



MINISTRY OF AGRICULTURE, FORESTRY
AND WATER MANAGEMENT
DEPARTMENT OF RURAL DEVELOPMENT

IPARD MANAGING AUTHORITY

5th Session of the IPARD II Monitoring Committee

MSc Jasmina Miljkovic
Head of the Managing Authority

14 May 2019



CONTENT OF THE PRESENTATION

- Implementation of Public Calls
- Proposal for modifications of IPARD II Programme
- Accreditation of new measures
- Promotion and education plan
- Lessons learned and our respons to challanges

IPARD II PROGRAMME OF THE REPUBLIC OF SERBIA 2014-2020

- ✓ IPARD II Programme was adopted by the European Commission on 20 January 2015.
- ✓ Process of accreditation of structures for IPARD implementation was finished in 2017.
- ✓ The first Public Call was published in December 2017.
- ✓ 5 Public Calls have been published so far (3 calls for M1 and 2 calls for M3)
- ✓ Financial Agreement between the Government of RS and EC was signed in June 2018.

The First Phase - 2017 – 2018

Measure 1: Investments in physical assets of agricultural holdings

Measure 3: Investments in physical assets concerning processing and marketing of agricultural and fishery products

The Second Phase - 2019

Measure 7: Diversification of agricultural holdings and business development

Measure 9: Technical assistance

The Third Phase - 2020

Measure 4: Agriecological climate measures and organic production measures

Measure 5: Implementation of local rural development strategies - LEADER approach

IMPLEMENTATION OF PUBLIC CALLS

Measure 1: Investments in physical assets of agricultural holdings

- ✓ The First Public Call - procurement of equipment and machinery – December 2017
- ✓ The Second Public Call - procurement of tractors – January 2018
- ✓ The Third Public Call - construction of facilities and procurement of equipment and machinery – October 2018

Measure 3: Investments in physical assets concerning processing and marketing of agricultural and fishery products

- ✓ The First Public Call - procurement of equipment – March 2018
- ✓ The Second Public Call - December 2018

PLAN FOR THE CALLS IN 2019

| MEASURE | STATUS | OPENING DATE | CLOSING DATE | TOTAL PUBLIC AID (EUR) |
|---|--------------|------------------|-------------------|------------------------|
| Measure 1 – Investments in physical assets of agricultural holdings (construction of facilities and procurement of equipment and machinery including tractors) | Announcement | 17 June 2019 | 15 September 2019 | 40.140.521 |
| Measure 3 – Investments in physical assets concerning processing and marketing of agricultural and fishery products (construction and procurement of equipment) | Announcement | 1 August 2019 | 15 October 2019 | 30.763.764 |
| Measure 7 – Farm diversification and business development (construction and procurement of equipment) | Announcement | 15 November 2019 | 1 February 2020 | 14.666.667 |
| Measure 9 – Technical assistance | Announcement | 1 October 2019 | 31 December 2019 | 2.882.353 |

THE PUBLIC CALL FOR M1 - 2019

SECTORS:

1. MILK
2. MEAT
3. FRUITS
4. VEGETABLES
5. OTHER CROPS
6. VINE / WINE
7. EGG

ELIGIBLE APPLICANTS:

1. natural person
2. entrepreneur
3. enterprise
4. agricultural cooperative

ELIGIBLE EXPENDITURES:

construction of facilities
and procurement of
equipment and machinery
including tractors

Minimum and maximum
amount of support for sectors
of fruits, vegetables and other
crops, vine/wine:

from 5,000 up to 700,000 EUR

Minimum and maximum
amount of support for sectors
of milk, egg and meat: **from**
5,000 up to 1,000,000 EUR

THE PUBLIC CALL FOR M3 - 2019

SECTORS:

1. MILK
2. MEAT
3. FRUITS
4. VEGETABLES
5. OTHER CROPS
6. VINE / WINE
7. EGG

ELIGIBLE APPLICANTS:

1. natural person
2. entrepreneur
3. enterprise
4. agricultural cooperative

ELIGIBLE EXPENDITURES:

construction and procurement of equipment

Minimum and maximum amount of support for sectors of fruits, vegetables, egg, vine/wine, meat:

from 10,000 up to 1,000,000 EUR

Minimum and maximum amount of support for sector of milk:

from 10,000 up to 2,000,000 EUR

THE PUBLIC CALL FOR M7 - 2019

SECTORS:

**RURAL TOURISM and
RENEWABLE ENERGY
SOURCES** – for purpose of
running registered
catering or tourist activity

ELIGIBLE APPLICANTS:

1. natural person
2. private legal entities in rural areas (micro and MSE)

ELIGIBLE EXPENDITURES:

construction and
procurement of
equipment

**Minimum and maximum amount of
support:**

from 5,000 up to 300,000 EUR

THE PUBLIC CALL FOR M9 - 2019

Technical Assistance as specific measure related to the costs of IPARD Programme implementation

RECEPIENT:

Direct - Managing Authority

Indirect - IPARD Agency, technical bodies, Network for NRD

ELIGIBLE EXPENDITURES:

Meetings, monitoring, evaluation, promotion, studies, visits, trainings, etc

Planned support: 2.882.353 EUR

THIRD MODIFICATION OF IPARD II PROGRAMME - PROPOSALS

Introducing vine / wine sector and egg sector

Introducing specific criteria for nursery production
(fruit and viticulture sector)

Modifications of context indicators (for M7 and M9)

Some technical clarifications



PLAN OF INTRODUCING NEW SECTORS IN THE IPARD PROGRAMME

- Detailed sectoral analyses as a prerequisite for introducing in the IPARD Programme were done:
 - 1. Production and processing of grapes – Wine sector**
 - 2. Production and processing of eggs – Egg sector**
- The analyzes give an overview of the situation in the sectors and define more closely eligible conditions, investments and potential applicants
- Broad public consultations with relevant stakeholders were done (4 public events) and comments were considered
- Both sectors will be covered by Measure 1 and Measure 3.

ENTRUSTMENT OF NEW MEASURES

- **Measure 7:** A Rulebook has been prepared, followed with the LEE; consultations with DG AGRI; promotion campaign for potential IPARD users
- **Measure 9:** An Action Plan and a Procurement Plan have been prepared; an agreement between the MA and the IA is drafted and prepared for signing; the MA and the IA employees completed the PRAG procedure training and acquired certificates

Our plan: accreditation packages to be submitted to DG AGRI in 2019.

EVALUATION

- **Importance of evidence based policy**

- Sectoral analysis
- Evaluation
- Reporting



**USING DATA AND EVIDENCE FOR
IMPROVING IPARD PROGRAMME,
ACCORDING TO THE NEEDS OF FARMERS**

- Conducting ongoing evaluation by the end of 2019 with the aim to:
 - ✓ review data availability for common context indicators and assessment of gaps in data collection
 - ✓ administrative simplification
- Reliance on ***Farm Structure Survey*** which is one of the major sources of agricultural statistics, conducted in 2018, with the support of European Commission; Importance of cooperation with Statistical Office of RS.

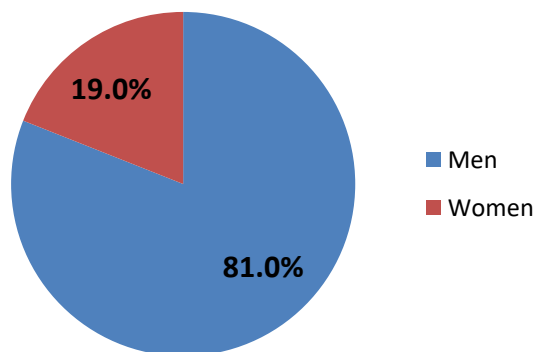
Indicative findings from Farm Structure Survey

| Indicators | Farm Structure Survey 2018* | Census of Agriculture 2012 |
|--|-----------------------------|----------------------------|
| Number of agricultural holdings (AH)** | 569.310 | ↘ 9,9% |
| Number of AH which utilize up to 2 ha of agricultural area | 217.682 | ↘ 27,0% |
| Utilized agricultural area of holdings | 3.476.788 ha | ↗ 1,1% |
| Arable land | 2.571.504 ha | ↗ 2,3% |
| Average area of arable fields and gardens per agricultural holding | 4,5 ha | ↗ 13,5% |
| Meadows and pastures | 676.724 ha | ↘ 5,1% |
| Permanent crops | 206.357 ha | ↗ 10,2% |
| Cattle | 881.152 | ↘ 3,0% |
| Pigs | 3.266.102 | ↘ 4,1% |
| Sheep | 1.799.814 | ↗ 3,7% |
| Goats | 218.397 | ↘ 5,8% |
| Poultry | 23.184.408 | ↘ 13,2% |
| Tractors | 451.985 | ↗ 10,0% |

Indicative findings from Farm Structure Survey 2018

Holders of the holdings

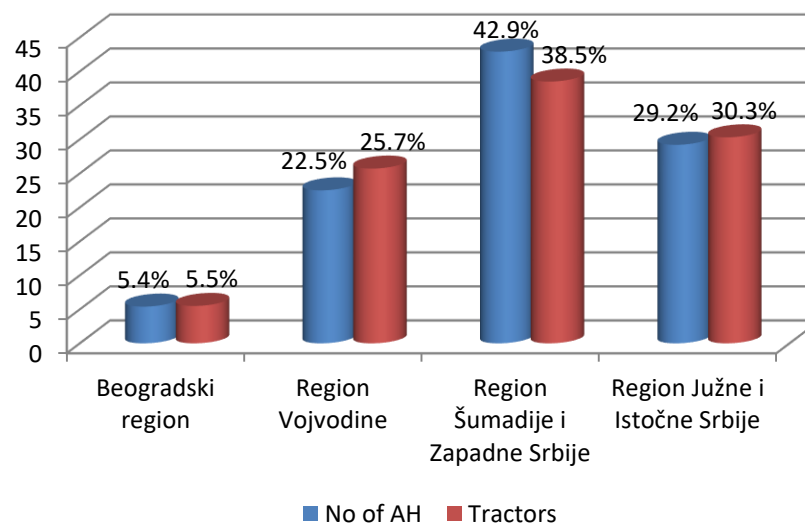
- ✓ The average age of holder is **61 years**
- increased by 2 years compared to 2012
- ✓ Every 14 holder of the holding is above the age of 40




Tractors

- ✓ 8 of 10 holdings use own tractors
- ✓ 83% of tractors are over 20 years old

The share of No of AH and tractors by regions (%)



PROMOTION



LECTURES,
WORKSHOPS...
(continued, during the
whole year)

ELECTRONIC MEDIA
(TV spots on national
broadcasting TV and
other video
materials)

PRINTED MEDIA
(daily newspaper,
magazines, bulletin,
etc)



MAKING NEW
BROCHURES AND
LEAFLETS, GUIDES

ORGANIZATION OF THE
IPARD INFO DAYS
(second part of the
2019)

IPA 2013 project „Support for using IPARD funds of EU “

EDUCATION PLAN

- Strengthening capacities of the employees in Managing Authority – 2 trainings in May / June (Measure 7 and Rural infrastructure).
- Strengthening capacities of advisory services in order to transfer the knowledge to the potential beneficiaries of the IPARD programme i.e. improving the quality of submitted projects for IPARD calls (2 modules for employees in Agricultural advisory service until the end of the year).
- Education for potential applicants for IPARD who doesn't have minimum knowledge or experience - 50 hours of training.
- Greater focus on the territories from which the smallest number of applications is received in the first three calls.

LESSONS LEARNED

- **New Plan for Public Calls for 2019.**
 - reduced number of calls, based on previous experience
 - according to the capacities and dynamics of IPARD Agency
- **Importance of continuous education and trainings**
 - advisory services / consultants / MA & IA employees
 - topics: business plan development, eligible expenditures...
 - additional trainings for farmers, especially for young farmers and women
- **Importance of promotion**
 - broad dissemination of information (TV spots, leaflets, guidelines, public events...), especially in regions wherefrom we received less applications

CHALLENGES AND WHAT WE HAVE DONE TO OVERCOME THEM

- Limited human capacities → New employees and continuous trainings for staff (MA&IA)
- Legal limitations (national laws VS requirements of IPARD) → Working group for dealing with legal issues (Measure 9) is established and operational
- Lack of information among farmers → Continuous education for advisory services
Raising awareness events: 9 IPARD Info Days across the whole country
- Perception that applying for IPARD is too complicated and time consuming → Intensive promotional campaign planned for 2019.



**THANK YOU FOR YOUR
ATTENTION!**

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Republic of Serbia
Ministry of Agriculture, Forestry and Water
Management



IPARD - STATE OF PLAY IMPLEMENTATION OF PUBLIC CALLS



ЗЕМЉА ЈЕ СВЕ

Mrs. Biljana Petrović
Acting Director of the Directorate
for Agrarian Payments
IPARD Agency

Belgrade, May 2019 year



Directorate for Agrarian Payments



IMPLEMENTATION OF IPARD PUBLIC CALLS



- The First Public Call in December 2017 year
- Five public calls have been implemented
- **736** Applications in total
- Excellent response of potential beneficiaries
- IPARD has been recognised as a tool for improving competitiveness
- Three more public calls are planned for this year
- Two new measures in the process of accreditation

M1 - The First and Second Public Call

November 2018

May 2019

Number of Applications

478

478

Requested amount of funds

30,38 million Euros

30,38 million Euros

Completed Applications

16,51%

74,69%

Adopted

20

187

Approved amount of support

1.96 million Euros

7.36 million Euros

Number of Payment Requests

9

84

Requested amount of funds

375.916 Euros

5.398 million Euros

Paid funds

/

285.733 Euros

MEASURE 1



MEASURE 1 - The Third Public Call

- **The Third Public Call for investments in physical assets of agricultural holdings**
 - from **1 November 2018** to **9 January 2019** year
 - number of Applications: **151**
 - subsidies for the purchase of new equipment and construction
 - 37% of all applications for Measure 1 is for construction of facilities and warehouses
 - applications in most cases contain more investments. A large number of highly valuable investments.
 - **scoring and ranking is needed**

- allocated funds: around **25,50** million Euros
- requested amount of funds: around **67,72** million Euros
- requested amount of support: **40,63**

- Processing of Application is ongoing: **141**
- Rejected: **9**
- Withdrawal from Application: **1**

M3 - The First Public Call

November 2018

May 2019

Number of Applications

26

26

Requested amount of funds

11,65 million Euros

11,65 million Euros

Completed Applications

0%

46,15%

Adopted

0

3

Approved amount of support

0

439.492

On the spot check

0

10

MEASURE 3



MEASURE 3 - The Second Public Call

➤ The Second Public Call for investments in physical assets concerning processing and marketing of agricultural and fishery products

- from **18 December 2018** to **11 March 2019** year
- subsidies for the purchase of new equipment and construction
- Number of Applications: **81**
- 33 % number of quasi Applications

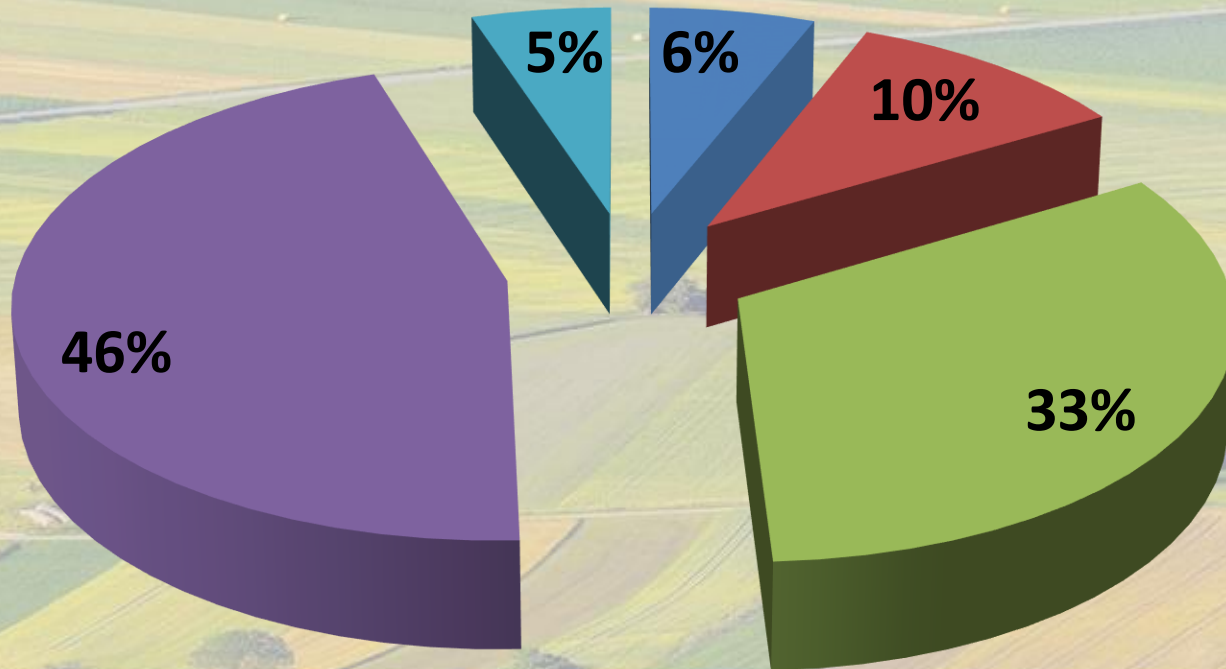
- allocated funds: around **29,75** million Euros
- requested amount of funds: around **21,56** million Euros
- requested amount of support: **10,78**

- Processing of Application is ongoing: **68**
- Rejected: **8**
- Withdrawal from Application: **5**

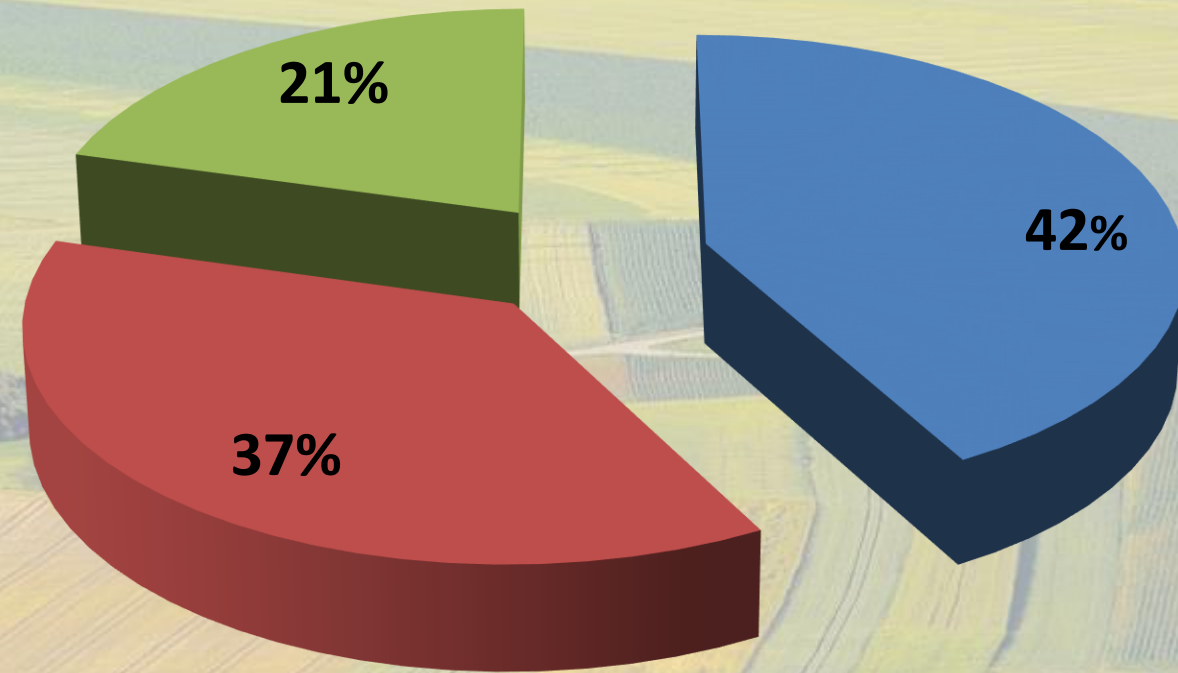
MEASURE 1 – Summary of Public Calls



Submitted applications per sector



Share of groups of investments in total required expenditures



■ Milk ■ Meat ■ Fruit and Vegetable ■ Crop
■ Other

■ Equipment and mechanization (excluding tractors)
■ Construction of facilities and warehouses
■ Tractors

MEASURE 1 –Challenges identified

- 100% administratively **incomplete Applications** for Project and Payment approval
- most of the supplementations are related to business plans and offers

- **Rejection** - main reasons:
 - non-compliance with general and specific requirements

- ✓ **Daily monitoring**
- ✓ **Additional trainings of employees - business plans, offers and construction**
- ✓ **Simplifying the procedures**
- ✓ **Raising public awareness**
- ✓ **The RPDB has been updated**

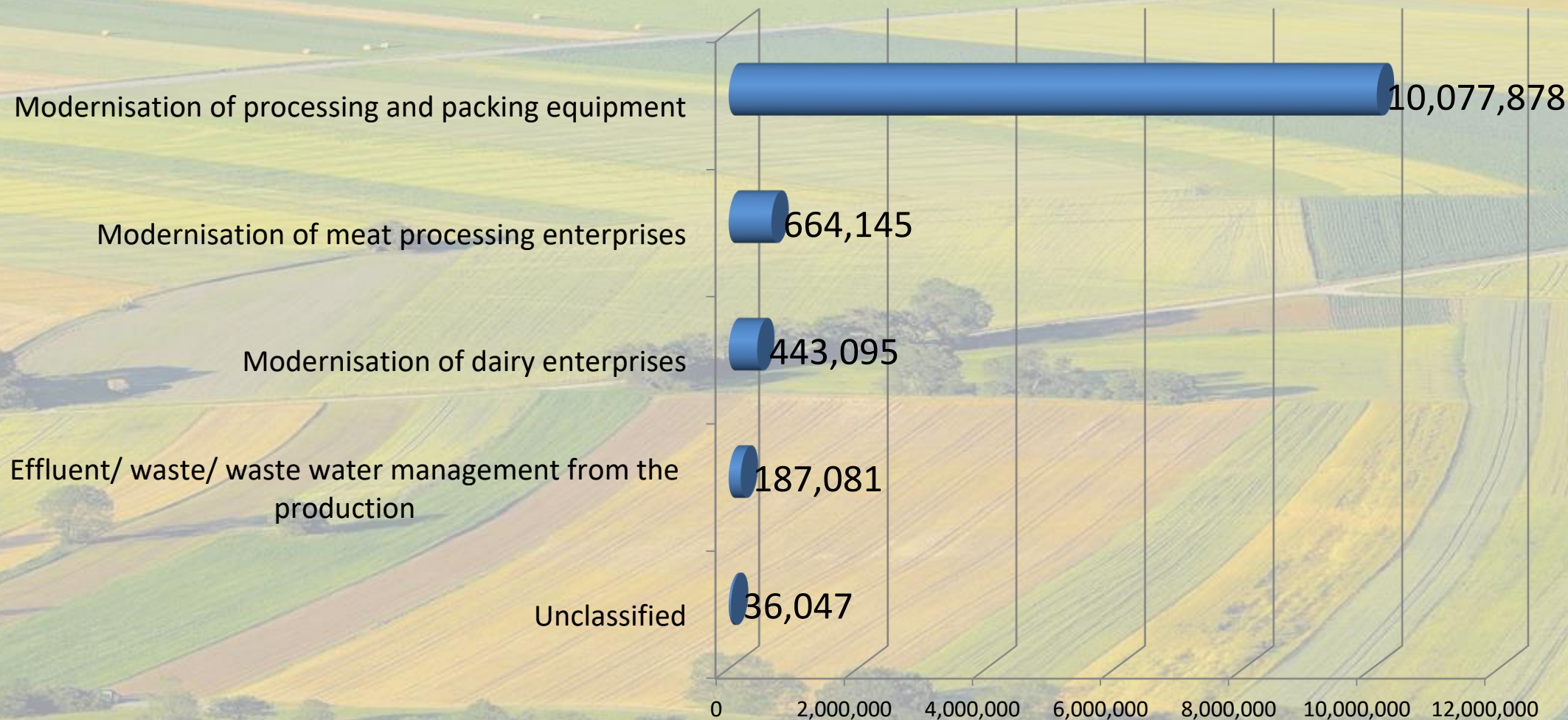
- **Withdrawal** - main reasons:
 - non-compliance with national and EU standards
 - dissatisfaction with the amount of the subsidies which was approved by the Decisions on Project Approval

- **Appeals** against the Decisions on Project Approval were mainly due to low reference prices

MEASURE 3 - Summary of Public Calls



Total expenditures per group of investments Measure 3 – The first Public Call



MEASURE 3 – Challenges identified

- **supplementations:**

- business plans
- offers for specific custom-made lines supplied from abroad

- **33% of quasi Applications**

- sent only to take place in case of ranking and scoring
- missing building permit

- ✓ **Trainings of employees - business plans, offers and construction**
- ✓ **Simplifying the procedures**
- ✓ **Raising public awareness**
- ✓ **Supplementation at early stage – for preventing manipulations**
- ✓ **The Faculty of Technical Sciences assists with the calculation of reference prices**

- **rejection:**

- failure to supplement the Applications
- non-compliance with general requirements
- ineligible investments and costs

- **reference prices for processing equipment:**

- obtaining RP requires contacts with local and international companies
- time-consuming procedure



THANK YOU FOR THE ATTENTION!



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