



**REPUBLIC OF SERBIA
MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT**

The fourth session of the IPARD II Monitoring Committee

**SEMI-ANNUAL MONITORING REPORT ON
THE IMPLEMENTATION OF THE IPARD II PROGRAMME
IN THE REPUBLIC OF SERBIA**

October, 2018

Belgrade, 20/11/2018

List of Abbreviations

AAS - Agricultural Advisory Services

AP - Autonomous Province

DAP - Directorate for Agrarian Payments

EC - European Commission

EU - European Union

FADN - Farm Accountancy Data Network

IA – IPARD Agency

IPA II - Instrument for Pre-accession Assistance 2014-2020

IPARD - Instrument for Pre-Accession Assistance in Rural Development

MA – Managing Authority

MAFWM - Ministry of Agriculture, Forestry and Water Management

MC - Monitoring Committee

NAO - National Authorizing Officer

RS - Republic of Serbia

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Executive Summary

Introduction

The present Semi-annual monitoring report of the implementation of the IPARD II Programme in the Republic of Serbia refers to the period between the Third and the Fourth Monitoring Committee. Serbia launched the First, the Second and the Third Public Call in December 2017, January and March 2018, respectively prior to the official signing of the Financing Agreement. The First and the Second Calls referred to the investments in equipment, machinery, mechanisation and tractors (Measure 1), while the Third Call targeted investments in equipping the processing capacities (Measure 3).

At the very end of the reported period, on October 23, 2018 the Fourth Public Call for applications was published for Measure 1 - “Investments in physical assets of agricultural holdings”, as the third call for that measure. Apart from equipment and mechanization, this Public Call includes also investments in construction but excludes tractors. The Call will be closed on January 9, 2019. The allocated funds for this Call amount to EUR 25,502,928 (RSD 3,015,976,278). Comparing to the amount specified in the Plan of Calls for applications for the period 2017-2018, these funds are increased by the difference that will not be spent after processing the requests of the First Public Call for Measure 1 (EUR 845,594 or RSD 100,000,000).

The Fifth Public Call for applications – Measure 3 – “Investments in physical assets concerning processing and marketing of agricultural and fishery products” is planned to be launched by the end of 2018.

In line with the procedures and in cooperation with the IPARD Agency, in December 2018 the Managing Authority will publish new Plan of Calls for applications for 2019.

The focus of this Report will be on following components:

1. Proposals for modifications of IPARD II Programme 2014-2020;
2. Preparation for entrustment of budget implementation tasks for new measures of IPARD II Programme;
3. Implementation of IPARD measures for the period 2014 - 2020 in 2018;
4. Promotional activities and visibility;
5. Capacity building activities.

The IPARD II Programme was adopted by the European Commission Decision C (2015) 257 of 20 January 2015. The allocated funds for the implementation of the IPARD II Programme amount to EUR 175 million for the following measures (Table 1):

- Investments in physical assets of agricultural holdings;
- Investments in physical assets concerning processing and marketing of agricultural and fishery products;
- Agri-environment-climate and organic farming measure;
- Implementation of local development strategies – LEADER approach;
- Farm diversification and business development;

- Technical Assistance.

Table 1: Budget breakdown by measure 2014-2020

Measures	EU Contribution (EUR)							
	2014	2015	2016	2017	2018	2019	2020	2014-2020
	EUR							
Investments in physical assets of agricultural holdings	-	7,535,248	9,900,325	10,622,224	11,199,743	17,002,434	19,780,025	76,040,000
Investments in physical assets concerning processing and marketing of agricultural and fishery products	-	6,164,752	8,099,675	8,690,276	9,162,757	13,910,066	16,182,475	62,210,000
Agri-environment- climate and organic farming measure	-	-	-	2,187,500	2,187,500	2,187,500	2,187,500	8,750,000
Implementation of local development strategies – leader approach	-	-	-	500,000	1,000,000	1,900,000	1,850,000	5,250,000
Farm diversification and business development	-	1,000,000	1,500,000	2,000,000	5,000,000	4,000,000	4,000,000	17,500,000
Technical assistance	-	300,000	500,000	1,000,000	1,450,000	1,000,000	1,000,000	5,250,000
Total	-	15,000,000	20,000,000	25,000,000	30,000,000	40,000,000	45,000,000	175,000,000

Source: IPARD II Programme, MA

The total indicative expenditures for the execution of the IPARD II Programme in Serbia, including EU, national and private contributions, for the period 2014-2020 is the EUR 393 million.

Institutional Framework

Regarding managing structure, in the reported period there were two personal changes within Bodies for the Management of EU Pre-accession Assistance Programs of the European Union under the Instrument of Pre-Accession Assistance (IPA II) for the period 2014-2020, namely:

- **National Authorizing Officer (NAO)** – instead of former State Secretary in the Ministry of Finance (Ms. Jelena Stojović), Ms. Slavica Savičić was appointed as new responsible person and new NAO. The appointment of Ms. Savičić, State Secretary in the Ministry of Finance for the NAO, was formally confirmed at the Government session held on September 6, 2018.
- **Managing Authority (MA)** – instead of former Assistant Minister in the Ministry Agriculture, Forestry and Water Management (Mr. Zoran Janjatović), Ms. Jasmina Miljković, Head of Department for Rural Development was nominated as new Head of Managing Authority. On September 20, NAO informed the European Commission about the appointment of Ms. Miljković.

When it comes to the structure and number of employees within the Operating Structure for the implementation of IPARD II Programme, there were no changes in the reported period.

However, within Department for Rural development as the Managing Authority, the initiative calling for new 6 vacancies was launched since the current number of employees does not meet the needs deriving from the Framework Agreement adopted by Commission Decision C(2014) 6014 of 27 August 2014.

More importantly, the urgent and concrete measures were taken by IPARD Agency (DAP) in order to strengthen the capacities and speed up the processing of the received requests. Concretely, 10 employees have already been transferred to the Project Approval Department which will provide a significant acceleration of the processing the submitted request. Apart from that, an initiative has been launched to fill already approved 10 vacancies in the IA. Finally, a further 71 people are planned to be employed by the end of the second quarter of 2019.

Strategic and Legal Framework

During the reported period, on 29 May 2018, the Financial Agreement 2014-2020 for IPARD II Assistance for Agriculture and Rural Development under the IPA, between the Government of the Republic of Serbia and the European Commission on behalf of European Union was officially signed. The Financial Agreement came into force on June 12, 2018 which was the prerequisite for the IPARD Agency to officially start working.

On July 30, 2018, The Government of the Republic of Serbia adopted the National Rural Development Program (“Official Gazette of the RS”, No 60/18) for the period 2018-2020. By adopting the National Program, the legal conditions are fulfilled for the use of prescribed incentives for the food sector, restructuring and market development, improvement of rural development and the environment conditions. Investments for these purposes are also envisaged for the procurement of livestock, equipment and machinery, as well as the restoration of perennial plantations. This document is in line with the strategic framework of the Common Agricultural Policy of the European Union for the period 2014-2020.

The Rulebook on amendments of the Rulebook on IPARD subsidies for investments in physical assets of agricultural holdings (“Official Gazette of the RS”, No 78/18) was published on October 19, 2018 prior to Fourth Public Call. The amendments were related to the removal of certain technical unclear formulations observed from the first two Public Calls. Additional alignments with the IPARD II Programme will allow producers of seedlings in fruit sector and registered producers of heavy lines parent flocks to use IPARD II Programme funds.

Proposals for modifications of IPARD II Programme

Within the reporting period, the Managing Authority submitted the proposal for modifications of IPARD II Programme. In addition to amending the financial tables containing the allocation of IPARD funds by measures and by years, the program modifications will include some technical changes. At the same time, the possibility of adding new sectors into existing measures has been considered as well as the launching new sectorial analyses that will define more closely eligible recipients, investments and conditions.

In order to enhance the IPARD II Programme, all relevant comments have been reviewed. The proposal for modifications of IPARD II Programme contains three types of changes. The first

one relates to the changes in the Financial Tables. The second one refers to the eligibility limits and investments under the fruit and vegetable sectors. The last one refers to the technical changes noted in the process of the IPARD Programme implementation. The harmonized Proposal for IPARD II Programme modifications will be discussed at the fourth Monitoring Committee after which members will vote on its adoption.

Preparation for entrustment of budget implementation tasks for new measures of IPARD II Programme

With assistance and guidance provided by the IPA 2013 project: “Support to the IPARD Operating Structure (Managing Authority, IPARD Agency and Advisory Service)” Managing authority and IPARD Agency jointly drafted an Action Plan for finalisation of IPARD II entrustment of the budget implementation task for:

IPARD Measure 7 – “Farm diversification and business development”
IPARD Measure 9 – “Technical assistance”

The Action Plan contains list of deadlines, responsibilities and activities to be undertaken with indicated statuses and sequence of steps to be achieved in order to finalize IPARD II entrustment process for IPARD measures M7 and M9.

When it comes to IPARD Measure 7, no substantial amendments are foreseen besides the financial reallocation (vertically) of the funds from IPARD M7 measure from 2015 (1,000,000 EUR) and 2016 (1,500,000 EUR) to IPARD M3 measure respectively (EU contribution). Other proposed modifications are minor and rather technical in their nature, such as aligning the wording with IPARD measures M1 and M3. Reassessment of targets and outcomes of the measure are not to be amended at this stage as it is expected that the reallocated funds are going to be returned back from IPARD M1 or M3 measure based on the future developments. However, one of the essential steps for preparing the framework for IPARD M7 measure implementation was designation of the rural areas/territories since this measure is to be put into practice only in rural areas. Therefore, it was necessary to develop a List of settlements in rural areas, based on the provided OECD¹ definition of rural areas and in line with the Law on territorial organisation (Official Gazette No. 129/2007 as amended OG 18/2016 and OG 47/2018), which is currently in power.

In parallel to preparing the proposal for M7 IPARD modifications, “Draft Rulebook on IPARD support for the farm diversification and business development” has been elaborated in consultations with the IPARD Agency. Further consultations with relevant stakeholders are going to be carried out after the final stage of Rulebook adjustments. Preliminary activities on establishment of cooperation between the IPARD Agency with the Technical body (Ministry of trade, tourism and telecommunications) have been initiated.

Training plan for MA staff based on the TNA for M7 IPARD measure has been developed by experts guidance provided by the IPA 2013 project. Further capacity building of MA both in

¹ Rural areas defined according OECD criteria at municipality level with a density of population less than 150 inhabitants per km²:

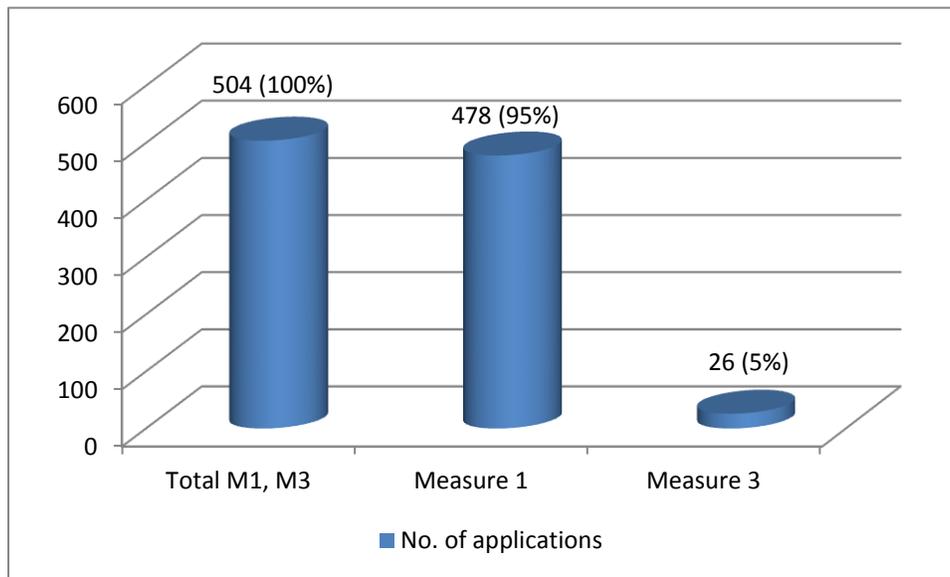
terms of filling the vacant posts and training of newly recruited staff as well as already employed, needs to be continually carried out.

Regarding Measure 9, financial reallocation (vertically) of the EU funds from year 2015 (300,000 EUR) and 2016 (500,000 EUR) is proposed in the amendments of the IPARD II Programme. The managing structure continued to work on the issues regarding legal basis for establishing relations within the same ministry, financial flow and the reimbursement of TA financing from National Fund through IPARD Agency to account of MAFWM. The relevant staff from MA, IPARD Agency and Internal Audit of both entities is trained during September and October on PRAG rules. Also, on-the-job training on general work flow for further elaboration of procedures for implementation of Measure 9 is held for the same staff.

Implementation of IPARD measures for the period 2014 - 2020 in 2018

In total for both measures (Measure 1 and Measure 3) within the First, the Second and the Third Public Call 504 applications were received, 478 for the Measure 1 and 26 applications for the Measure 3 (Graph 1).

Graph 1: The total number of applications received (M 1 and M 3)



Source: DAP, 2018

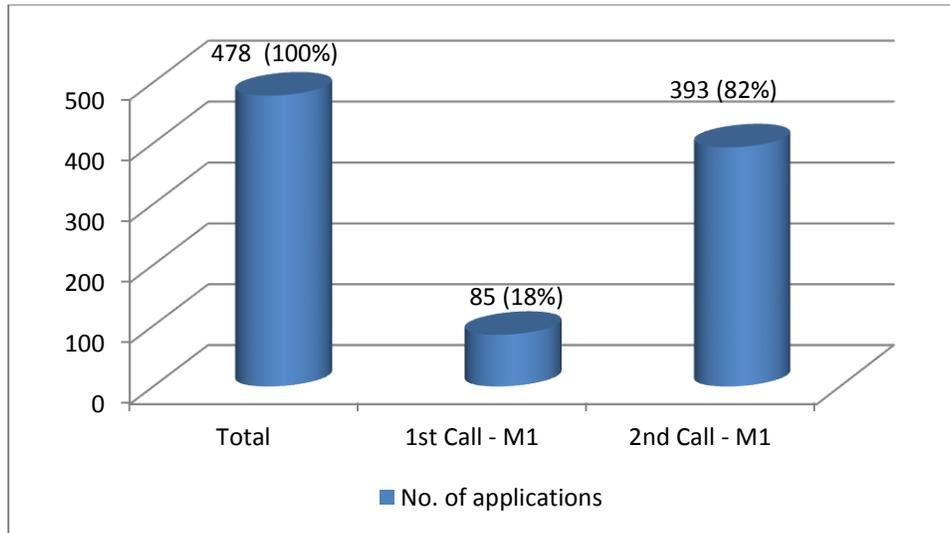
Out of the total number of received applications, in 4 applications there was no sector specified to which the investment relates, nor the required amount of funds, in 8 applications a required amount of funds was not specified. Three applications were related to ineligible expenditures according to the requirements under the First and Second Public Call for Measure 1, and one application contained both eligible and ineligible expenditures.

Within the Measure 1, the IA has adopted 42 decisions on the rejection of submitted projects with the total required investment expenditures of EUR 2,145,124.29. Nine (9) projects were suspended due to the applicants' withdrawal (622,184.27 EUR). Out of the total number of rejected projects (with decision on rejection), the largest number refers to the Second Public Call (29). Observed by sector, the largest number of rejected applications refers to the Fruit and Vegetable Sector (24) and the Crop Sector (16), while the Milk and Meat Sector records 1 rejected application respectively.

By October, 26, 2018, IA carried out 26 on-the-spot controls within the Measure 1. As a result of the conducted controls of potential recipients, IA has adopted 20 decisions on the approval of submitted projects, with a total amount of eligible expenditures of EUR 3,243,508.47.

Within the Measure 1 in total for both calls, 478 applications were received, 85 for the First Public Call - 18% and 393 applications for the Second Public Call - 82% (Graph 2).

Graph 2: The total number of applications received for Measure 1 (The First and the Second Public Call)

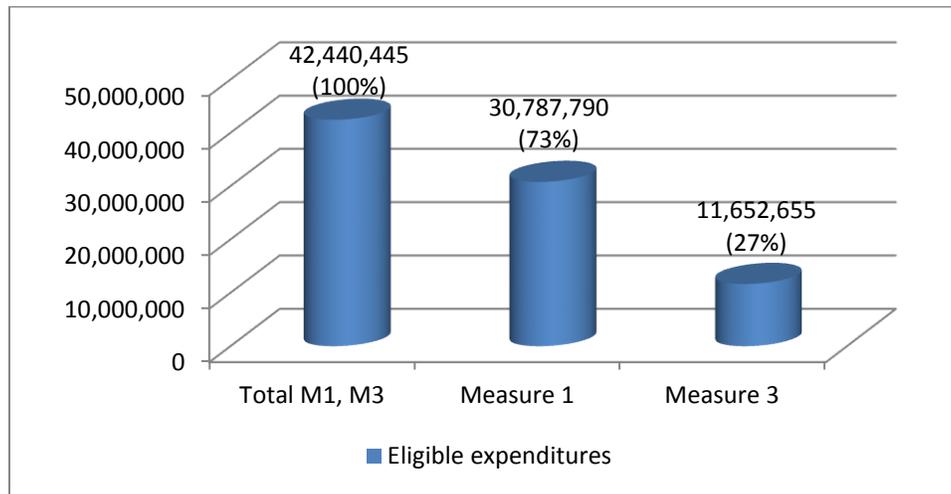


Source: DAP, 2018

The total expenditures for Measure 1 (for the First and the Second Public Call) and Measure 3 amounts EUR 42,440,445.17 – EUR 30,787,789.89² for Measure 1 and EUR 11,652,655.28 for Measure 3 (Graph 3). Processing of applications is currently on-going, after finalization of this process the total amount of eligible and ineligible expenditures will be available.

² The above data on the number of submitted applications and related expenditures for the First and Second Public Calls within Measure 1 have been updated on the basis of a report submitted by the IPARD Agency on October 26, 2018.(Annex 2).

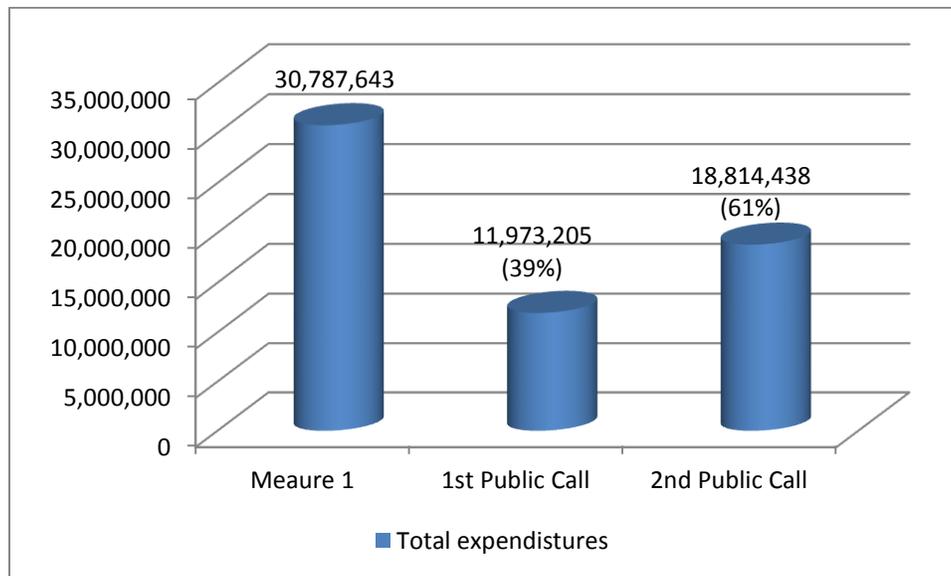
Graph 3: Total expenditures and expenditures per measure - M 1 and M 3 (EUR)



Source: DAP, 2018

Within the Measure 1 the total expenditures for the First Public Call amounts EUR 11,973,205 (39%) and for the Second Public Call amounts EUR 18,814,438 (61%).

Graph 4: Total expenditures for Measure 1 and expenditures per calls (EUR)



Source: DAP, 2018

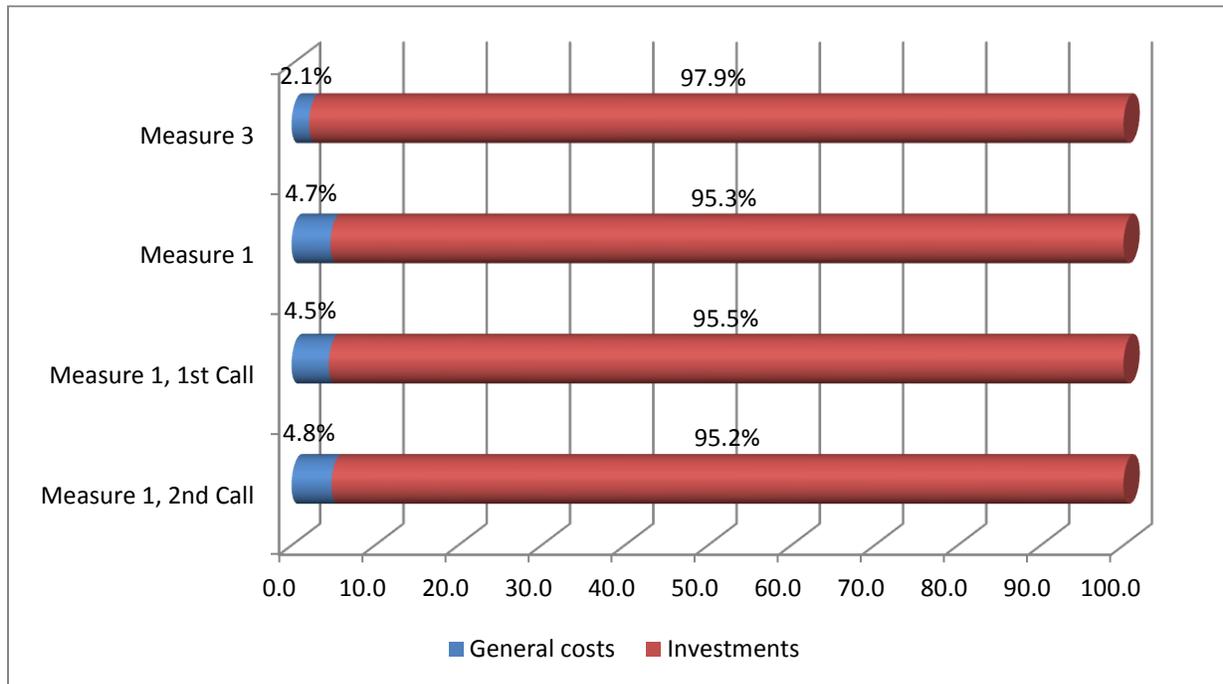
Considering that there was high interest for the purchase of new tractor through the Second Public Call within Measure 1 the ratio of expenditures between the Measure 1 and the Measure 3 was expected.

In the total expenditures for the Measure 1, general costs amount EUR 1,434,606 – or 4.7%, while expenditures related to the purchase of equipment, machinery and mechanisation, including tractors, amount EUR 29,353,037 - or 95.3%. At the same time, in the total expenditures for the Measure 3, general costs amount EUR 244,410 – or 2.1%, while expenditures related to the purchase of equipment amount 11,408,246 – or 97.9% (Graph 5).

Observed individually, per call within Measure 1, the mentioned relations remain mostly unchanged, i.e. within the First Call, the general costs amount EUR 533,907, while in the Second Call general costs amount EUR 900,700. At the same time, expenditures for the purchase of new equipment, machinery and mechanisation amount EUR 11,439,299, while for the purchase of new tractors expenditures amount EUR 17,913,739 (Graph 5).

Note: Preliminary data. The amount of eligible and ineligible expenditures will be available after finalisation of processing of applications.

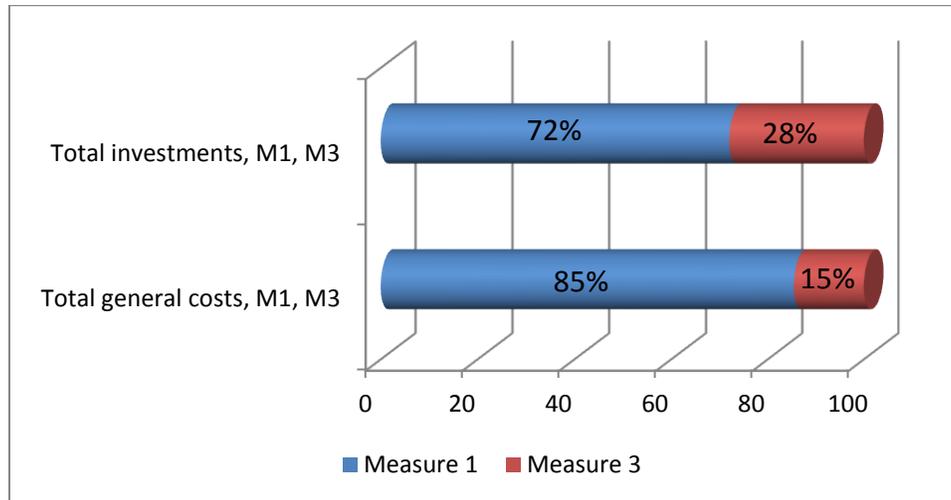
Graph 5: Structure of total expenditures for Measure 1 and Measure 3 and expenditures per call - Measure 1



Source: DAP, 2018

Observed from the point of view of the share of Measure 1 and Measure 3 in the total expenditures of investments, or general costs, it's noticed the significant higher share of the Measure 1 in the total investment expenditures and also in the general cost as compared to a Measure 3 (Graph 6).

Graph 6: Share of the Measure 1 and Measure 3 in the total expenditures of investments and general costs (M1, M3)

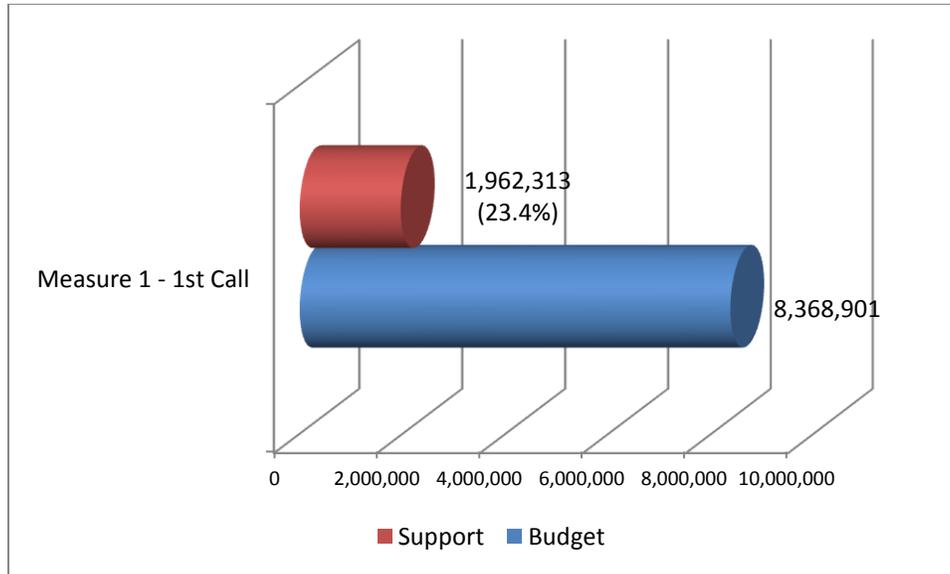


Source: DAP, 2018

Out of the total number of received applications for Measure 1 and Measure 3, by 26th October, 2018, 10 applications – all for Measure 1, the First Call (23.5% of submitted applications for M1, the First Call) – had been contracted by the IPARD Agency with the total eligible expenditures of EUR3,243,508.47³ (27.1%). Total public support for contracted projects amounts EUR 1,962,313.20 or 60.5%, while EU contribution amounts EUR 1,471,734.9. Out of total contracted public support of EUR 1,962,313.20, support for investments amount EUR 1,925,449,61 (98.1%) while general costs amount EUR 36,863,59 (1.9%).

³ Updated data of the G5 Monitoring table according to the report submitted by the IPARD Agency on October 26, 2018 (Annex 2).

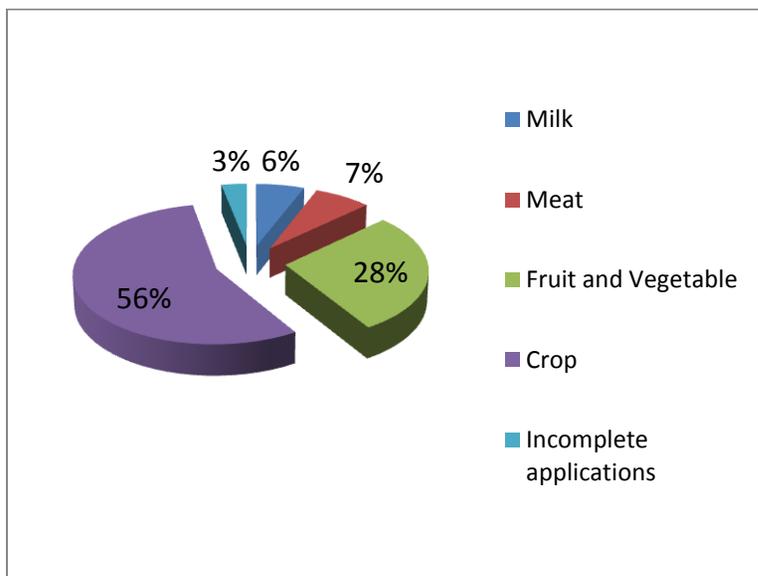
Graph 7: Estimation of support in relation to available budget (EUR)
 Measure 1 - The First Public Call



Source: DAP, 2018

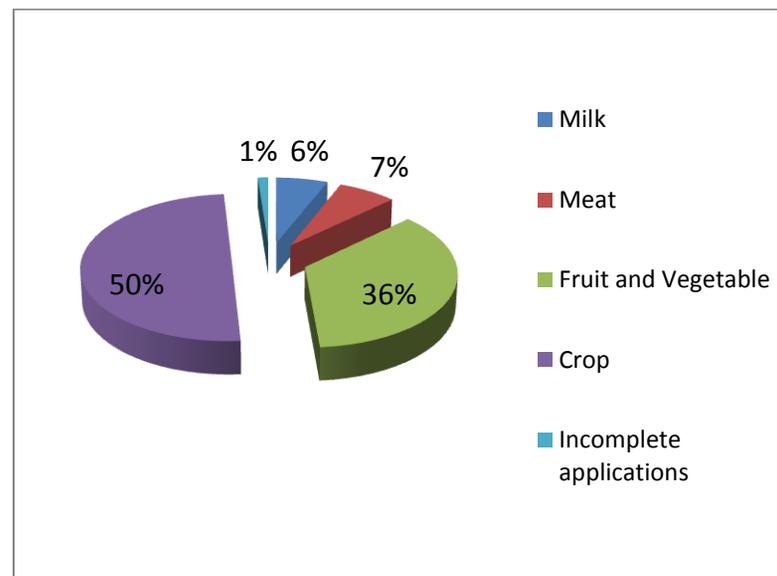
Based on currently available data on the amounts of eligible expenditures of investments and general costs on the basis of 20 contracted projects, bearing in mind the aid intensity of 60% of the total eligible expenditures (value of investments and general costs), it can be estimated that the required public support for the First Public Call for 20 contracted projects will amount EUR 1,962,313.20, which is 23.4% of available budget for the First Public Call under Measure 1 (Graph 7).

Graph 8: Structure of received applications per sector Measure 1



Source: DAP, 2018

Graph 9: Structure of total expenditures for investments per sector - Measure 1

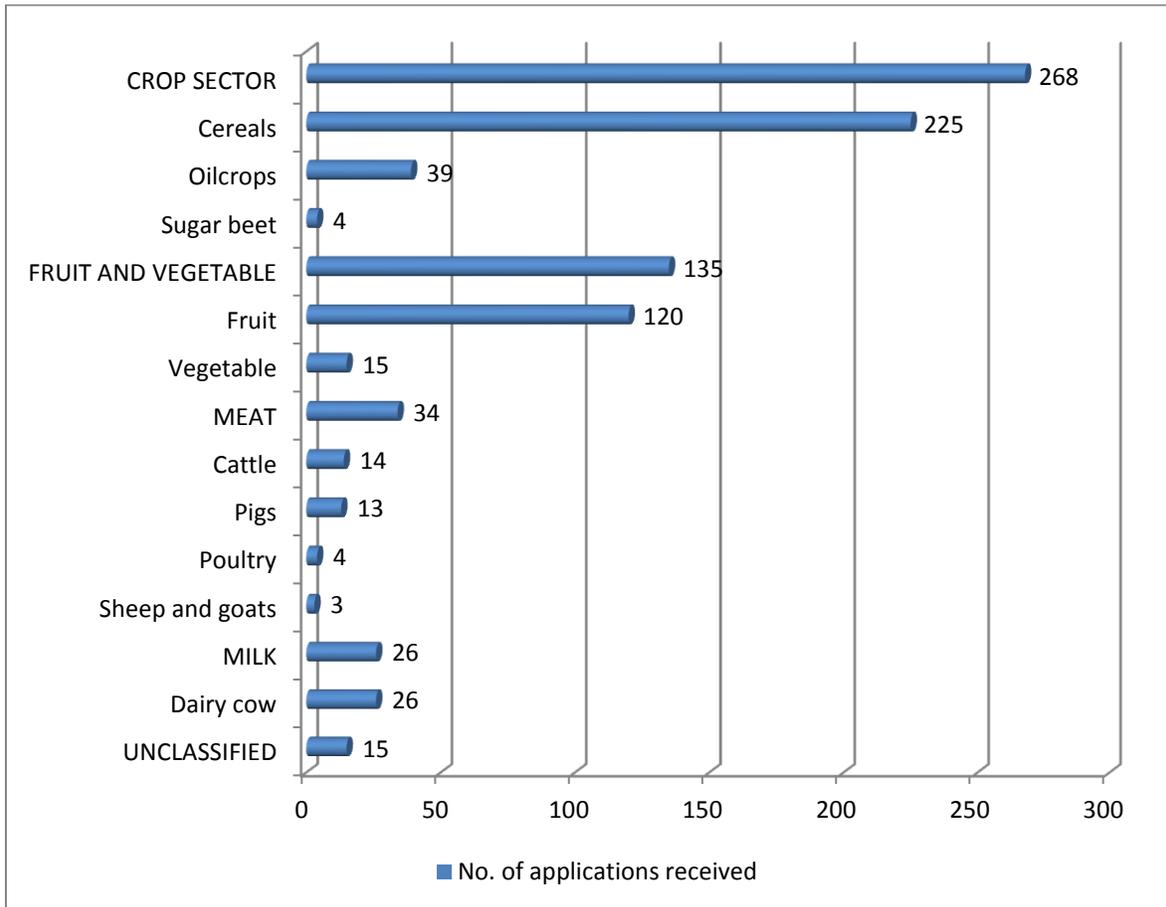


Source: DAP, 2018

Within the Measure 1, in the total number of submitted applications (478) the Crop Sector (Cereals, Oilseeds, Sugar beet) accounts for over half of the share with 56%, then the Fruit and Vegetable Sector (Fruit 25%, Vegetable 3%), the Meat Sector with a share of 7%, the Milk Sector with a share of 6%, while 3% of the submitted applications are treated as incomplete. More than half share of Crop Sector in the structure of received applications within Measure 1 is the result of the high share of this sector within the 2nd Public Call (around a two-thirds share), bearing in mind the significantly higher number of submitted applications in the 2nd (396) in relation to the 1st Public Call (82). On the other hand, the Fruit and Vegetable Sector achieved over half the share in the 1st Public Call in the number of submitted applications. Other sectors under the Measure 1 have significantly lower share in the above mentioned indicator (Graph 8).

When it comes to the structure of total expenditures for investments per sector under Measure 1, the situation is not much different. Namely, in the total expenditures for investments half of share has been achieved by the Crop Sector (50%), while the Fruit and Vegetable Sector accounts for 36%. Other sectors under the Measure 1 have significantly lower share, the Meat Sector 7% and the Milk Sector 6% (Graph 9).

Graph 10: Number of received applications per sector and subsector
Measure 1 - The First and the Second Public Call



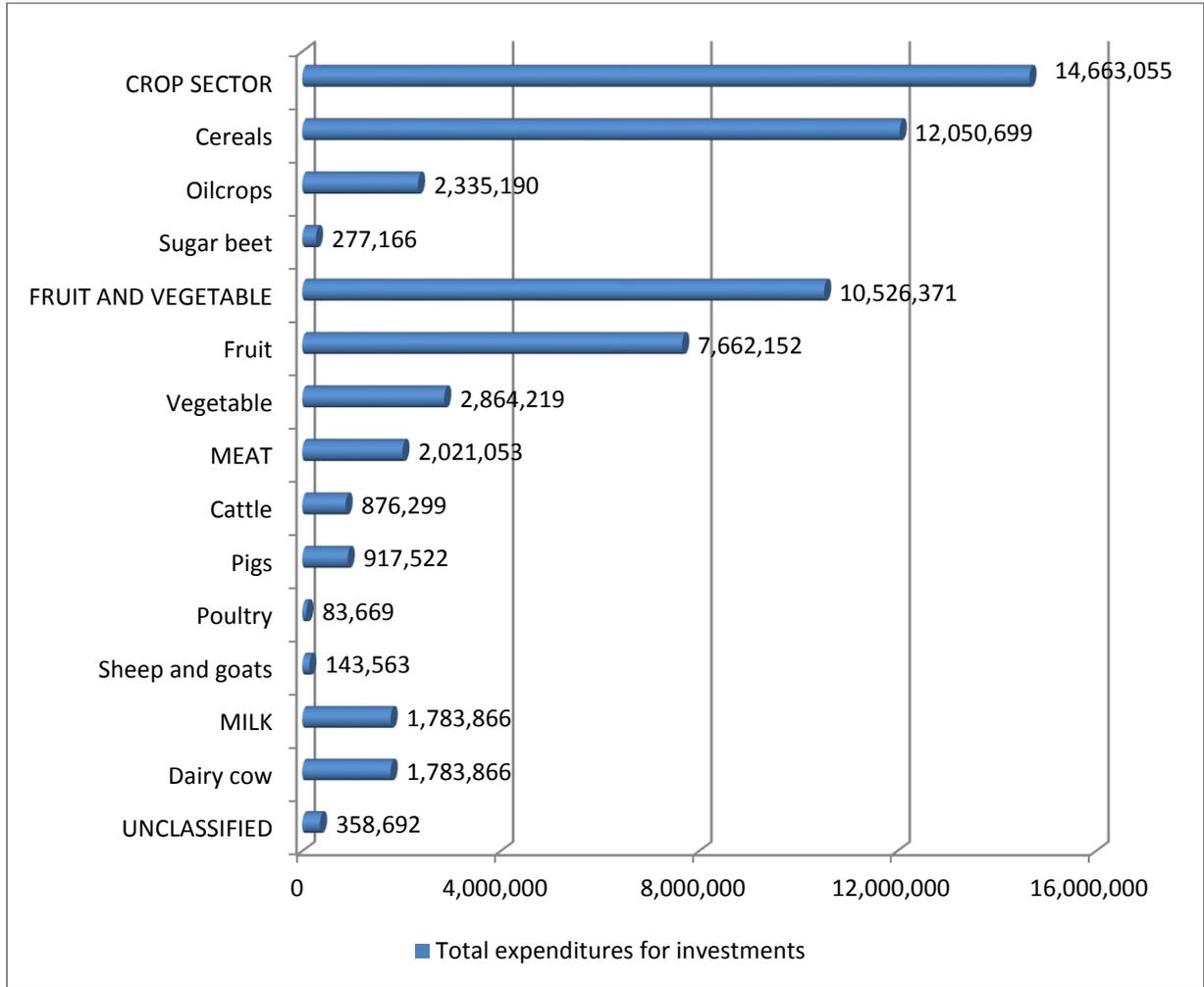
Source: DAP, 2018

From the point of received applications under Measure 1 (both for the 1st and the 2nd Public Call) dominant share of the Crop Sector (268) is achieved due to the largest number of submitted applications in cereals subsector. This is the result of a dominant share of the Crop Sector in the number of submitted applications for the purchase of new tractors (2nd Public Call). At the same time, Crop Sector also has a significant share in the 1st Public Call, which additionally contributes to the achievement of dominant position of this sector in the total number of submitted applications within Measure 1.

Immediately behind the Crop Sector in terms of the total number of applications submitted under Measure 1 is the Fruit and Vegetables Sector (135). This position was achieved by the Fruit and Vegetable Sector thanks to the highest number of the submitted applications in the Fruit subsector (the largest share in the 1st Public Call and the second position in the 2nd Public Call). Other sectors under the Measure 1 have significantly lower share.

"Unclassified" are 11 applications relate to the Crop sector. Applications are incomplete, without a Business plan or information regarding the type of production. Furthermore, four (4) applications do not provide information regarding sector and total eligible volume of investment (Graph 10).

Graph 11: Total expenditures for investments per sector and subsector (EUR)
Measure 1 - The First and the Second Public Call

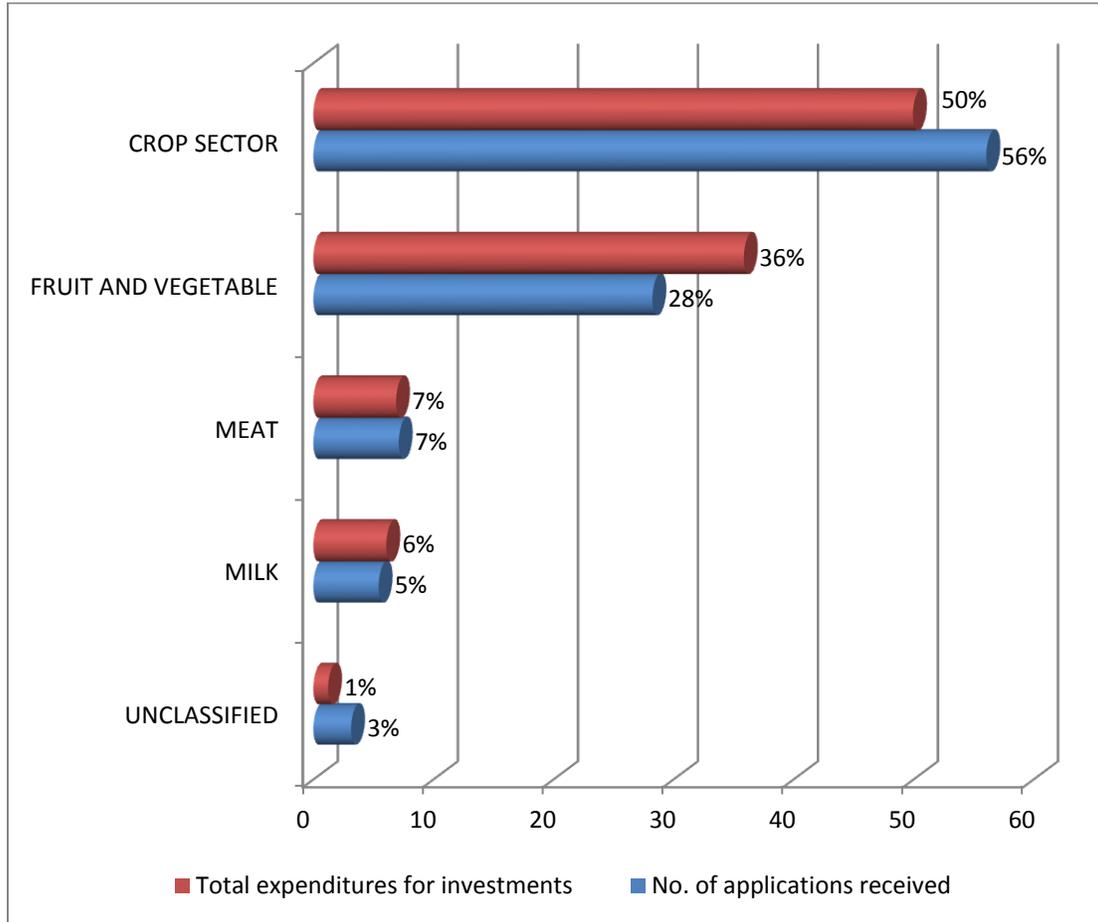


Source: DAP, 2018

The structure of total expenditures for measure M1 is similar to the structure of submitted applications under this measure, with the largest share of two sectors (Crop Sector and Fruit and Vegetable Sector), due to the largest share in total expenditures for investments of two subsectors (Cereals and Fruits). In total expenditures for investments, the Crop Sector participates with EUR 14,663,055 (Cereals subsector EUR 12,050,699 – or 41%) and the Fruit and Vegetable Sector with EUR 10,526,371 (Fruit subsector EUR 7,662,152 – or 26%). Other sectors and subsectors under the Measure 1 have significantly lower share (Graph 11).

Greater share in the total number of submitted applications in relation to the share in the total expenditures for investments is achieved by the Crop Sector. Fruit and Vegetable Sector and the Milk Sector attain greater share in the total expenditures in relation to share in the total number of submitted applications, while the Meat Sector has equal share for both indicators (Graph 12).

Graph 12: Share of sectors in total expenditures and received applications (%)
Measure 1 - The First and the Second Public Call

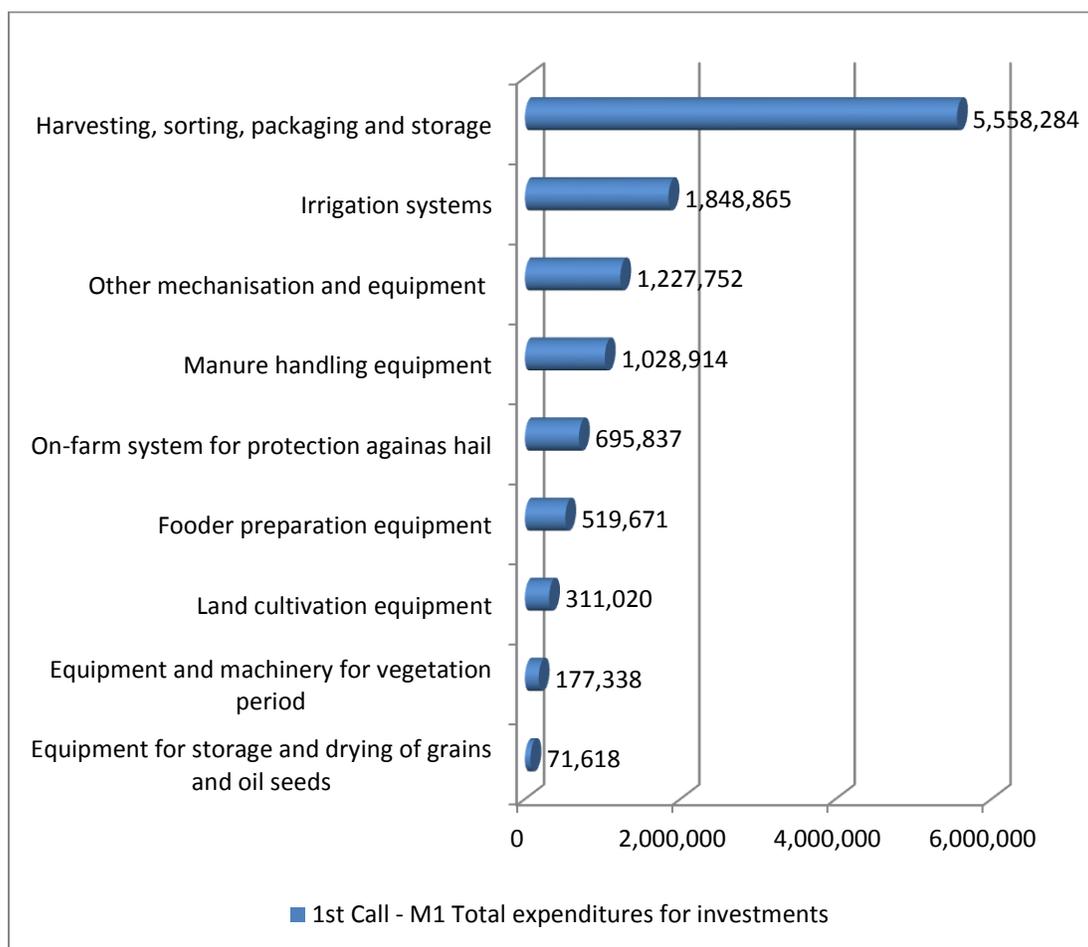


Source: DAP, 2018

In the First Public Call, potential recipients expressed the greatest interest in purchasing harvesting, sorting packaging and storage equipment (Fruit and Vegetable Sector), with a share in total expenditures for investments of 49% (EUR 5,558,284). The next groups of investments in terms of total expenditures for investments relates to irrigation systems (EUR 1,848,865 or 16%), other mechanisation and equipment (EUR 1,227,752) and manure handling equipment (EUR 1,028,914 or 9%). The lowest share (1%) with the total expenditures for investments of EUR 71,618 is achieved by the equipment for storage and drying of grains and oil seeds (Graph 13).

Note: In the case where the applicant submitted an application with more than one investment, the dominant group of investments was determined on the basis of a financially dominant investment.

Graph 13: Total expenditures per group of investments
Measure 1 - The First Public Call

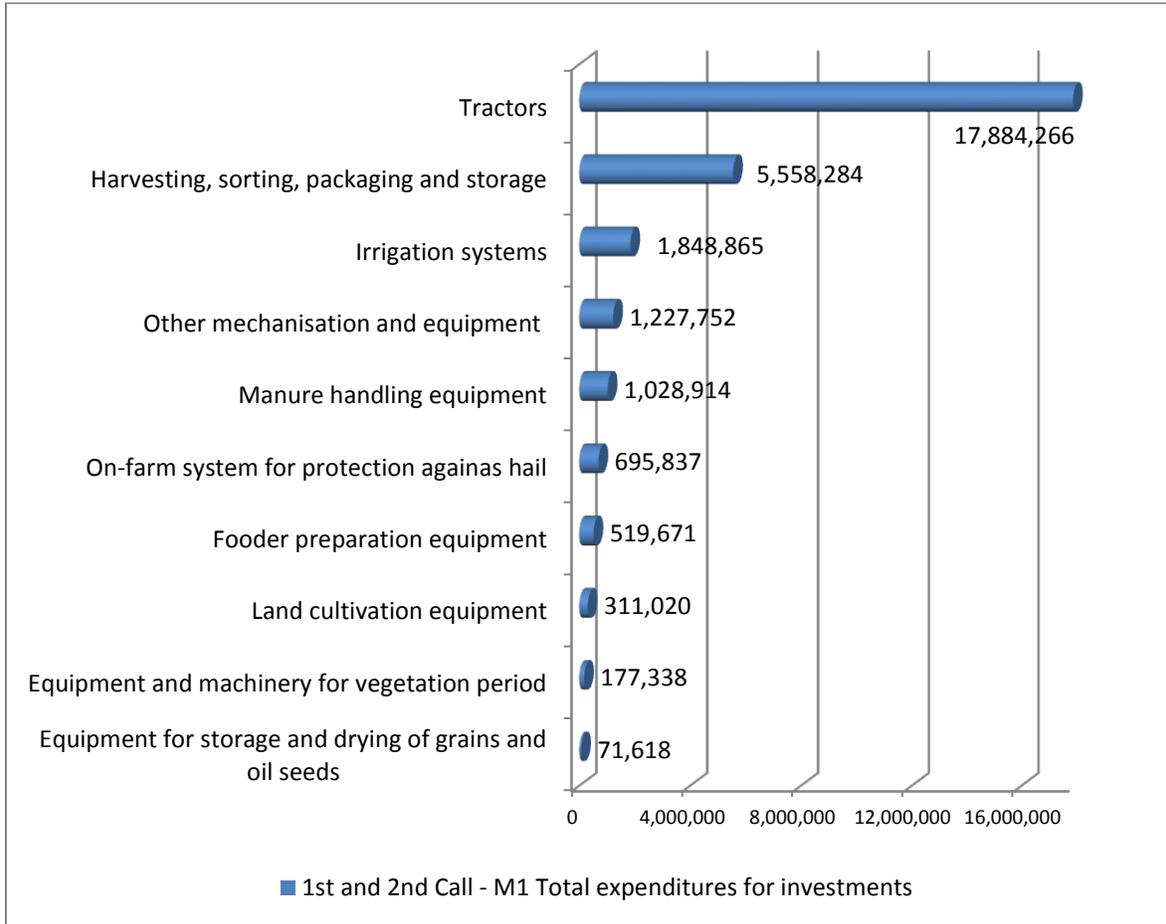


Source: DAP, 2018

Considering also the Second Public Call with total expenditures for investments in the purchase of tractors, the dominant investment is the procurement of a new tractor with a share of 61% (EUR 17,884,266). The next significant group with a share of 19% is harvesting, sorting packaging and storage equipment, while other groups of investment have significantly lower share in total expenditures (Graph 14).

In the total number of submitted applications and required expenditures within Measure 1 for both Calls, natural persons - individual farmers have a dominant share (92% and 74% respectively), legal persons - companies account for 6.7% and 24% 7% respectively, while legal persons - agricultural cooperatives and natural persons - entrepreneurs achieve much lower participation in the mentioned indicators (0.6% and 0.7% respectively - agricultural cooperatives, and 0.4% and 0.3% entrepreneurs). Observed by Calls, natural persons - individual farmers have greater participation in the Second Public Call (96% for both applications and expenditures) in relation to the First Public Call (73% - applications and 39% of expenditures).

Graph 14: Total expenditures per group of investments
Measure 1 - The First and the Second Public Call



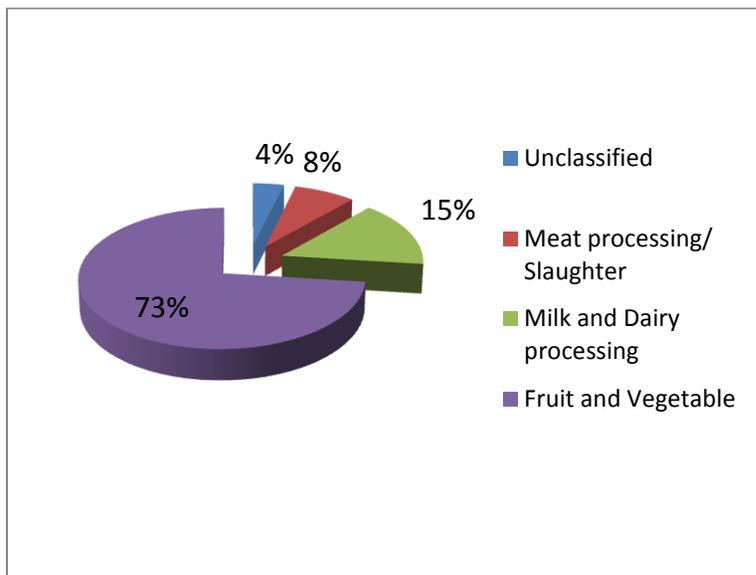
Source: DAP, 2018

Observed by the structure of submitted applications and expenditures per gender, in the First Public Call the participation of female holders of commercial family farms, potential recipients of IPARD support in the total number of applications submitted by natural persons - individual farmers is 15% and in expenditures 15%, while in the Second Public Call the mentioned share increases to 22% in the total number of submitted applications and to 24% in total expenditures.

Within the First Public Call for Measure 1, young farmers (up to 40 years old), potential recipients of IPARD support, were submitted 17 applications (28%) with the requested amount of expenditures of EUR 1,339,444.64 (29%). Out of 20 approved applications 4 refer to young farmers potential recipients (EUR 371,880.78), 4 applications were rejected and one was suspended due to a withdrawing.

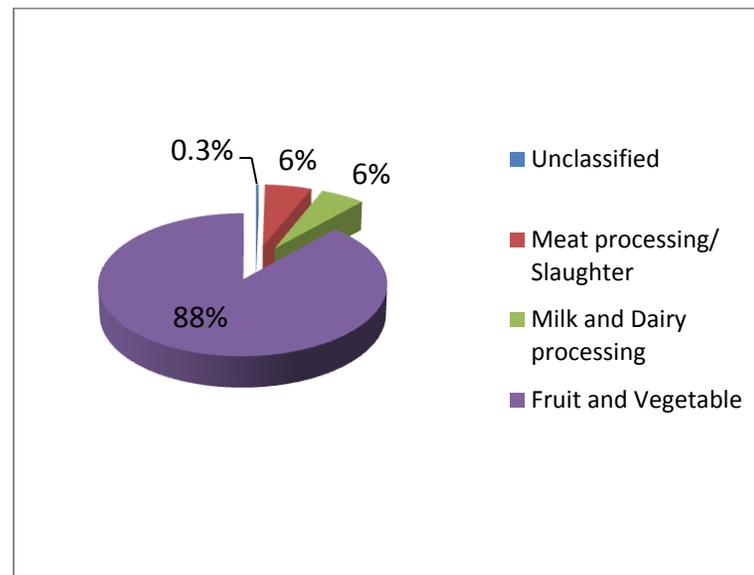
Within the Second Public Call for Measure 1, young farmers submitted 174 applications (46%) with the requested amount of EUR 9,592,914.28 (53%). Out of 20 rejected applications, 8 were submitted by young farmers (EUR 361,123.55), while 2 applications were suspended due to a withdrawing with the requested amount of EUR 136,706.76.

Graph 15: Structure of received applications per sector
Measure 3



Source: DAP, 2018

Graph 16: Structure of total expenditures for investments
per sector - Measure 3

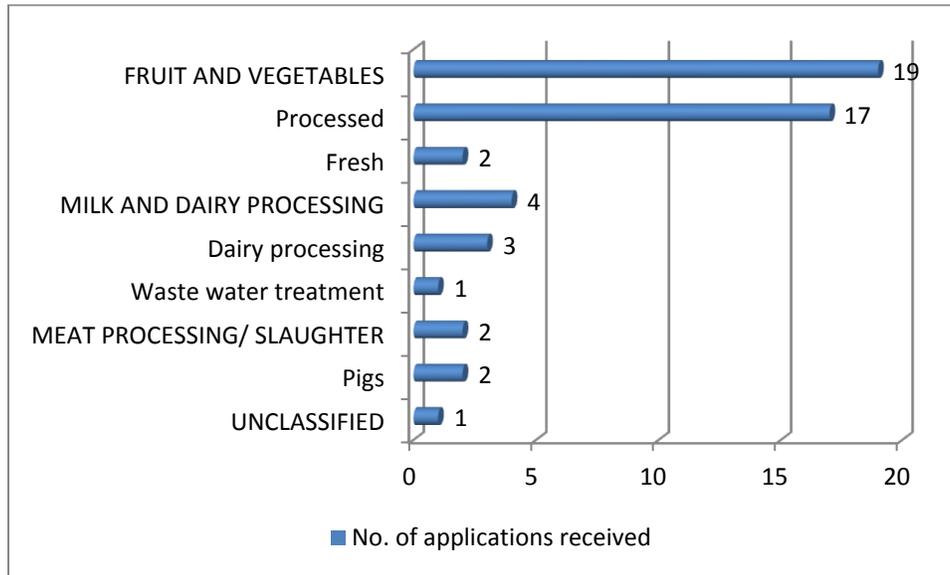


Source: DAP, 2018

Within the Measure 3, in the total number of submitted applications (26) the Fruit and Vegetable accounts for over half of the share with 73%, then the Milk and Dairy processing (15%) and the Meat processing/ Slaughter with a share of 8%, while 4% of the submitted applications are treated as Unclassified (Graph 15).

Even more than in number receiving application, the Fruit and Vegetable in total expenditures for investments under Measure 3 achieved a share of as much as 88%. Milk and Dairy processing and Meat processing/ Slaughter achieved an equal share of 6% in total expenditures for investments (Graph 16).

Graph 17: Number of received applications per sector and subsector
Measure 3

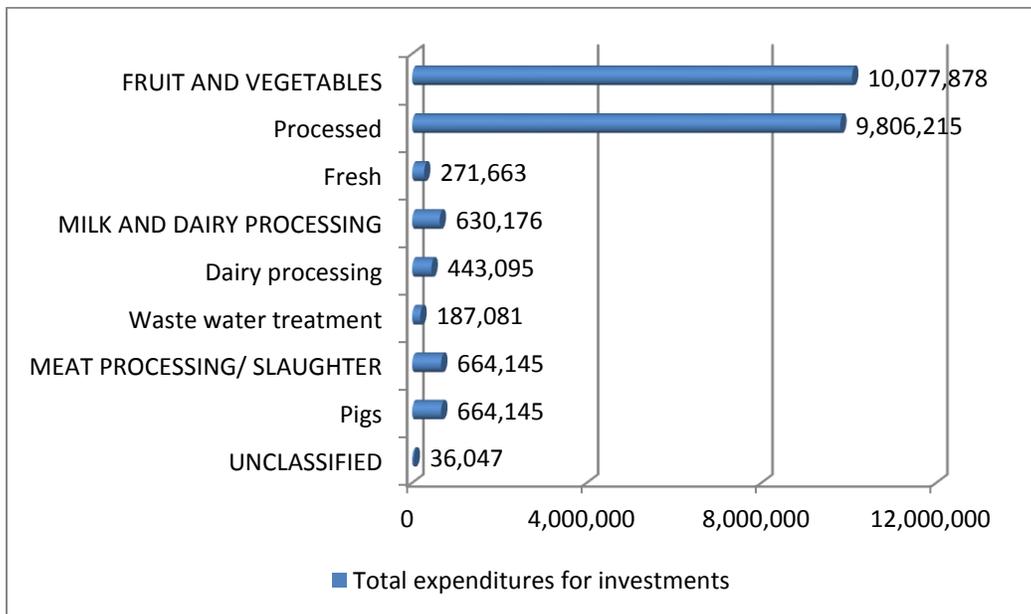


Source: DAP, 2018

In terms of the total number of received applications per sector under Measure 3, Fruit and Vegetables are absolutely dominant with 19 submitted applications and has share of 73%. Followed by Milk and Dairy processing (4 applications or 15%) and finally Meat processing/ Slaughter with 2 applications submitted (Graph 17).

Note: „Unclassified“ is one application for Fishery products.

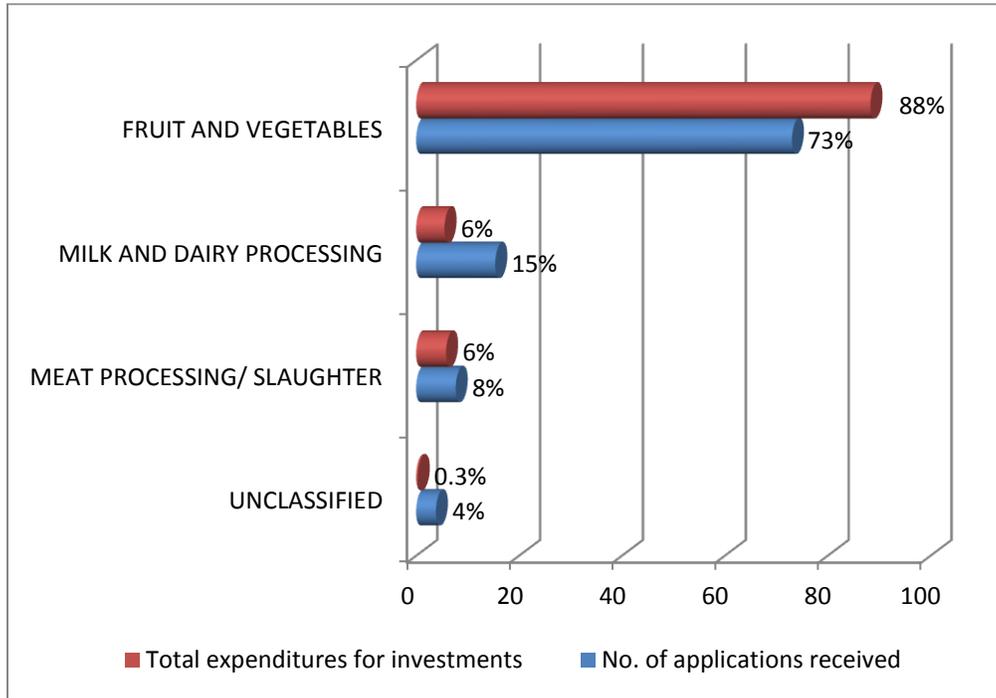
Graph 18: Total expenditures for investments per sector and subsector (EUR)
Measure 3



Source: DAP, 2018

Within the Measure 3 the Fruit and Vegetable also dominated in the terms of total expenditures for investments per sector and subsector (EUR10,077,878 or 88%) while other sectors in terms of the total expenditures for investments reaching significantly lower share in the above indicator under Measure 3 (Graph 18).

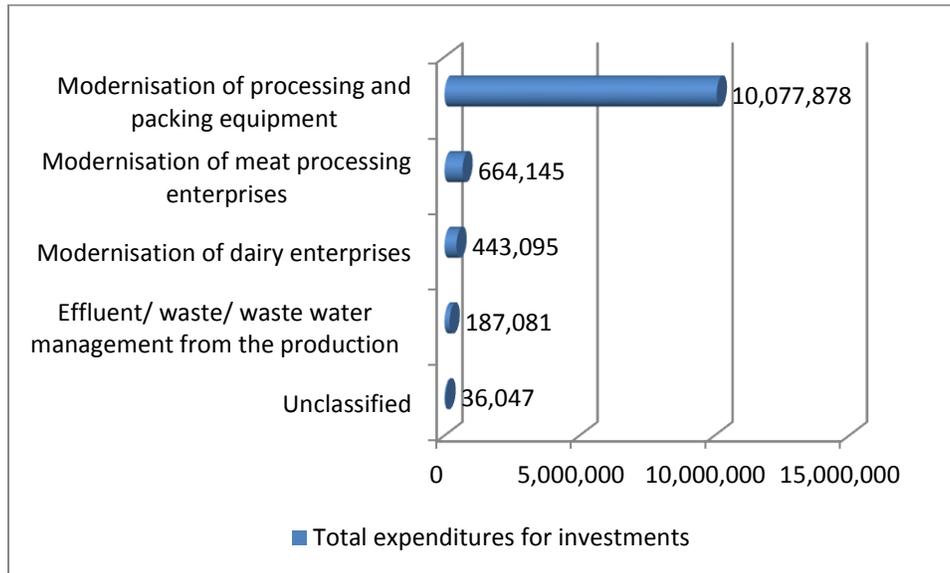
Graph 19: Share of sectors in total expenditures and received applications (%)
Measure 3



Source: DAP, 2018

Within the Measure 3 only Fruit and Vegetables achieved greater share in the total expenditures for investments in relation to share in the total number of received applications while other sectors under Measure 3 achieved greater share in the total number of received applications in relation to share in the total expenditures for investments (Graph 19).

Graph 20: Total expenditures per group of investments
Measure 3



Source: DAP, 2018

Regarding the required expenditures under Measure 3, potential recipients have expressed the greatest interest for the group of investments related to the modernization of processing and packing equipment with total expenditures for investments of EUR10,077,878 or 88%. For other groups of investments under Measure 3 it was expressed much less interest from potential recipients (Graph 20).

In the total number of submitted applications and required expenditures within Measure 3, legal persons - companies have an absolutely dominant share (88% and 97% respectively). Other types of potential IPARD support recipients in the mentioned indicators recorded almost negligible share in the Third Public Call (Measure 3) are following: the legal person - agricultural cooperative (one submitted application, with the requested amount of expenditures for the investment of EUR 226,428.96), the legal person - entrepreneur (one application with the required expenditures of EUR 66,336.88) and the natural person - entrepreneur (one application with requested amount of expenditures of EUR 20,465.30).

REGIONS & DISTRICTS

Measure 1

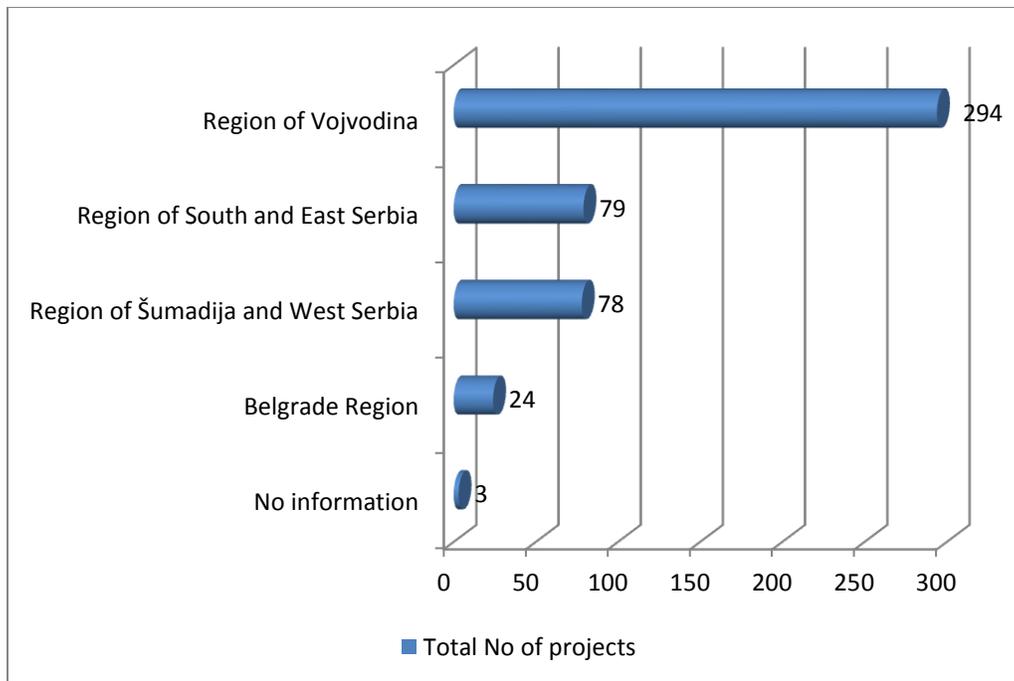
Observing by the regions, for Measure 1, the Region of Vojvodina has the largest share in the number of submitted projects and the amount of expenditures. The share of Vojvodina in the total number of projects for Measure 1 is 62% (294), while in the total expenditures this region participates with 72% (Graph 21 - 22).

Compared to previous reporting, Vojvodina's share in total expenditures remains unchanged, while the share in total number of projects increased by 1 percentage point. The same trend was observed in national rural development measure which refers to the primary agricultural production in the previous period.

Significantly lower participation in the total number of projects is recorded in the Region of South and East Serbia and the Region of Šumadija and West Serbia (17% i.e. 16% respectively), while the Belgrade region has a share of 5% (Graph 21).

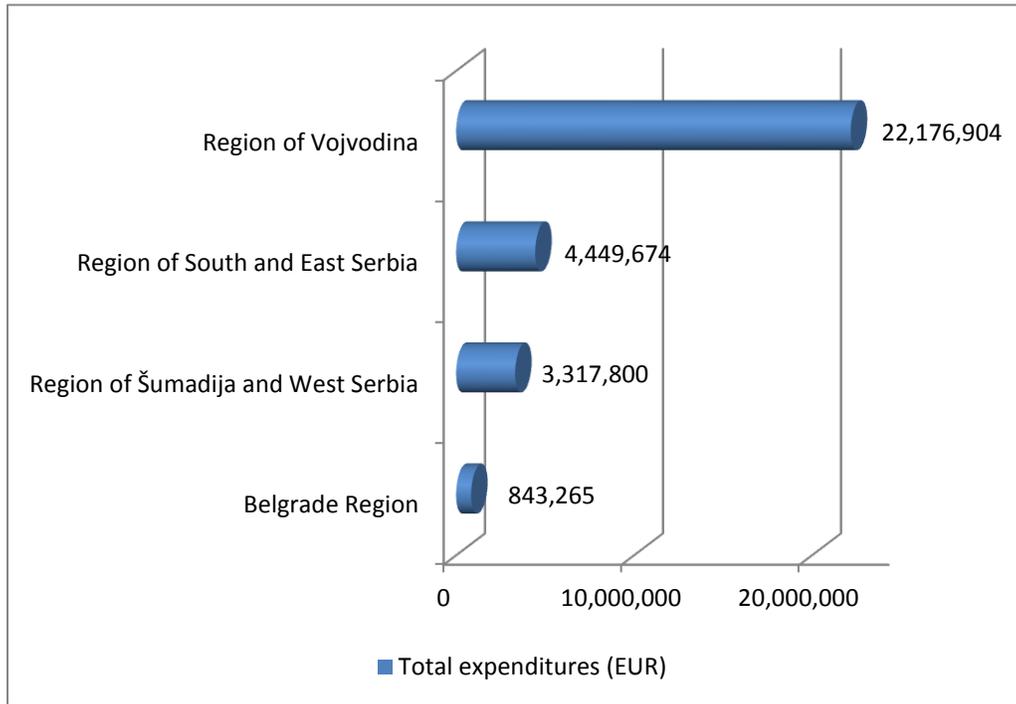
Compared to previous reporting, the Region of South and East Serbia has increased participation in total submitted projects by 3 percentage points, the Region of Šumadija and West Serbia reduced the participation in the mentioned indicator by 3 percentage points, while Belgrade Region's share in total number of projects remains unchanged.

Graph 21: Total number of projects per region
Measure 1 - The First and the Second Public Call



Source: DAP, 2018

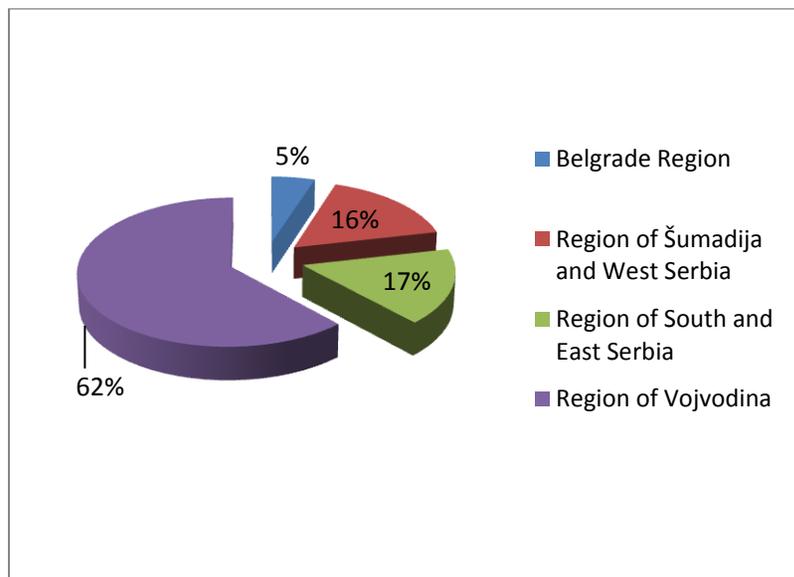
Graph 22: Total expenditures per region (EUR)
Measure 1 - The First and the Second Public Call



Source: DAP, 2018

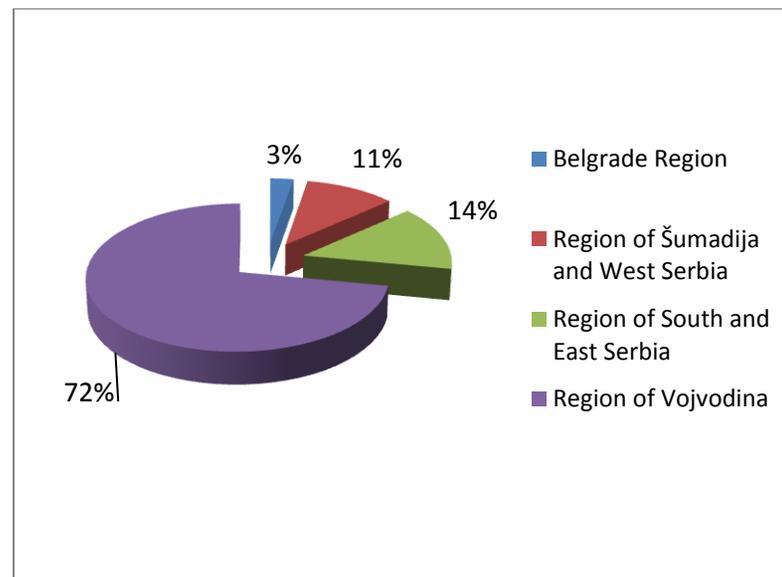
The total expenditures within Measure 1 for Region of Vojvodina (EUR 22,176,904) is five times higher than in the second-ranked Region of South and East Serbia (EUR 4,449,674). Region of Šumadija and West Serbia with EUR 3,317,800 of total expenditures has share in the mentioned indicator of 11% while Belgrade Region with EUR 843,265 in total expenditures has significantly lower participation of 3% (Graph 22).

Graph 23: Structure of received projects per region
Measure 1 - The First and the Second Public Call



Source: DAP, 2018

Graph 24: Structure of total expenditures for investments per region
Measure 1 - The First and the Second Public Call

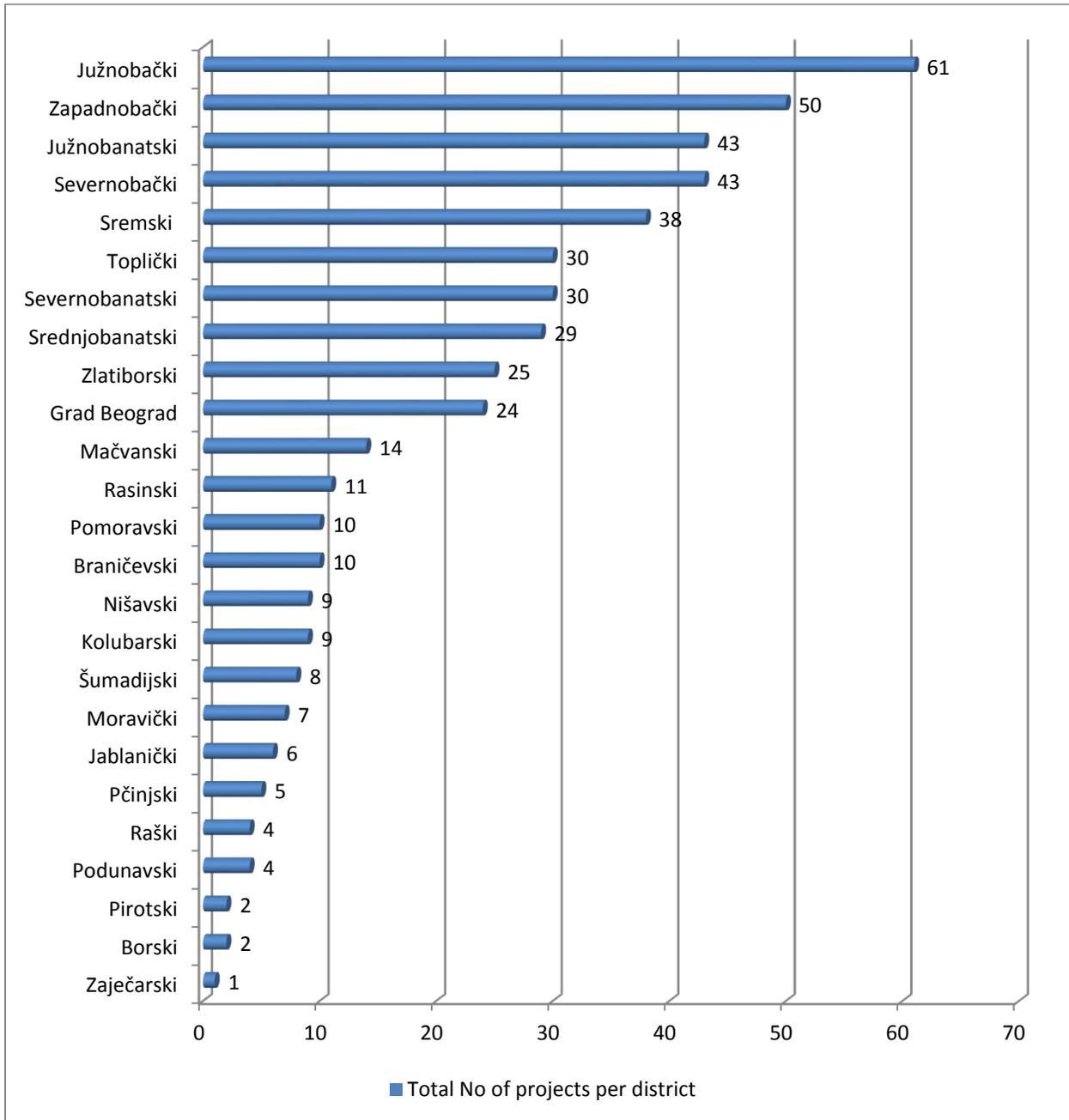


Source: DAP, 2018

The structure of received projects per region as well as the structure of total expenditures for investments per region is very similar. Namely, in terms of both these indicators Region of Vojvodina achieves over half the participation in the regional structure, especially in terms of total expenditures for investments (72%). On the other hand, Region of Šumadija and West Serbia and Region of South and East Serbia and especially Belgrade Region have significantly lower participation in the mentioned indicators under Measure 1 - the First and the Second Public Call (Graph 23-24).

Region of Vojvodina achieves the first position within Measure 1 as the result of the largest number of both submitted projects and total expenditures, both in the 1st and the 2nd Public Calls. Within the Measure 1 (both for the 1st and the 2nd Public Calls) the largest amounts of required expenditures were related to the purchase of tractors and harvesting, sorting, packaging and storage equipment (EUR 17,884,266 and EUR 5,558,284 respectively).

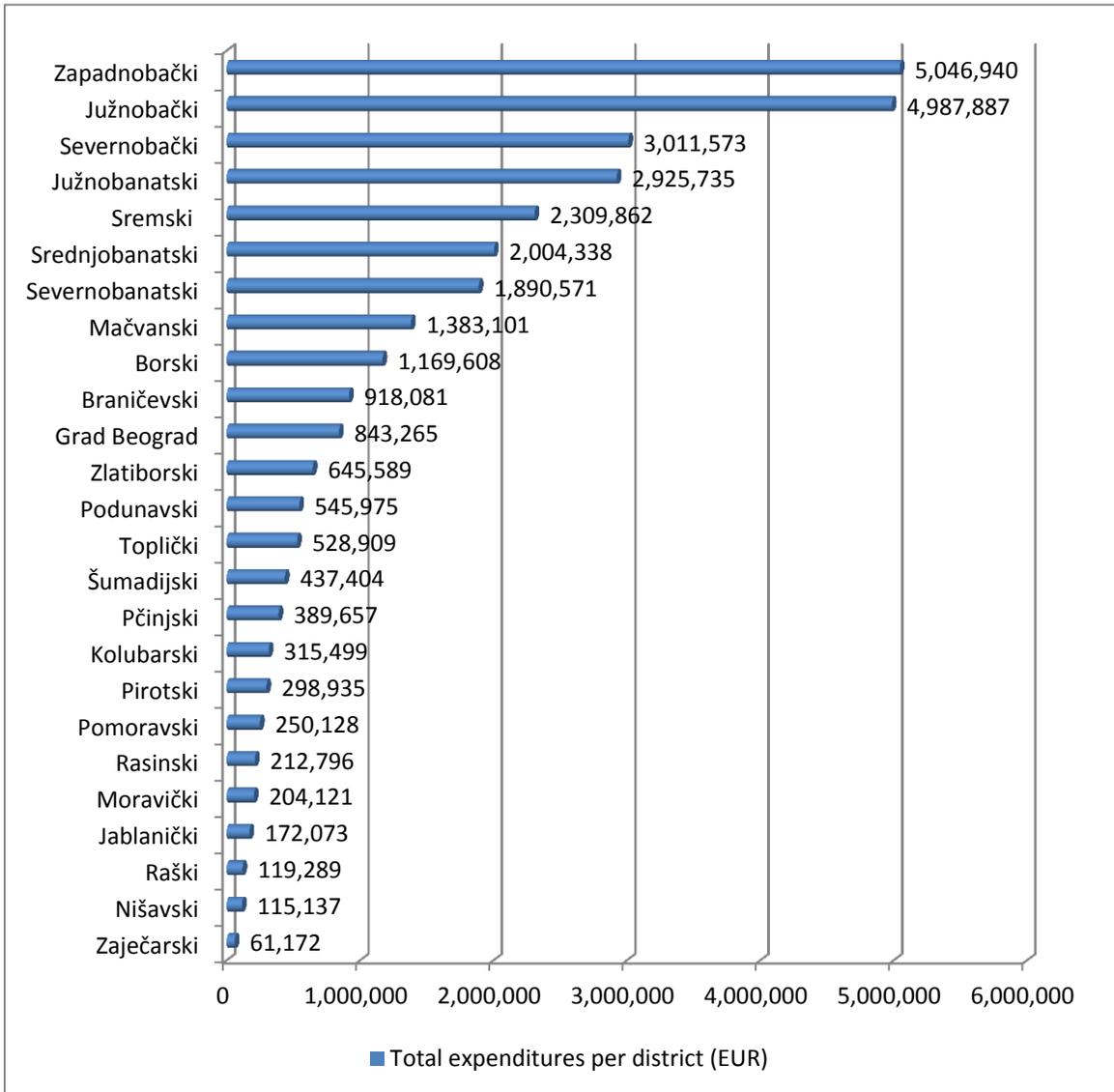
Graph 25: Total number of projects per district
Measure 1 - The First and the Second Public Call



Source: DAP, 2018

Observed by the district's participation in the total number of projects, the first five districts belong to the Region of Vojvodina, with the following share in the total number of projects submitted: Južnobački 13%, Zapadnobački 11%, Južnobanatski and Severnobački 9%, and Sremski 8%.

Graph 26: Total expenditures per district (EUR)
Measure 1 - The First and the Second Public Call



Source: DAP, 2018

Related to total expenditures, two administrative districts of the Region of Vojvodina have a dominant share: Južnobački (16%) and Zapadnobački (16%). Observed by the district's participation in the total expenditures, the first seven districts belong to the Region of Vojvodina, with the following share in the total expenditures: Južnobački and Zapadnobački 16%, Severnobački and Južnobanatski 10%, Sremski 8%, Srednjobanatski 7% and Severnobanatski 6%. The districts with requested expenditures up to EUR 200,000 are the following: Zaječarski (0.2%), Nišavski (0.4%), Jablanički (1%) – of the Region of South and East Serbia and Raški (0.4%) – of the Region of Šumadija and West Serbia.

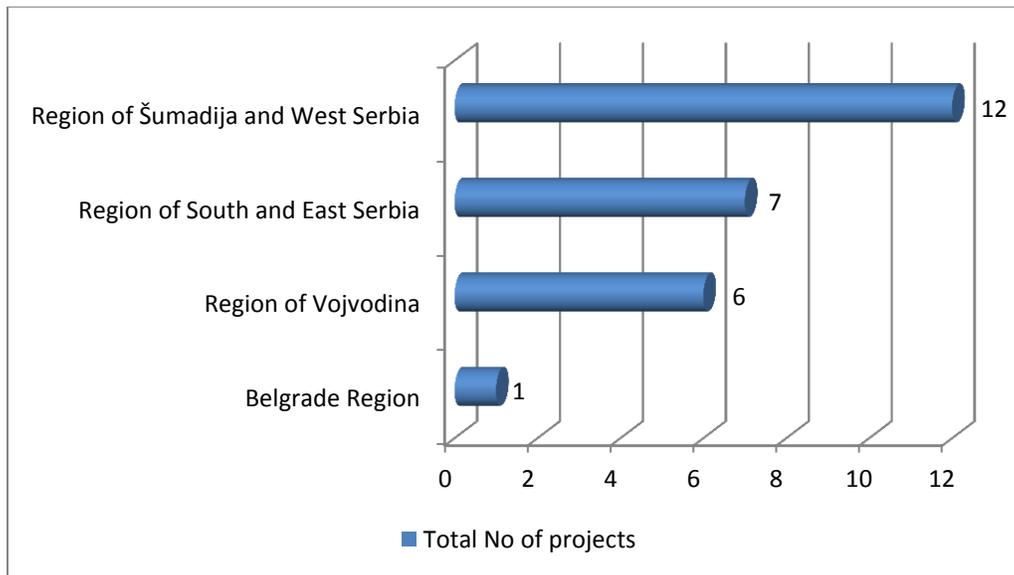
Districts with 10 and more projects submitted participate in the total number of projects (478) under Measure 1 with 88% while districts with expenditures of investments exceeding EUR 1 mill participate in the total expenditures for Measure 1 with 80%.

Observed by Calls within Measure 1, the leading districts within the First Public Call are: Zapadnobački and Južnobački (over 10 projects, over 2 million EUR and with share in total expenditures above 20%), while within the Second Public Call the dominant share is realized Južnobački and Južnobački district (over 40 requests, over 2.5 million EUR and with participation in total expenditures of about 14%).

Measure 3

Observing by the regions for measure 3 the Region of Šumadija and West Serbia has the largest share in both the number of submitted projects and the amount of requested expenditures (12 and EUR 5,190,021 respectively). When it comes to the total number of submitted projects, the second position are taken by the Region of South and East Serbia, the third position is taken by the Region of Vojvodina, while the smallest number of submitted projects are taken from the Belgrade Region (Graph 27-28).

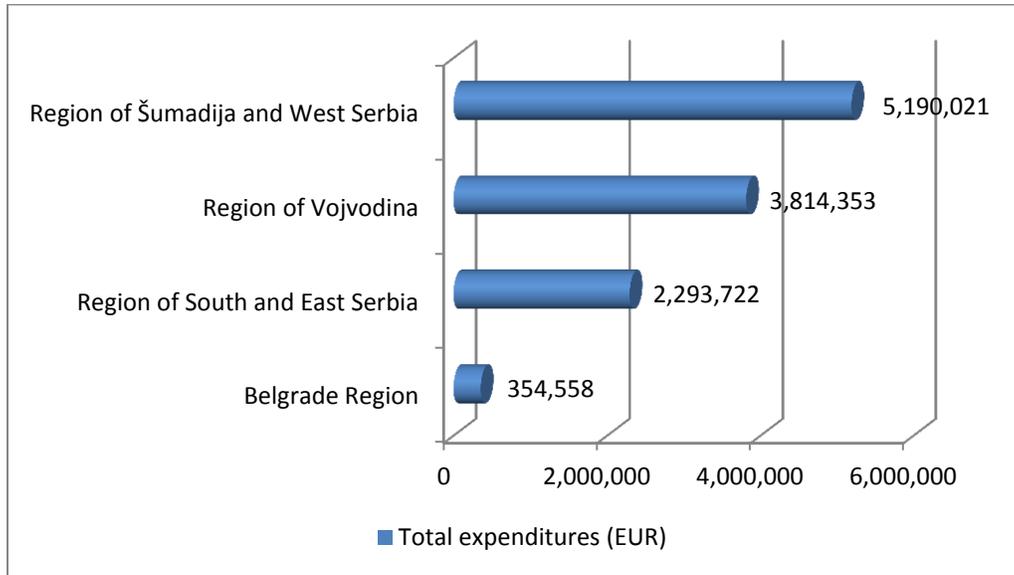
Graph 27: Total number of projects per region
Measure 3



Source: DAP, 2018

On the other hand, when it comes to share in the total expenditures, the second position are taken by the Region of Vojvodina, the third position is taken by the Region of South and East Serbia, while the smallest share in total expenditures is taken by the Belgrade Region (Graph 28).

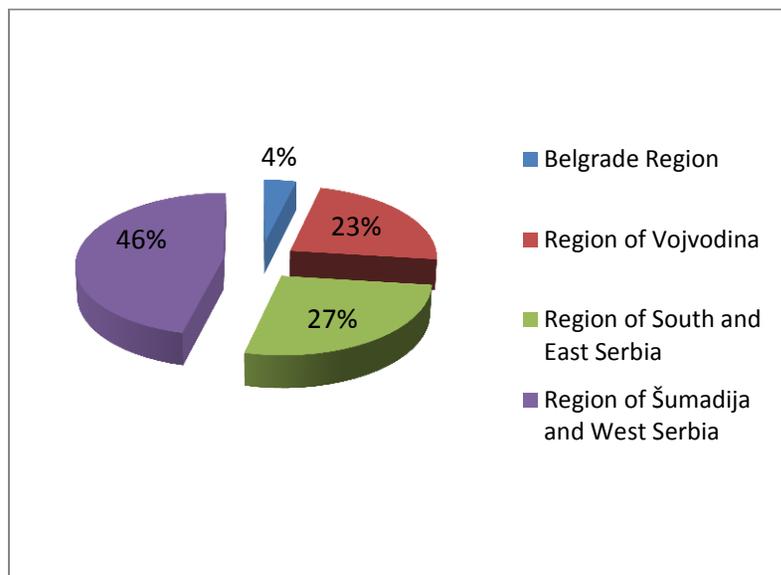
Graph 28: Total expenditures per region (EUR)
Measure 3



Source: DAP, 2018

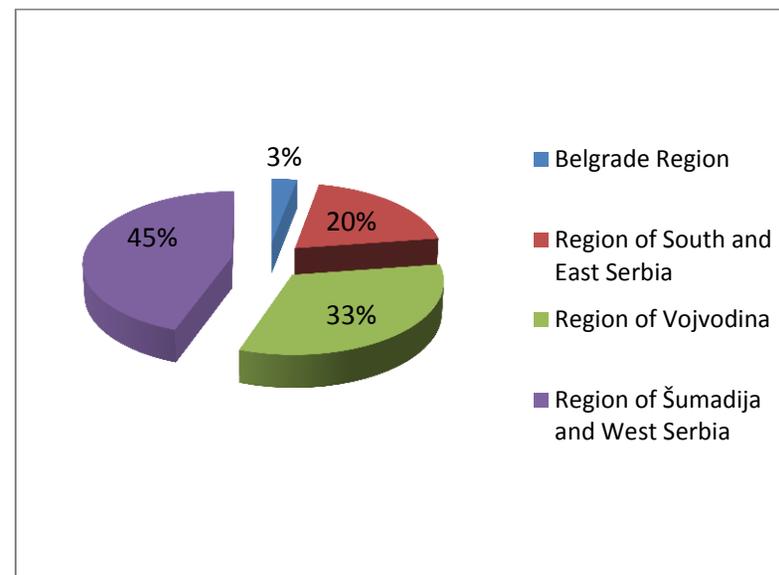
If we examine the total expenditures per region under Measure 3, we can observe that the largest total expenditures have the Region of Šumadija and West Serbia (EUR 5,190,021 or 45%). Thereafter following the Region of Vojvodina (EUR 3,814,353 or 33%) and Region of South and East Serbia (EUR 2,293,722 or 20%) while the smallest total expenditures within Measure 3 is taken from the Belgrade Region (Graph 28).

Graph 29: Structure of received projects per region
Measure 3



Source: DAP, 2018

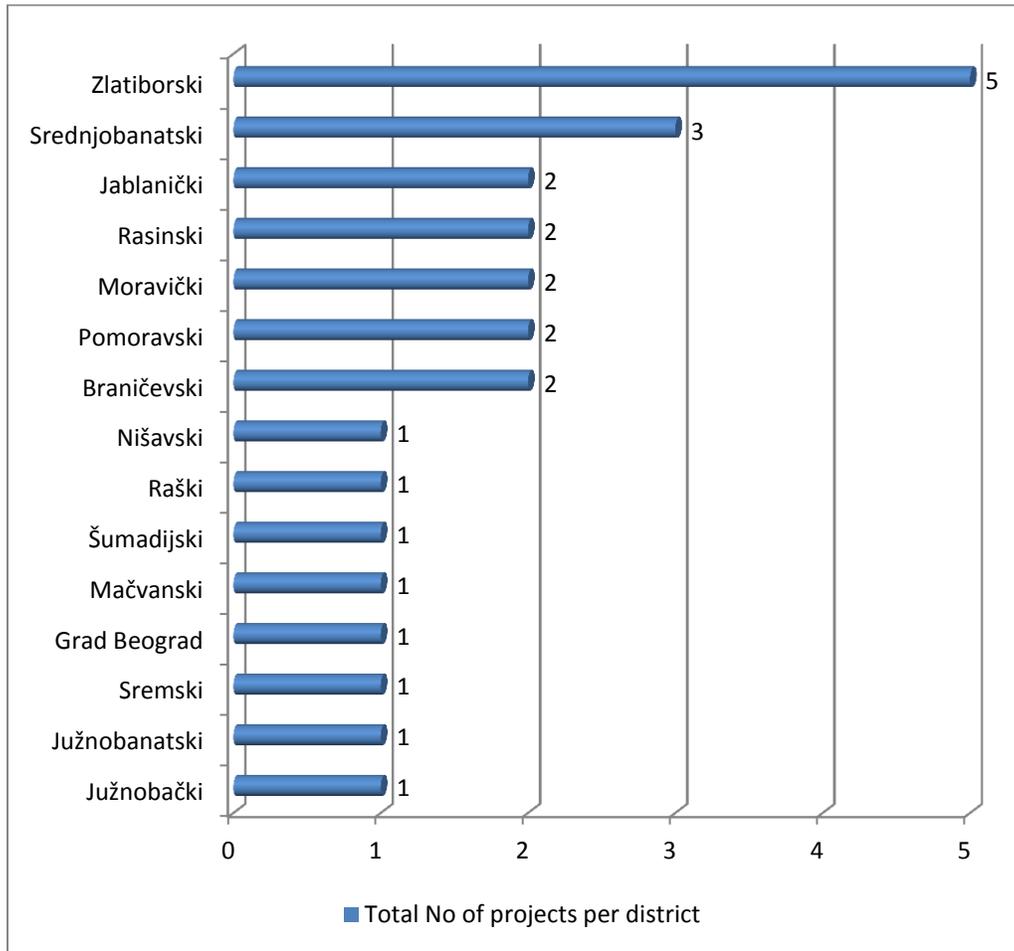
Graph 30: Structure of total expenditures for investments
per region - Measure 3



Source: DAP, 2018

Regarding the share of the region in terms of number of projects submitted and the total expenditures, the sequence of regions is different. Although in terms to both of these indicators Region Šumadija and West Serbia achieved a leading position with similar share of around 46%, the Second position in terms of number of project submitted was achieved by the Region of South and East Serbia (27%) while in terms of the total expenditures the same position was achieved by the Region of Vojvodina (33%) under Measure 3. Regarding both mentioned indicators, the Belgrade Region has the lowest share, 4% and 3% respectively (Graph 29-30). Within the Measure 3 the largest amounts of required expenditures were related to the purchase of modernisation of processing and packing equipment (EUR 10,077,878).

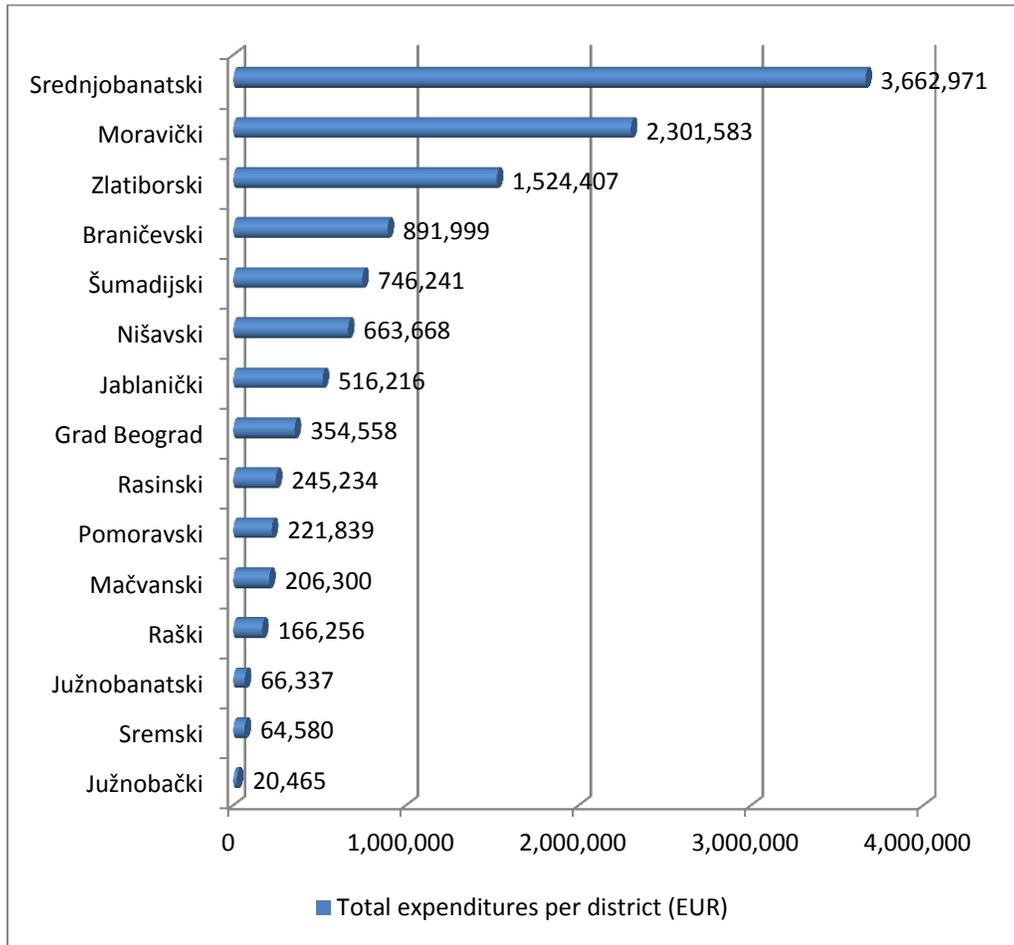
Graph 31: Total number of projects per district
Measure 3



Source: DAP, 2018

Regarding the number of submitted projects for the Measure 3, the leading districts are Zlatiborski (5) and Srednjobanatski district (3), with share in total submitted projects of 19% and 12% respectively, while within all other districts were submitted two or one project (Graph 31).

Graph 32: Total expenditures per district (EUR)
Measure 3



Source: DAP, 2018

Although the Zlatibor district is leading the number of submitted projects within the Measure 3, the highest amounts of total expenditures have reached by the Srednjobanatski and Moravički district (EUR 3,662,971 and EUR 2,301,583 respectively) with share in the total expenditures of 31% and 20% (Graph 32). The above indicates a significantly higher average amount of requested total expenditures per project for the Srednjobanatski and Moravički district (above EUR 1 million) in relation to Zlatibor and other districts (max up to EUR 746,241 for all other districts).

Business plans prepared by AAS

Out of the total number of received projects (478), AAS covering Central Serbia have prepared 29 business plans for potential recipients of IPARD support for Measure 1 (Table 2) while AAS covering the AP of Vojvodina have prepared 6 business plans for potential recipients of IPARD support for Measure 1.

Table 2: Business plans prepared by AAS per district

District	No. of prepared business plans
Rasinski	11
Beogradski	7
Jablanički	4
Mačvanski	3
Braničevski	1
Borski	1
Šumadijski	1
Kolubarski	1
Total	29

Promotional activities and visibility

In the reporting period, promotion of the IPARD II Programme was carried out through the activities of advisory services which disseminated information on the IPARD II Programme to potential recipients through tribunes, workshops, media and bulletins.

Starting on October 26, 2018, 9 regional information workshops will be held on the IPARD measure M1 and M3. The target groups are potential recipients of IPARD measures, farmers, agricultural cooperatives, farmers associations, regional development agencies, AAS, consultants. Events will be organized in cooperation with the IPA 2013 project: "Support to the IPARD Operating Structure (Managing Authority, IPARD Agency and Advisory Service)" and to stakeholders and promotion partners.

The Guides for Applicants/Recipients for IPARD Measures M1 and M3 have been prepared and published on the web pages of the MAFWM and the DAP (<http://www.minpolj.gov.rs/ipard-program-2014-2020/> and <http://uap.gov.rs/ipard-ii-u-srbiji/>). The Web pages of the MAFWM and the DAP contain all relevant information for potential recipients and applicants.

Considering IPARD e-mail address for questions ipard.info@minpolj.gov.rs in the period 01.01.-15.10.2018, 638 answers are prepared and delivered to all interested parties.

During the period 14.12.2017-18.10.2018, 446 calls on IPARD Calls were registered through telephone line.

Activities of AAS in Central Serbia and in AP of Vojvodina are presented in tables below:

AAS Central Serbia

Information tool	2016		2017		till Oct. 2018	
	Number of events held	Number of participants	Number of events held	Number of participants	Number of events held	Number of participants
Events (winter schools, stands, lectures, workshops)	299	7439	311	7300	327	6618
Media (local TV, radio, newspapers)	163	/	366	/	126	/
Bulletin / Portal of Advisory Services	41	/	63	/	126	/

AAS AP of Vojvodina

Information tool	2017		till 31.05.2018	
	Number of events held	Number of participants	Number of events held	Number of participants
Events (winter schools, stands, lectures, workshops)	108	2020	220	4306
Media (local TV, radio, newspapers)	34	/	82	/
Bulletin / Portal of Advisory Services	2	/	8	/

INDICATORS FOR VISIBILITY & COMMUNICATION ACTIVITY

Type of indicator	Indicator	Value from April 10 to October 18, 2018	Target	Execution Rate (%)
Output	Number of potential recipients attending information events	1,500	4,000	37.5
	Number of promotional events implemented	31	30	103.3
	Number of National events	1	5	20.0
	Number of promotional materials disseminated	4000 brochures 3500 leaflet	6,000	66.7
	Number of national and regional media, reached by informational materials (press conferences, press releases)	96 through news agencies (printed, electronic and the Internet media)	20	Achieved
	Number of sector stakeholders acting as multipliers (providing links to IPARD II website, distributing promotional materials)	6 (42 with AAS)	10	60.0
	Number of TV and/ or radio presentations	67	1 per call	Achieved
	Number of press conferences organised	3	at least 5 national and at least 4 regional	33.3
	Number of press releases provided	21	at least 20	Achieved
	Number of people accessing the IPARD II website	27.052 (18. May/18. October) Around 4500 per month	2,000	Achieved

Type of indicator	Indicator	Value from April 10 to October 18, 2018	Target	Execution Rate (%)
Result	Level of satisfaction from the informational events	89.5%	at least 80% satisfied by the content and organisation	111.9
	Number of publications/ articles, TV and radio reportages for the IPARD II Programme	654	60	Achieved
	Number of applications for grants per measure	M1 – 478 M3 – 26	At least 80 for the measure 1 and at least 45 for the measure 3	Achieved for M1 M3 – 57.8

Capacity building activities

From the third session of the IPARD Monitoring Committee, the following trainings were conducted with the aim of improving capacities of employees both from Managing Authority and IPARD Agency:

1. Evaluation of the IPARD II Programme, Establishment of Evaluation Plan, The European Union IPA-TAIB 2013 Programme,
2. Impact Assessment of Rural Development Measures on the Economic Development of Farms based on FADN Database, TAIEX, MAFWM, Serbia,
3. Reporting the implementation of the IPARD II Programme, The European Union IPA-TAIB 2013 Programme,
4. Practical cases for the implementation of the task and responsibilities of the MA – procedures under the PIM and PIM H, The European Union IPA-TAIB 2013 Programme,
5. Communication – Team work – Management, National Academy of public administration,
6. PRAG basic rules and principles, The European Union IPA-TAIB 2013 Programme,
7. Areas with Natural and other Specific Constraints: the EU framework (PLAC II),
8. On-the-job training on the general flow for the implementation of the TA measure under IPARD II, The European Union IPA-TAIB 2013 Programme,

9. Strategic planning, National Academy of public administration,
10. TAIEX Multi-Country Workshop on Rural Tourism Sector within the Concept of IPARD, Çanakkale /Turkey,
11. PRAG service contract, The European Union IPA-TAIB 2013 Programme.

It is expected that, by the end of 2018, the IPA Technical Assistance Project “IPARD Operational Structure”, will provide training for Advisory Services in order to improve their knowledge and skills, and consequently the quality of submitted projects under the IPARD instrument. Through this project, promotional activities will be realized on the territory of the RS, especially in the areas from which, in the first three Public Calls, there were no applications or few applications were received.

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