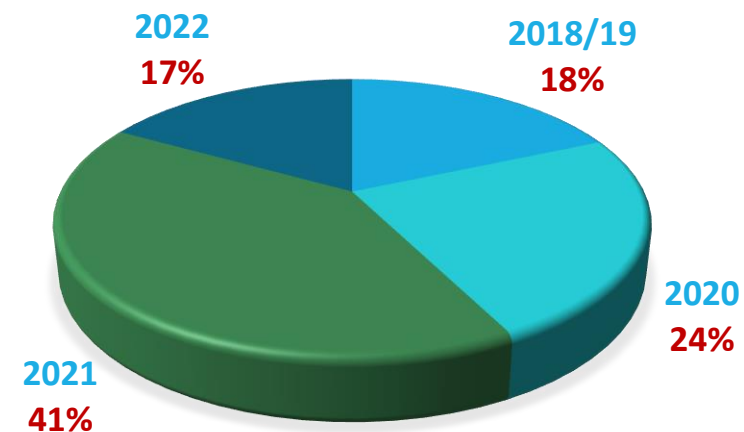


State of play

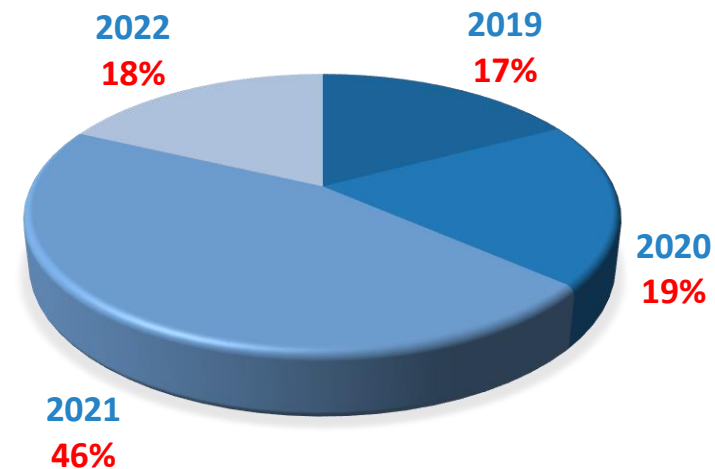
M1, M3, M7

	APPLICATIONS		CONTRACTED PROJECTS		PAYMENT REQUESTS		PAID FUNDS	
	N°	Amount of investment	N°	Approved amount of support	N°	Requested support	N°	Paid funds
2018	736	113,522,319	22	1,520,324	10	212,276	0	0
2019	701	115,884,550	244	13,296,794	175	5,891,523	145	4,577,520
2020	311	55,421,835	333	19,220,117	177	9,807,325	72	5,112,389
2021	773	292,663,184	240	32,579,180	223	12,181,052	293	12,113,315
2022	656	39,273,198	127	13,618,152	62	5,066,365	56	5,258,488
Total:	3,177	616,765,086	966	80,234,567	647	33,158,541	566	27,061,712

APPROVED AMOUNT OF SUPPORT



PAID FUNDS



State of play
State of play



Мера/ Позив	Number of Applications	Requested amount of support	Contracted Projects	Approved amount of support	Recipients	Paid funds
M1-C1	85	5,407,159	42	2,838,611	32	2,101,042
M1-C2	393	8,611,024	189	3,924,157	143	3,172,357
M1-C3	151	30,861,119	70	11,112,370	41	3,954,529
M1-C4	437	11,682,982	294	8,098,906	253	7,113,153
M1-C5	169	31,472,733	87	13,292,621	41	2,715,679
M1-C6	369	51,442,222	86	7,433,345	4	426,208
M1-C7	656	23,563,919	0	0	0	0
M1	2,260	163,041,158	768	46,700,010	514	19,482,968
M3-C1	26	3,723,399	15	1,688,031	12	1,270,085
M3-C2	81	15,638,343	43	10,235,092	25	4,793,234
M3-C3	95	21,979,179	45	10,090,952	12	1,373,856
M3-C4	111	30,730,771	5	1,375,805	0	0
M3	313	72,071,692	108	23,389,880	49	7,437,176
M7-C1	311	36,024,193	90	10,144,677	3	141,568
M7-C2	293	94,551,991	0	0	0	0
M7	604	130,576,184	90	10,144,677	3	141,568
Total	3,177	365,689,034	966	80,234,567	566	27,061,712





Rejection/withdrawal/appeal - reasons

MEASURE	Number of Rejected Applications
Measure 1	283
Measure 3	76
Measure 7	61
Total	420

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

MEASURE	Number of Withdrawn Applications
Measure 1	201
Measure 3	21
Measure 7	21
Total	243

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

MEASURE	Number of Appeals in Progress (Second instance)
Measure 1	33
Measure 3	6
Measure 7	/
Total	39

Project Approval

- Tax debt
- Lack of complete construction documentation
- Non-compliance with specific requirements
- Application submitted outside the prescribed deadline

Payment Approval

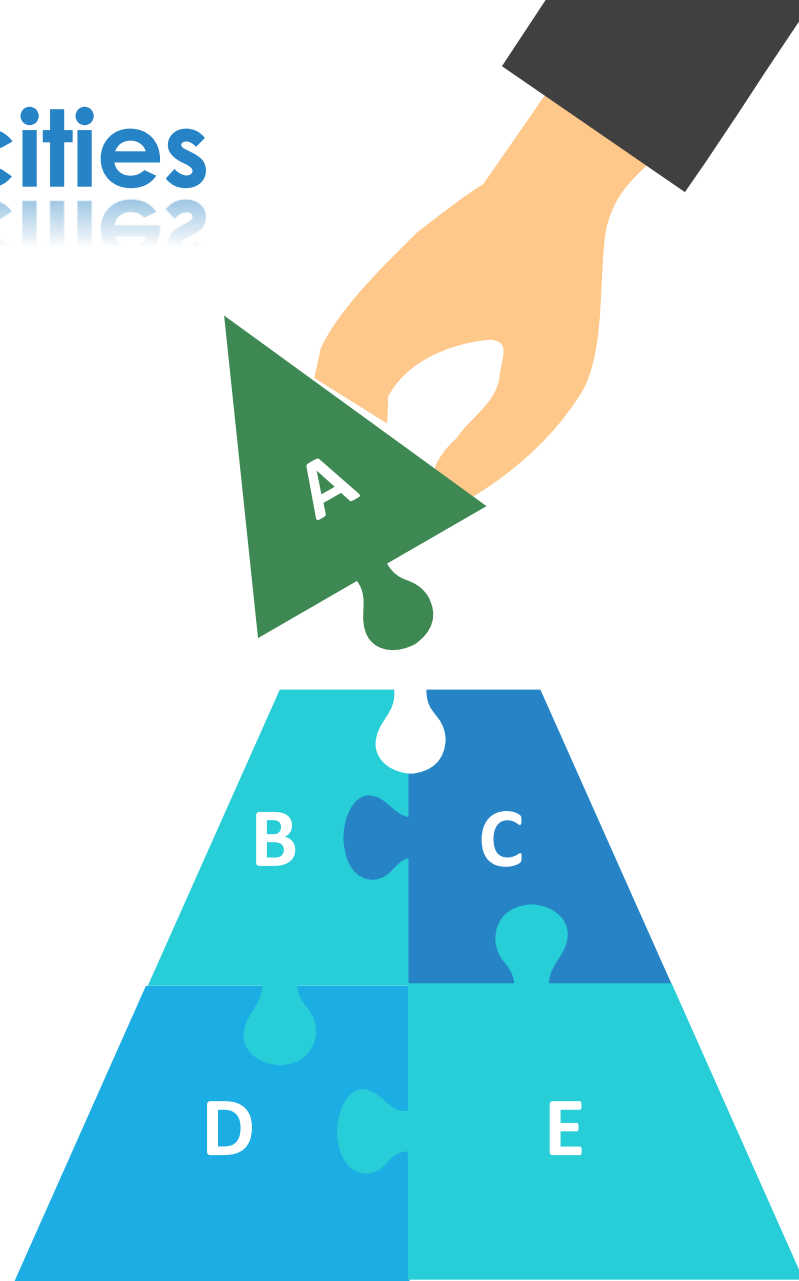
- Application submitted outside the prescribed deadline
- Non-compliance with national and EU standards
- Failure to comply with the obligations granted by the project approval decision
- 67% of complains are rejected





Strengthening the capacities

- By amending the Decree on job classification and criteria for job description of civil servants, the Government of RS allows IA to systematize more senior ranks
- New Systematization Act was adopted on February 1, 2022
- More career opportunities for our employees
- A higher title was given to **50** employees, and a better wage grade was given to **59** employees.
- **232** work posts systematized for IPARD
- **133** filled positions
- **33** temporary employees
- **9** of **22** positions filled tough public competition
- In July, a public competition will be held to fill **31** executive positions created by the new Systematization Act





On-going activities

Cut off date: 06/6/2022

Satisfactory level of absorptions of IPARD funds



- 📊 Acceleration of the realization
- 📊 Readiness of administration and users for the process
- 📊 Amount of contracted projects: **54,43** mil. EUR
- 📊 Paid amount: **6,4** mil. EUR
- 📊 Around **30** mil. EUR amount is foreseen to be paid
- 📊 Around **60** mil. EUR – amount foreseen to be contracted
- 📊 At the end of 2022 with contracted around **130** mil. EUR we will be **on 70%** of the overall IPARD budget

	EU contribution
To be paid in 2021	15,637,962.03
To be paid in 2022	29,490,975.1
To be paid in 2023	60 mill. EUR

To be paid in 2022	EU contribution	Total
May	4,957,637.58	4,957,637.58
June	5,287,442.31	10,245,079.89
July	1,315,760.90	11,560,840.79
August	1,633,366.69	13,194,207.48
September	1,482,374.83	14,676,582.31
October	388,521.20	15,065,103.51
November	8,048,900.62	23,114,004.13
December	0	23,114,004.13
Already paid	6,376,971.00	29,490,975.13
Total	29,490,975.13	





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**WE REMAIN AT YOUR DISPOSAL FOR
ANY FURTHER INFORMATION**

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ANNUAL IMPLEMENTATION REPORT ON IPARD II PROGRAMME FOR 2021

Tijana Marinković Denda

Head of the Group For Monitoring, Evaluation and Reporting of IPARD Programme

21st June 2022, Belgrade

The Managing Authority have prepared the Third Annual Implementation Report on IPARD II Programme covering the period from the 1st January to 31st December 2021, pursuant to Article 59 (1) of the Sectoral Agreement and will be submitted to the EC by the end of June 2022.

Submitted applications

Requested public support:

EUR 361.5 m

EU contribution:

EUR 271.2 m

Approved applications

Approved public support:

EUR 88.1 m

EU contribution:

EUR 66.1 m

Execution rate:

37.8%

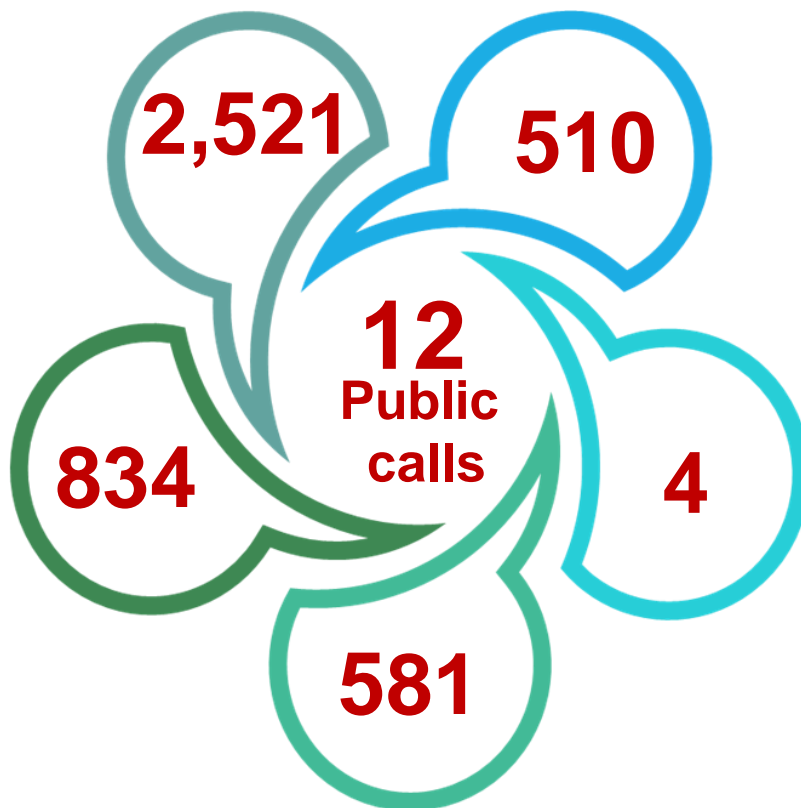
Rejected applications

Rejected public support:

EUR 78.2 m

EU contribution:

EUR 58.6 m



Paid recipients

Paid public support:

EUR 29.1 m

EU contribution:

EUR 21.8 m

Execution rate:

12.5%

Entrusted measures
M1, M3, M7 and M9

- In 2021 three public calls were opened (Sixth Call for Measure 1, Fourth Call for Measure 3 and Second Call for Measure 7).
- First calls for Measure 1 and Measure 3 are closed in terms of processing and payment of applications.



MEASURE 1

Submitted:

Public support: EUR 185.9 M

EU support: EUR 139.4 M

1,604
applications



Approved:

Public support: EUR 52.3 M

EU support: EUR 39.2 M

680
applications

Paid:

Public support: EUR 20.8 M

EU support: EUR 15.9 M
Execution rate: 16.0%

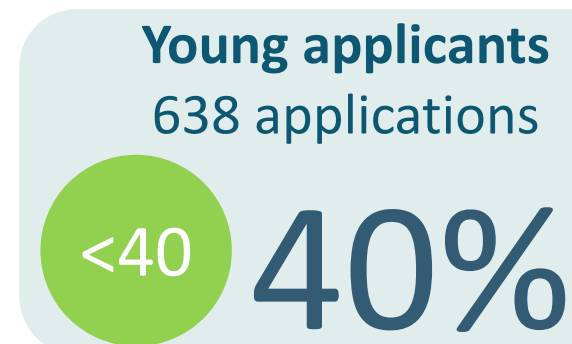
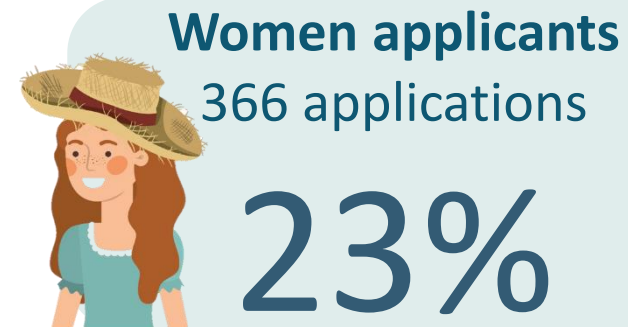
470
applications

Rejected:

Public support: EUR 48.2 M

EU support: EUR 36.2 M

434
applications



MEASURE 1

APPLICATIONS PER SECTOR, TYPE OF INVESTMENT AND REGION:



50%



33%



10%



4%



1%

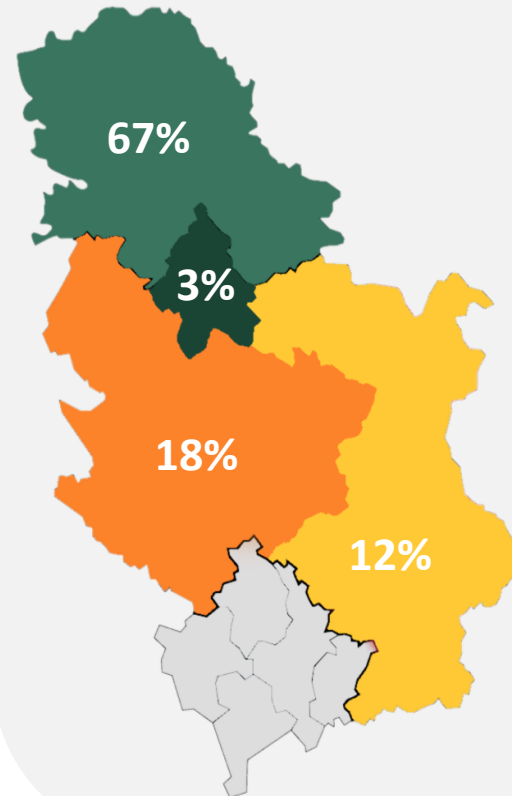


1%

TYPE OF INVESTMENTS

1. Tractors – 51.7%
2. Equipment and mechanisation (excluding tractors) – 32.3%
3. Construction/modernisation of facilities – 14.7%

Share of regions in the number of submitted applications



Vojvodina Region

No. of applications: 1,044

Requested public support: EUR 125,1 m

Šumadija and Western Serbia Region

No. of applications: 276

Requested public support: EUR 29,6 m

Southern and Eastern Serbia Region

No. of applications: 185

Requested public support: EUR 21,5 m

Belgrade Region

No. of applications: 53

Requested public support: EUR 5,1 m



MEASURE 3

Submitted:

Public support: EUR 96.0 M

EU support: EUR 72.0 M

Approved:

Public support: EUR 28.1 M

EU support: EUR 21.1 M

Paid:

Public support: EUR 8.3 M

EU support: EUR 6.2 M

Execution rate: 12.6%

Rejected:

Public support: EUR 18.6 M

EU support: EUR 14.0 M



313
applications

100
applications

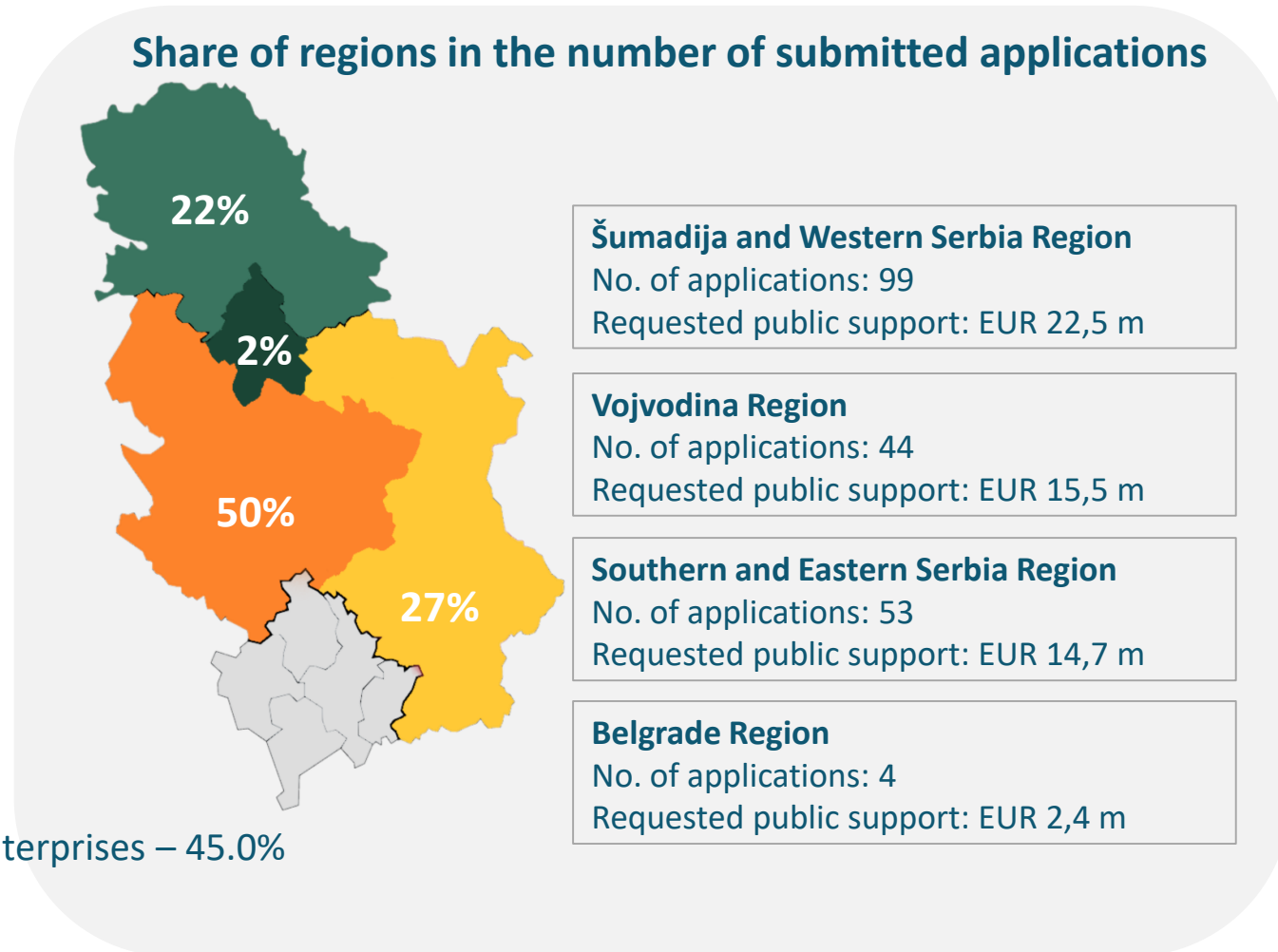
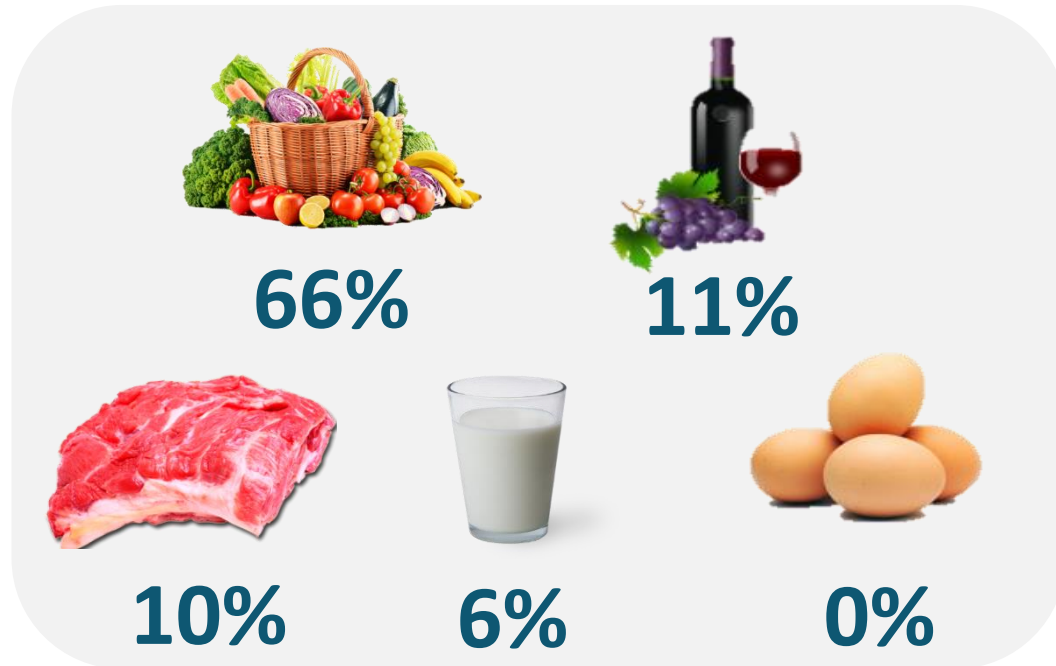
40
applications

87
applications



MEASURE 3

APPLICATIONS PER SECTOR, TYPE OF INVESTMENT AND REGION:



TYPE OF INVESTMENTS

- 1. Construction and reconstruction/modernisation of processing enterprises – 45.0%
- 2. Modernisation of processing and packing equipment – 37.6%
- 3. Production of energy from renewable sources – 9.9%

MEASURE 7

Submitted:

Public support: EUR 79.7 M

EU support: EUR 59.8 M

Approved:

Public support: EUR 7.8 M

EU support: EUR 5.8 M

Rejected:

Public support: EUR 11.4 M

EU support: EUR 8.5 M

604
applications

54
applications

60
applications



MEASURE 7

APPLICATIONS PER SECTOR, TYPE OF INVESTMENT, REGION AND SENSITIVE CATEGORIES OF RECIPIENTS:



Women applicants

125 applications

40%

Young farmers

93 applications

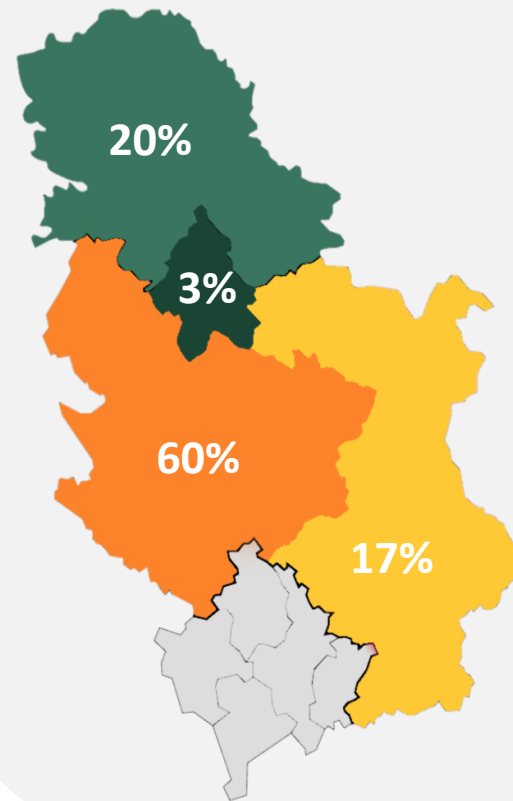
<40

30%

TYPE OF INVESTMENTS

1. Setting of tourist homesteads and recreational zones – 63,7%
2. Modernisation of existing tourist facilities – 15,8%
3. Investments in renewable energy resources – 4,8%

Share of regions in the number of submitted applications



Šumadija and Western Serbia Region
No. of applications: 178
Requested public support: EUR 27,4 m

Vojvodina Region
No. of applications: 60
Requested public support: EUR 10,7 m

Southern and Eastern Serbia Region
No. of applications: 51
Requested public support: EUR 7,4 m

Belgrade Region
No. of applications: 10
Requested public support: EUR 1,7 m



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THANK YOU FOR YOUR ATTENTION!

Tijana Marinković Denda

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FIFTH MODIFICATION OF THE IPARD II PROGRAMME

Jasmina Miljković

Head of the IPARD Managing Authority

Head of the Department for Management of IPARD Programme

21st June 2022, Belgrade

Fifth modification of the IPARD II Programme

EC Letter regarding automatically de-commitment of allocated funds for 2017 in the amount of EUR 3,696,787.33 received on 23rd May 2022



Managing Authority has prepared the Proposal of Fifth Modification of the IPARD II Programme (modification of financial tables and quantified targets)



Approval of the Proposal of the Fifth Modification of the IPARD II Programme by the IPARD Agency



Presentation of the Fifth Modification of the IPARD II Programme and adoption by the Monitoring Committee



Submission of the Fifth Modification of the IPARD II Programme to the EC for approval



Table 7.4. Budget breakdown by measure 2014-2020

Measure	EU contribution (EUR)							
	2014	2015	2016	2017	2018	2019	2020	2014 - 2020
Investments in physical assets of agricultural holdings	-	7,535,248	9,900,325	11,122,224	12,199,743	18,902,434	37,812,500	97,472,474
Investments in physical assets concerning processing and marketing of agricultural and fishery products	-	7,464,752	10,099,675	8,690,276	9,162,757	13,910,066	-	49,327,526
Agri-environment – climate and organic farming measure	-	-	-	-	-	-	-	0
Implementation of Local Development Strategies - LEADER approach	-	-	-	-	-	-	-	0
Farm diversification and business development	-	-	-	5,187,500	8,637,500	6,187,500	6,187,500	26,200,000
Technical Assistance	-	-	-	-	-	1,000,000	1,000,000	2,000,000
TOTAL	-	15,000,000	20,000,000	25,000,000	30,000,000	40,000,000	45,000,000	175,000,000



Amended Table 7.4. Budget breakdown by measure 2014-2020

Measure	EU contribution (EUR)							
	2014	2015	2016	2017	2018	2019	2020	2014 - 2020
Investments in physical assets of agricultural holdings	-	7,535,248	9,900,325	9,663,583.04	12,199,743	18,902,434	37,812,500	96,013,833.04
Investments in physical assets concerning processing and marketing of agricultural and fishery products	-	7,464,752	10,099,675	7,952,129.63	9,162,757	13,910,066	-	48,589,379.63
Agri-environment – climate and organic farming measure	-	-	-	-	-	-	-	0.00
Implementation of Local Development Strategies - LEADER approach	-	-	-	-	-	-	-	0.00
Farm diversification and business development	-	-	-	3,687,500	8,637,500	7,187,500	6,687,500	26,200,000
Technical Assistance	-	-	-	-	-	-	500,000	500,000
TOTAL	-	15,000,000	20,000,000	21,303,212.67	30,000,000	40,000,000	45,000,000	171,303,212.67



Table 6.4. A summary table of the intervention logic showing the measures selected

Measure	Indicator	Quantified target	
		Previous	After modification
Investments in physical assets of agricultural holdings	Number of projects supported	720	900
	Number of holdings performing modernization projects	600	750
	Number of holdings progressively upgrading towards EU standards	380	475
	Number of holdings investing in renewable energy production	60	60
	Number of holdings investing in livestock management in view of reducing N2O and methane missions (manure storage)	120	120
	Total investment in physical capital by holdings supported (EUR)	168,977,778	213,364,073.42
Investments in physical assets concerning processing and marketing of agricultural and fishery products	Number of projects supported	463	210
	Number of enterprises performing modernisation projects	463	210
	Number of enterprises progressively upgrading towards EU standards	463	210
	Number of enterprises investing in renewable energy production	46	21
	Total investment in physical capital by enterprises supported (EUR)	165,893,333	129,571,679.01
	Number of jobs created (gross)	160	120
Farm diversification and business development	Number of projects supported	256	300
	Number of agricultural holdings/enterprises developing additional or diversified sources of income in rural areas	167	150
	Number of recipients investing in renewable energy	50	30
	Total investment in physical capital by recipients supported (EUR)	35,897,436	53,743,589.74
	Number of jobs created (gross)	100	60
Technical Assistance	Number of promotion materials for general information of all interested parties (leaflets, brochures etc.)	11,118	530
	Number of publicity campaigns	167	8
	Number of workshops, conferences, seminars	334	16
	Number of experts assignments supported	44	2
	Number of meetings of the Monitoring Committee	14	12
	Number of studies on elaboration and implementation of Programme measures	83	4
	Number of rural networking actions supported	49	2
	Number of potential LAGs supported	72	4

CONCLUSIONS

ALLOCATION FOR 2017

Decrease in the total EU budget:
EUR 3,696,787.33
2.1%

Decrease in the budget for investment measures:
EUR 2,196,787.33
1.3%

PREVENTION MEASURES



Capacity
building



Proposal for extension
of the deadline for
absorption of funds
for 2019 (n+4)





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IPARD na dlanu



MINISTRY OF AGRICULTURE, FORESTRY
AND WATER MANAGEMENT
MANAGING AUTHORITY



IPARD
EU4Rural Areas

IPARD III PROGRAMME

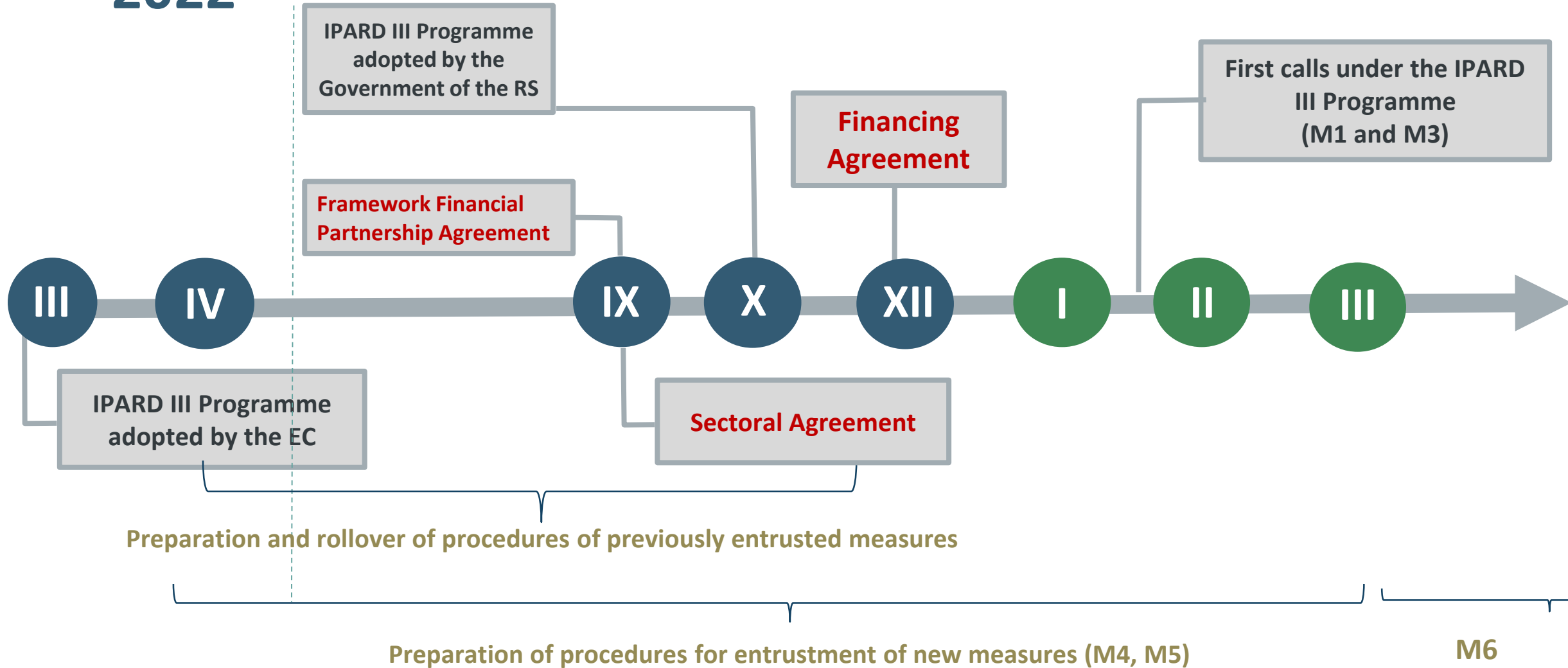
IPARD Managing Authority

21st June 2022, Belgrade

IPARD III PROGRAMME

2023

2022



**Entrusted
measures**

- M1** Investments in physical assets of agricultural holdings
- M3** Investments in physical assets concerning processing and marketing of agricultural and fishery products
- M7** Farm diversification and business development
- M9** Technical Assistance

2024

- M4** Agri-environment – climate and organic farming measure
- M5** Implementation of local development strategies - LEADER approach

2025

- M6** Investments in rural public infrastructure

EU contribution
EUR 288 m
+
RS contribution
EUR 90 m
+
Recipient contribution
EUR 203 m
=
**Investment value
EUR 581 m**



Budget of EU contribution by measure 2021-2027 in EUR

Measure	2021	2022	2023	2024	2025	2026	2027	2021-2027	
								EUR	%
Measure 1	8,500,000.00	11,000,000.00	11,300,000.00	12,900,000.00	15,200,000.00	15,190,000.00	12,310,000.00	86,400,000.00	30
Measure 3	5,000,000.00	7,500,000.00	8,590,000.00	8,750,000.00	11,000,000.00	10,000,000.00	9,640,000.00	60,480,000.00	21
Measure 4	0.00	0.00	2,180,000.00	2,320,000.00	3,300,000.00	3,300,000.00	3,300,000.00	14,400,000.00	5
Measure 5	0.00	0.00	2,000,000.00	2,600,000.00	3,200,000.00	3,300,000.00	3,300,000.00	14,400,000.00	5
Measure 6	0.00	0.00	0.00	8,390,000.00	11,340,000.00	14,380,000.00	17,730,000.00	51,840,000.00	18
Measure 7	6,000,000.00	6,000,000.00	6,000,000.00	6,750,000.00	8,090,000.00	9,120,000.00	9,880,000.00	51,840,000.00	18
Measure 9	500,000.00	500,000.00	930,000.00	1,290,000.00	1,870,000.00	1,710,000.00	1,840,000.00	8,640,000.00	3
Total	20,000,000.00	25,000,000.00	31,000,000.00	43,000,000.00	54,000,000.00	57,000,000.00	58,000,000.00	288,000,000.00	100



MEASURE 1 - Investments in physical assets of agricultural holdings

ELIGIBLE INVESTMENTS

- Construction and equipping of facilities
- Purchase of equipment
- Purchase of machinery and mechanisation
- Purchase of a new tractor (maximum 20% of the total budget)

AID INTENSITY

- 60% of eligible expenditures;
- 65% for investments in mountain areas (70%);
- 70% for investments of young farmers (65%) and
- 70% for investments of certified organic farmers.
- An additional 10% for investments related to effluent and waste management and renewable energy and for collective investments.

TOTAL SUPPORT AMOUNT CANNOT EXCEED 75%.

A recipient can claim the support, irrespective of the total value of the investment, for eligible expenditures within the following ceilings:

Minimum EUR 20,000

Maximum EUR 1,000,000

(For Fruit, Vegetable, Viticulture and Other Crops Sector: EUR 5,000 - 700,000; For Milk, Meat and Egg Sector: EUR 5,000 - 1,000,000.)

Recipient can receive a total support of maximum **EUR 2,000,000** of public support under this measure through IPARD III Programme (EUR 1,500,000).



MEASURE 1 - Investments in physical assets of agricultural holdings

- specific eligibility criteria

MILK SECTOR:

- AHs with minimum **30 (20)** and up to maximum 300 cows, **at the end of the investment**;
- AHs with **more than 300 cows** at the beginning of investment are eligible for investments in:
 - manure storage capacities,
 - on-farm energy production from renewable sources and
 - improving biosafety measures.



MEAT SECTOR:

- AHs with **30 (20)** - 1,000 cattle, and/or **200 (150)** - 1,000 sheep and/or goats, and/or 30 - 400 sows, and/or **200 (100)** - 10,000 fattening pigs and/or **1,000 - 10,000 turkeys** and/or **300 - 3,000 geese** and/or **5,000 (4.000)** - 50,000 broiler chickens per tour, and/or having a registered facility for keeping/breeding of heavy lines parent flocks at the end of the investment;

- AHs with capacity of more than 1,000 cattle and/or more than 1,000 sheep and/or goats and/or more than 400 sows, and/or more than 10,000 pigs and/or more than **10,000 turkeys** and/or **more than 3,000 geese** and/or more than 50,000 broiler chickens per tour, at the beginning of investment are eligible for investments in:
 - manure storage capacities,
 - on-farm energy production from renewable sources and
 - improving biosafety measures.



MEASURE 1 - Investments in physical assets of agricultural holdings - specific eligibility criteria

FRUIT SECTOR:



- AHs with eligible investments of **more than EUR 50,000**
(2 - 20 ha of soft fruit and 5 - 100 ha of other fruit);
- AHs registered in the Register of producers of fruit, grapevine and hop planting material with eligible investments of **more than EUR 50,000**
(AHs registered in the Register of producers of fruit, grapevine and hop planting material with 0.5 - 50 ha of fruit mother plantation).



VEGETABLE SECTOR:

- AHs with eligible investments of **more than EUR 50,000**
(0.5 – 5 ha of greenhouses and/or 3 - 100 ha open space production of vegetables).

MEASURE 1 - Investments in physical assets of agricultural holdings - specific eligibility criteria



Cereals and Industrial Crops Sector:

- AHs from **50 to 100 ha** of land under cereals and industrial crops at the end of investment - **harmonized criteria for the purchase of tractors, machinery and mechanisation and construction of facilities** (2 - 50 ha for purchase of a tractor, machinery and mechanisation and construction and equipping of storing facilities; 50 - 100 ha for purchase of mechanisation and machinery for agriculture production and construction of storing facilities and equipment);
- AHs which have **from 2 to 100 ha** of land under hop production at the end of investment;
- AHs which have **more than 100 ha** of land under cereals and industrial crops at the beginning of the investments are eligible for investments in:
 - Construction, extension, renovation, modernisation and equipping of storing facilities, purchase of mechanisation and machinery for conservation and land cultivation.

MEASURE 1 - Investments in physical assets of agricultural holdings

- specific eligibility criteria

EGG SECTOR:

- AHs with a total capacity of the facility with the minimum of **5,000** and the maximum of **200,000** laying hens in exploitation **at the end of the investment** (without changes);
- AHs with a total capacity of facility with **more than 200,000** laying hens, at the beginning of the investment are eligible for the investments in:
 - replacement of old unenriched cages and or equipment for meeting EU standards regarding animal welfare, facilities and equipment for waste management, wastewater treatment, air pollution prevention measures, construction of manure storage capacities;
 - on-farm energy production from renewable sources;
 - **improving biosafety measures.**



VITICULTURE SECTOR:

- AHs registered in the Vineyard Register with 2 - 100 ha of vineyards, at the end of the investment (without changes);
- AHs registered in the Register of producers of fruit, grapevine and hop planting material with eligible investments more than EUR 50,000.



MEASURE 1 - Investments in physical assets of agricultural holdings

- specific eligibility criteria

NEW SECTOR

FISHERY SECTOR:

AHs having at the end of the investment a total capacity of facility of **minimum 10 tonnes of fish annually**.



Eligible investments:

- Construction/reconstruction of aquaculture production facilities including investments in infrastructure on fish farms (road network, water distribution, electricity network and distribution);
- Equipment for fish farming and transport, respecting biosecurity and environmental protection standards;
- Renewable energy (construction of installation and equipment) primarily focused on own needs.

MEASURE 1 - Investments in physical assets of agricultural holdings

SELECTION CRITERIA	Answer	Points
The investment is located in areas with difficult working conditions in agriculture	yes/no	15/0
Investments in manure storage, effluent treatment and handling	yes/no	13/0
Applicant is a natural person, under 40 years of age at the time of submitting the application	yes/no	12/0
Applicant is a woman	yes/no	12/0
Investments in renewable energy production	yes/no	11/0
Applicant is certified for organic production and/or is recipient under Measure 4	yes/no	11/0
Natural person with established bookkeeping on agriculture holding	yes/no	8/0
Project is the result of cooperation with R&D organisations accredited in the RS	yes/no	7/0
Applicant has not yet been registered as recipient of IPARD support	yes/no	6/0
Applicant is a member of agricultural cooperative or agricultural cooperative or producer organisation	yes/no	5/0



MEASURE 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products

ELIGIBLE INVESTMENTS

- Construction and equipping of facilities
- Purchase of machinery and equipment

AID INTENSITY

Aid intensity from public sources:

- **50%** of eligible expenditures;
- **An additional 10%** for investments relating to the waste management and circular economy;
- **An additional 10%** for investments in renewable energy;
- **Up to 70%** of eligible expenditures for collective investments.

A recipient can claim the support, irrespective of the total value of the investment, for eligible expenditures within the following ceilings:

Minimum EUR 20,000

Maximum EUR 1,300,000

(Milk Processing: EUR 10,000 - EUR 2,000,000; Meat Processing, Fruit and Vegetables Processing: EUR 10,000 - EUR 1,000,000)

Recipient can receive a total support of maximum **EUR 2,500,000** of public support under this measure through IPARD III Programme (EUR 2,000,000).



MEASURE 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products



MILK PROCESSING SECTOR AND MARKETING:

- The recipient has to be registered in the List of Establishments at the end of investment;
- The recipient is required to have capacity of **3,000 - 100,000 l** of collected milk per day at the end of the investment (without changes).

MEAT PROCESSING SECTOR AND MARKETING:

- The recipient has to be registered in the List of Establishments at the end of investment;
- In case of **slaughterhouses**, eligible are recipients with a minimum daily capacity for: 10 cattle or 50 pigs or 50 sheep and goats, or 500 turkeys and geese or 5,000 poultry **at the end of investment** (without changes).
- In case of cutting and/or processing facilities eligible recipients are with a minimum cutting or processing capacity of 500 kg per day at the end of investment.



NEW

FRUIT PROCESSING SECTOR AND MARKETING:

- Eligible investments **more than EUR 50,000**.



VEGETABLES PROCESSING SECTOR AND MARKETING:

- Eligible investments **more than EUR 50,000**.



MEASURE 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products



EGG PROCESSING SECTOR AND MARKETING:

- without changes



GRAPE PROCESSING SECTOR AND MARKETING:

- The recipient has to be registered in the Vineyard Register with the maximum capacities of annual wine production from **20,000 to 1,000,000 litres** at the end of the investment registered in the Winery Register (without changes).

NEW SECTOR



CEREALS AND INDUSTRIAL CROPS PROCESSING SECTOR AND MARKETING:

- In case of seed processors eligible recipients are enterprises registered in the Register of seed processors;
- Eligible recipients are enterprises with eligible investments **more than EUR 50,000**.

NEW SECTOR



FISHERY PROCESSING SECTOR AND MARKETING:

- Recipients have to be registered in the List of Establishments with the daily fish processing capacities **more than 200 kg at the end of the investment**.

MEASURE 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products

SELECTION CRITERIA	Answer	Points
The investment is located in the areas with difficult working conditions in agriculture	yes/no	17/0
Investments in wastewater treatment and waste management	yes/no	17/0
Recipient has established food safety and/or food quality standard system	yes/no	15/0
Investments in renewable energy production	yes/no	13/0
Applicant is certified for organic production and/or is recipient under Measure 4	yes/no	11/0
Project is the result of cooperation with R&D organisations accredited in Serbia	yes/no	11/0
Projects implemented by an agricultural cooperative or producer organisation	yes/no	10/0
Applicant has not yet been registered as recipient of IPARD support	yes/no	6/0



NEW

MEASURE 4 – Agri-environment – climate and organic farming measure

OBJECTIVES OF THE MEASURE

Contribution to sustainable management of natural resources, reduction of the negative impact of agriculture on the environment and improvement of public goods, which leads to the strengthening of agricultural holdings for easier adaptation to climate change and raising awareness of the importance of environmental protection.



Water quality protection



Increase in organic matter in the soil



Biodiversity protection



Prevent soil erosion



Reducing the use of pesticides and mineral fertilizers

RECIPIENTS

Registered AHs who voluntarily agree to take up for a minimum 5 years agri-environment climate commitments:

- legal persons
- natural persons
- entrepreneurs



MEASURE 4 – Agri-environment – climate and organic farming measure



Crop rotation on arable land

EUR 436.16/ha per year



Grassing in inter-row area in permanent crop land

EUR 332.40/ha per year



Establishment and maintenance of pollinator strips

**EUR 264.65/ha per year (arable land)
EUR 333.77/ha per year (permanent crop)**



Sustainable management of meadows and pastures

EUR 312.52 ha/per year

OPERATIONS UNDER MEASURE 4



MEASURE 4 – Agri-environment – climate and organic farming measure

COMMON ELIGIBILITY CRITERIA

- Voluntarily agree to take up for a **minimum 5 years** agri-environment climate commitments;
- Ownership or right of use of the land parcels on which measure will be implemented at least a minimum of **7 years**;
- Parcels registered in the Register of Agricultural Holdings;
- **Mandatory education of recipients** before the implementation of accepted commitment;
- Comply with the relevant national minimum standards and commitments specified under each operation;
- Keeping farm record book, with relevant information;
- The minimum eligible size of agricultural land that can be included under selected types of operation is as follow:

Arable Land 1 ha	Orchards 0.5 ha	Vineyard 0.3 ha	Meadows and Pastures 1 ha
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- Parcels that contain structures and/or elements that dominate the use of (such as roads, farm buildings, ponds, lakes, dumping areas, abandoned land etc.) shall be deemed as ineligible, except for parcels with a limited number of landscape features, which do not interfere with the implementation of the Measure;
- Map of the parcel from the e-platform “GeoSerbia” or a copy of the plan of the cadastral parcel, with clearly marked boundaries and area of the parcels covered by the commitment;
- Operations shall be implemented on the same parcels for the whole duration of the commitment (no change of parcel location);
- A parcel may only be tied to one operation.

**Specific
eligibility
criteria differ
per operation**



MEASURE 5 - Implementation of Local Development Strategies - LEADER approach

LEADER approach is an IPARD measure implemented through the implementation of local development strategies, prepared and implemented by the Local Action Groups.



Local Development Strategy is a planning document prepared for a specific territory by the LAG for the programming period of the IPARD Programme and approved by the DAP.

NEW

LAG status is acquired by an association in a certain territory in the Republic of Serbia, which includes rural areas, whose founders or members are domestic and foreign natural and legal persons and **LOCAL SELF-GOVERNMENT UNITS**, which is registered in accordance with regulations governing the legal status of associations, which has as obligatory governing bodies the assembly, the board of directors and the representatives, whose obligatory goals are prescribed and to whom the LDS has been approved.



MEASURE 5 - Implementation of Local Development Strategies - LEADER approach

ELIGIBLE ACTIVITIES

“Acquisition of skills, animating the inhabitants of LAG territories” for capacity building and animation of selected LAGs

“Running costs” for running the selected LAGs

Implementation of “small projects”

“Cooperation projects” for inter-territorial or transnational projects

Activity will be eligible in the latest phase of the implementation of the IPARD III Programme.



MEASURE 6 - Investments in rural public infrastructure

RECIPIENTS

LSGUs - for projects implemented in settlements with **up to 10,000** inhabitants (98% of settlements of the RS)

ELIGIBLE INVESTMENTS

- Construction and reconstruction
- Purchase of fixed equipment of immovable infrastructure

ELIGIBLE SECTORS

- Water management
- Sewerage system
- Construction and reconstruction roads
- Waste management
- Energy supply



MEASURE 6 - Investments in rural public infrastructure

AID INTENSITY

- Up to **100%** per eligible investment not of a nature to generate substantial net revenue;
 - Up to **50%** for other eligible investments in rural infrastructure.
- Minimum value of support per project: **EUR 300.000.**
 - Maximum value of support per project: **EUR 400.000.**
 - Total public support under the IPARD III Programme: **EUR 5.000.000.**

PRINCIPLES REGARDING SELECTION CRITERIA

- Type of investments;
- Number of inhabitants in the settlement where investment is envisaged;
- Level of LSGU development;
- Investment in mountain or areas with difficult working conditions in agriculture;
- Energy efficiency, use of renewable energy sources;
- Investment is located in an area where there is at least one recipient under any investment IPARD measure.



MEASURE 7 – Farm diversification and business development

RURAL TOURISM SECTOR

- **Construction and equipping of accommodation facilities, as well as secondary facilities** (facility/premises for food and beverage tasting; small-scale facilities for sports, recreation, leisure, wellness and education...);
- **Purchase of IT hardware and equipment**, including software, for activities;
- **Purchase of vehicles for activities.**

DIRECT MARKETING SECTOR

NEW

- **Construction and equipping of facilities for storage and sale:** on the farm gate, local stores, green markets, restaurants (stands, kiosks and equipment for packaging and labelling of products) and online;
- **Purchase of food storage equipment;**
- **Purchase of IT hardware and equipment**, including software, for activities;
- **Purchase of vehicles for activities** (for transportation, mobile shops etc.).



MEASURE 7 – Farm diversification and business development

SMALL-SCALE SERVICES SECTOR

NEW

Construction and equipping of facilities in order to provide non-agricultural services, such as:

- repairment of agricultural and forestry tools, machines and mechanisation, motor vehicles, motorcycles;
- repairment of computers and communication equipment, as well as gadgets for personal use and household appliances;
- hairdressing/cosmetic services;
- educational services;
- pet care services and veterinary services, etc.



MEASURE 7 – Farm diversification and business development

ELIGIBLE INVESTMENTS

- **Construction and equipping of facilities** (including renewable energy)
- **Purchase of equipment** (tools, machines and mechanisation)
- **Purchase of vehicles for activities**

AID INTENSITY

- **60%** of eligible expenditures;
- **70%** for investments of young farmers;
- **70%** for certified organic producers and
- **An additional 10%** for investments related to waste management, circular economy and renewable energy;

TOTAL SUPPORT AMOUNT CANNOT EXCEED 75% OF ELIGIBLE EXPENDITURES.



MEASURE 7 – Farm diversification and business development

Minimum and maximum values of public support per project

Direct Marketing Sector

- Construction/reconstruction with equipping related projects: EUR 5,000 - EUR 300,000;
- Equipping related projects only: EUR 5,000 - EUR 100,000.

Rural Tourism Sector

- EUR 20,000 - EUR 300,000

Small-Scale Services Sector

- Construction/reconstruction with equipping related projects: EUR 5,000 - EUR 300,000;
- Equipping related projects only: EUR 5,000 - EUR 200,000.

Investments in more than one sector: EUR 20,000 - EUR 300,000.
Total support per recipient under Measure 7 for the IPARD III Programme: EUR 600,000.



MEASURE 9 – Technical Assistance

OBJECTIVES

- Monitoring and evaluation of the IPARD Programme;
- Flow of information and publicity regarding the IPARD Programme;
- Studies, trainings, visits and seminars to improve the capacity of IPARD administration and recipients;
- External expertise;
- Establishment and preparation of pLAGs;
- Improvement of the capacity of the AAS;
- Improving the capacity of local entities supporting the implementation of the IPARD Programme (e.g. local self-government units);
- Strengthening the national administration managing the IPARD Programme (top-ups).

RECIPIENT

IPARD Managing Authority

Indirect recipients: Operating Structure, Management Structure, Advisory services, Technical bodies, potential LAGs and National Rural Development Network

AID INTENSITY

100%

EU contribution 85% + 15% RS contribution



PROMOTIONAL ACTIVITIES PUBLICATIONS



Subscribe to our bi-monthly IPARD newsletter:
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MINISTRY OF AGRICULTURE, FORESTRY
AND WATER MANAGEMENT
MANAGING AUTHORITY



IPARD
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THANK YOU FOR YOUR ATTENTION!

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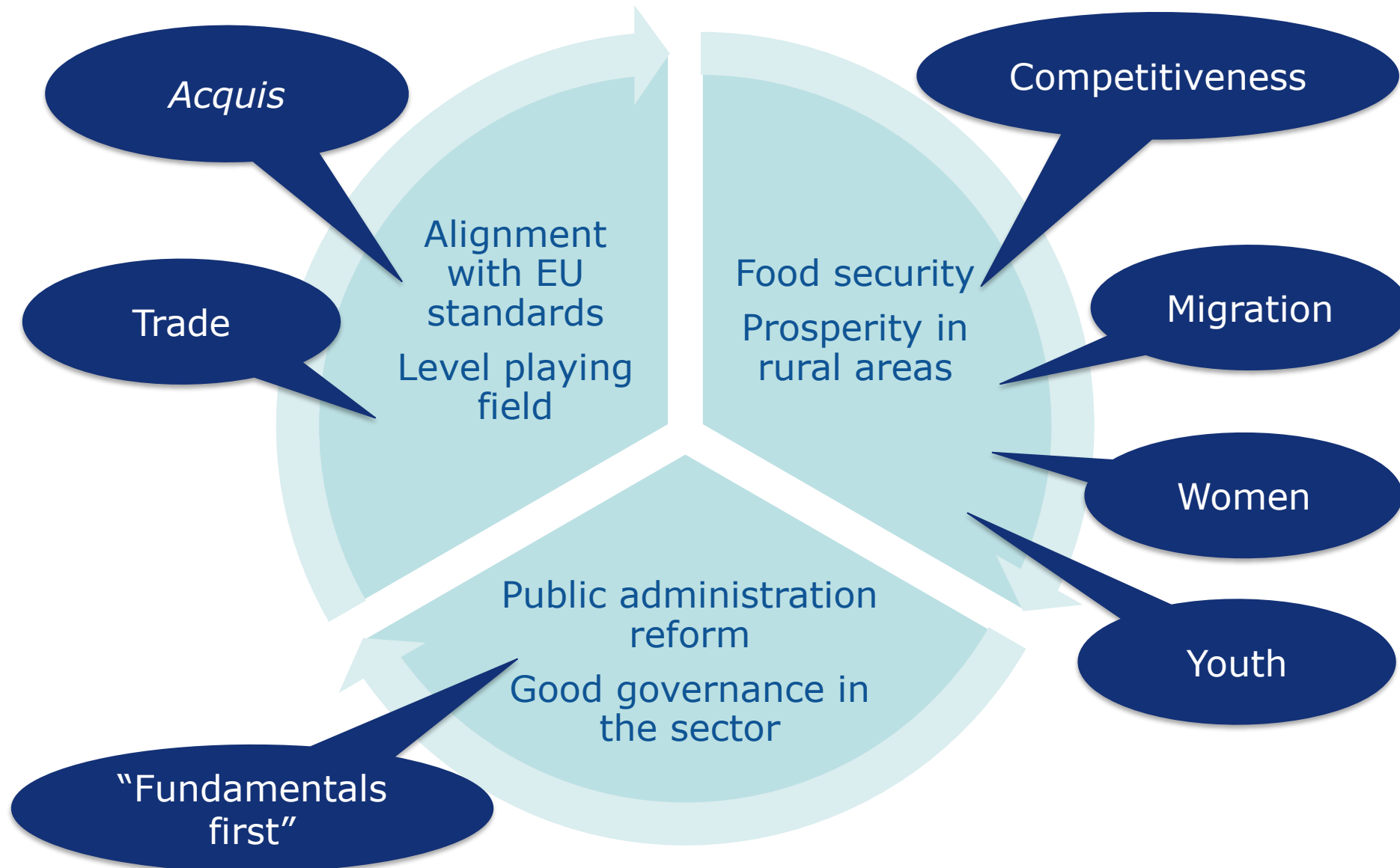


From IPARD II to IPARD III

**Marius Lazdinis, Deputy HoU, DG Agriculture and Rural
Development**

**9th IPARD Monitoring Committee meeting, Serbia
21.6.2022**

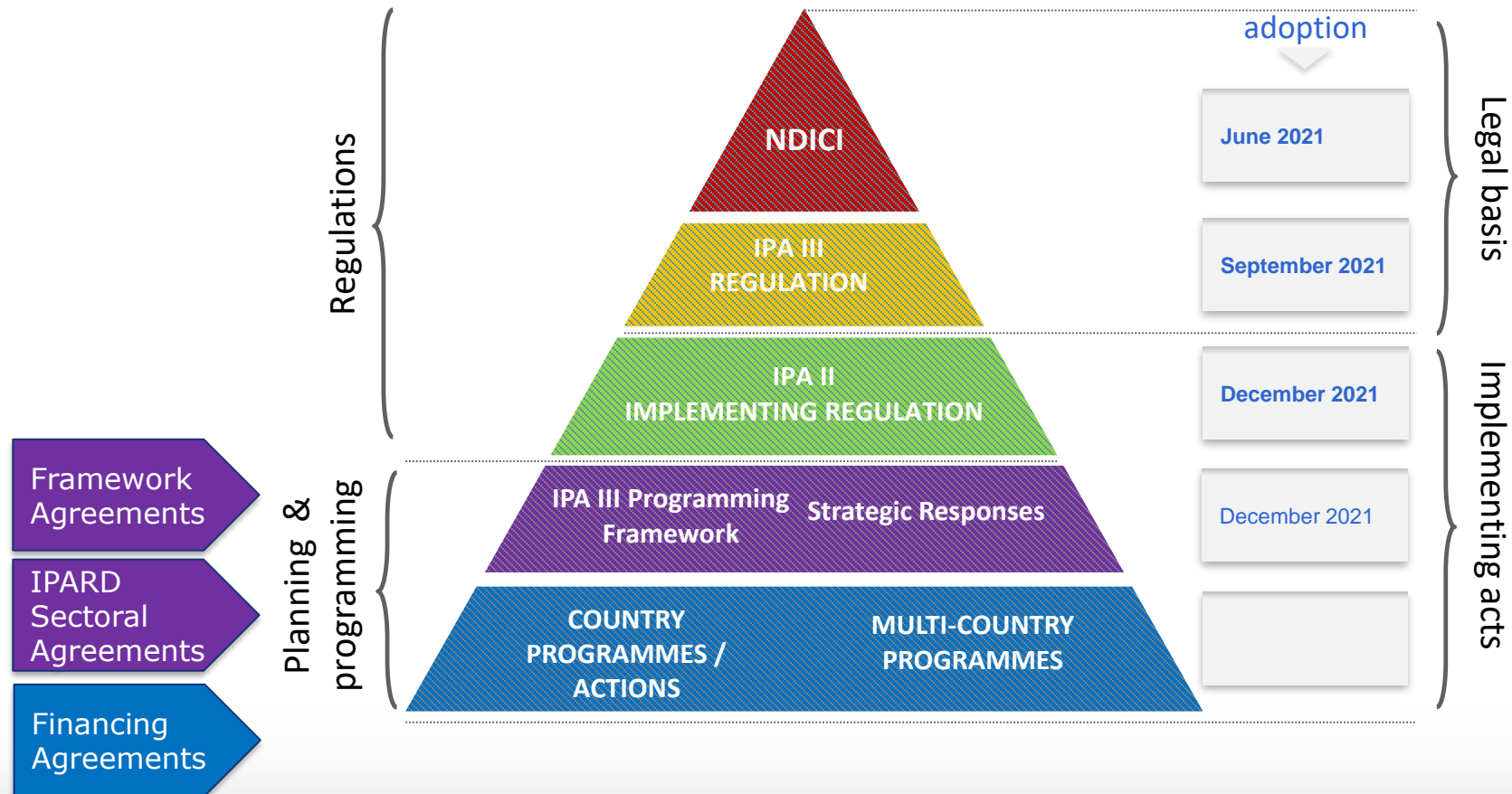
1€ of IPARD = multiple objectives



Part of IPA

- Specific objectives:
 - **effectiveness of public administration, good governance**
 - **alignment with EU rules, standards, policies, practices**
 - **strengthen economic and social cohesion, youth, investment in private sector development, SMEs, agriculture and RD**
 - **env. protection, resilience to climate change**
- Thematic priorities: mainly 3(q) and 3(t)
- Programming Framework: mainly Window 4, but also 2 and 3

IPA/IPARD III architecture



Overview of legal framework



- Two new measures
 - **Innovation and knowledge transfer**
 - **Financial instruments**
- More emphasis on greening – Green Agenda for the WB, Action Plan
 - **Effluent, manure and waste management, modernisation of assets**
- Guidance documents to the countries, revised measure fiches
- Budget █

In million €

IPARD II

Country	2014	2015	2016	2017	2018	2019	2020	Total
AL	--	--	13	14	12	16	16	71
ME	--	5	5	6	7	8	8	39
MK	5	5	5	6	10	14	15	60
RS	--	15	20	25	30	40	45	175
Total WB	5	25	43	51	59	78	84	345
TR	69	69	69	148	131	40	75	601
Total WB+TR	74	94	112	199	190	118	159	946

IPARD III

Country	2021	2022	2023	2024	2025	2026	2027	Total
AL	8	10	12	16	19	23	24	112
ME	5	6	8	9	10	12	13	63
MK	7	8	12	15	17	18	20	97
RS	20	25	31	43	54	57	58	288
Total WB	40	49	63	83	100	110	115	560
TR	50	50	50	70	70	70	70	430
Total WB+TR	90	99	113	153	170	180	185	990

IPARD budget per capita (EUR)	
Albania	24.6
Montenegro	62.7
North Macedonia	29.0
Serbia	24.7
Turkey	7.6

- Climate-relevant activities (Rio-markers methodology) - 42% (EUR 415.2 million)
- Biodiversity - close to 6% (EUR 57 million)

Changes in IPARD III programming - I

- Amended programming objectives, with more emphasis on climate and environmental aspects
- Joint list of eligible expenditure (in preparation)
- Guidance on common provisions for Sections 8.1 and 8.2 of IPARD programmes for all measures
- Measure descriptions streamlined

Changes in IPARD III programming - II

- Aid intensities modified taking into account new policy priorities, e.g.:
 - 70% for investments made by young farmers and/or organic farmers in physical assets of agricultural holdings and in farm diversification and business development; collective investments
 - additional 10% (not exceeding 75% in total) can be given for investments related to effluent and waste management, renewable energy and circular economy-type investments

Financial Framework Partnership Agreement (FFPA), some changes

- Some new definitions
 - **Sustainability of IPA III assistance**
- 'Our' Managing Authority is now called: the 'IPA Rural Development (IPARD) Managing Authority'
- The rule of origin disappeared!

Sectoral Agreement, some changes

- Less obligatory on-the-spot verifications and use of 'alternative means'
- Since IPARD II, the scope of 'ex-post verifications' more limited than under IPARD I
- More articles on area-based and animal-based projects
- 2 new measures under IPARD III
 - **12. financial instruments**
 - **13. promotion of cooperation for innovation and knowledge transfer**

Sectoral Agreement, some changes

- No obligation anymore to make payments to the recipients in the national currency
- New article on force majeure and exceptional circumstances
- New definitions in Annex 4, section 1
- Some amendments in aid intensities + putting upper limits ('shall not exceed')
- Putting upper limits to the EU contribution ('shall not exceed')
- Some amendments in Annex 8 concerning publicity, visibility, communication