



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

The Fifth session of the IPARD II Monitoring Committee

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

March, 2019

Novi Sad, 14/05/2019

List of Abbreviations

AAS - Agricultural Advisory Services

AP - Autonomous Province

DAP - Directorate for Agrarian Payments

EC - European Commission

EU - European Union

IA – IPARD Agency

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

General Information

The Republic of Serbia has been implementing IPARD II Programme since December 2017. So far, five Public Calls have been launched, first decisions on payment of IPARD support have been delivered and first investments have been realised. Since IPARD had been preparing and announcing for a long time, from the very first call, Serbian farmers showed huge interest for it. In just over a year, 736 applications were received. Besides, there is strong political will for IPARD successful implementation from the Serbian Government and broad consensus in agricultural and rural development sector on its high importance.

This Monitoring Report covers the period from 4th Monitoring Committee (November 2018) to 31 March 2019. In order to provide clearer overview of the results achieved, especially when it comes to processed IPARD applications, data on applications are presented cumulatively, from the beginning of Programme implementation.

Under the IPARD II Programme, the following measures are currently accredited:

- Measure 1: Investments in physical assets of agricultural holdings and
- Measure 3: Investments in physical assets concerning processing and marketing of agricultural and fishery products.

Regarding Measure 1, Serbia has published three Public Calls so far:

1. First Call referred to the investments in equipment, machinery and mechanisation – total 85 applications received;
2. Second Call targeted investments in tractors – total 393 applications received, and
3. Third Call referred to the investments in equipment, mechanization and construction – total 151 applications received.

Regarding Measure 3 two calls were published:

1. First Call targeted the procurement of equipment – total 26 applications received, and
2. Second Call referred to the investments in construction and procurement of equipment machinery – total 81 applications received.

In January 2019, the new Plan for Calls was published. It stipulates four Calls in 2019, namely one for Measure 1, Measure 3, Measure 7 and Measure 9. The allocated funds for all calls in 2019, that includes contributions from EU as well as national contributions, amount EUR 88.45 million (RSD 10.45 billion).

Entrustment of Budget Implementation Tasks for Measure 7 and Measure 9

Having in mind that second phase of IPARD II Programme implementation envisage entrustment of budget implementation tasks for Measure 7 (Diversification of Agricultural Holdings and Business Development) and Measure 9 (Technical Assistance), one of the major goals for

IPARD operational structure is to prepare accreditation package in order to gain positive opinion for entrustment for these two measures, according to the Action plan for finalisation of IPARD II entrustment process for Measure 7 and Measure 9 (updated on March 2019).

In November 2018, Managing Authority and IPARD Agency prepared and delivered to the European Commission Action Plan for finalisation of IPARD II entrustment of the budget implementation task for Measure 7 and Measure 9. The Action Plan was updated afterwards, in March 2019. The Action Plan contains list of deadlines, responsibilities and activities to be undertaken with indicated statuses and sequence of steps in order to finalize IPARD II entrustment process for IPARD measures 7 and 9. All activities are in line with DG AGRI audit findings.

Regarding Measure 7, MA was drafted Rulebook on IPARD support for farm diversification and business development. This Rulebook is also adjusted with the new Law on Tourism and the new Law on catering. The consultation process on this matter with Ministry in charge of Tourism, other relevant institutions and partners were done successfully. The next step in this process will be fine tuning with Legal department within the MAFWM, parallel with DG AGRI (Unit E5) consultations. Having in mind that first Call for M7 is planned for this year, MA is going to organise broad promotional and educational campaigns in order to inform, motivate and encourage potential users to apply for subsidies in diversification / rural tourism.

Regarding accreditation of Technical Assistance, in 4Q 2018 MAFWM established the Working Group with the aim to draft amendments to the Law on Agriculture and Rural Development. Additionally, another Working Group was established – for drafting acts regulating the relations and procedures within the IPARD management and operational structure for the implementation of Technical Assistance. As a result, Agreement for the implementation Technical Assistance measure under IPARD II Programme 2014-2020 between MA and IPARD Agency was prepared and it will be communicated with DG AGRI. Working Group also prepared the proposal for amendments of the Law on Agriculture and rural development which refers to Technical Assistance. Finally, Action Plan for Technical Assistance has been prepared by MA in line with market research, adjusted with IPARD Agency and sent to DG AGRI in order to be officially adopted during 5th MC.

IPARD II Programme modifications

On the 4th Meeting of the IPARD Monitoring Committee, the proposal for IPARD II Programme second modification was adopted. The European Commission officially adopted the proposed amendments to the IPARD II Program (Commission Implementing Decision C (2018) 8691 of 14th December 2018). Serbian Government adopted those amendments on March 2019 (Official Gazette of the RS No 20/19). Key changes related to modifications of financial tables (budget reallocation from M7 and M9 in favor of Measure 3, which provides additional resources for this measure - EUR 3.3 million), fruit and vegetable sector (exclusion from verification of national standards in the field of animal welfare for small holdings up to 15 ha), meat sector (new group of investments concerning heavy-type breeding in poultry) and definition of rural areas.

Based on the initiatives of farmers in wine and egg sectors, MA prepared Sectorial analysis in vine and wine sector and Sectorial analysis in egg sector. The results were presented to the key stakeholders and four public events were organized: in Belgrade (two consultation meetings),

Jagodina (consultation on egg sector) and Smederevo (consultation on vine / wine sectors). All relevant comments were collected and considered in detail. Both analyses provided arguments for introducing vine / wine and egg sectors into the IPARD II Programme. Those arguments were ground for evidence based initiative and third proposal for IPARD II Programme modification. Proposal will be discussed and submitted for approval on 5th Monitoring Committee. Proposal for modification also contains the updated List of eligible expenditures.

Adopted legal documents

When it comes to legal documents prepared in the period between 4th and 5th MC, the following Rulebooks were adopted:

- 1) The Rulebook on IPARD subsidies for investments in physical assets regarding processing and marketing of agricultural and fishery products, December 2018 (Official Gazette of the RS No 84/17, 23/18 and 98/18). The amendments primarily refer to technical harmonization and clarification that will facilitate the process of receiving IPARD incentive within this measure. The eligible costs will include transport and installation costs.
- 2) The Rulebook on determining areas with difficult working conditions in agriculture, December 2018, (Official Gazette of the RS No 102/18). This Rulebook brings new criterion on populated place which has to be located in devastated areas defined by the Decree of the RS Government.
- 3) Rulebook on incentives to support programs related to the preparation and implementation of local rural development strategies (LEADER), January 2019 ("Official Gazette of RS" No. 3/2019). This Rulebook envisages: establishing Partnerships for Territorial Rural Development (so-called Local Action Groups – LAGs); development of partnership for rural development strategies as well as implementation of priority projects of defined by those partnerships.
- 4) The Rulebook on environmental conditions that must be fulfilled by the users of IPARD incentives, March 2019 (Official Gazette of the RS No 26/19). The Rulebook is significant from the aspect of the implementation of the IPARD II Programme (Measure 1), having in mind verification of the achieved environmental standards in the agricultural holdings if the applicant is a natural person.

IPARD Managing Structure

Regarding the managing structure, in the reported period there were two personal changes, namely:

- **National Authorizing Officer (NAO)** – instead of former State Secretary in the Ministry of Finance (Ms. Slavica Savičić), Mr. Gojko Stanivuković was appointed as new responsible person and new NAO. The appointment of Mr. Stanivuković, State Secretary in the Ministry of Finance for the NAO, was formally confirmed by the Government Decision from April 5, 2019.

- **IPARD Agency** – instead of former Acting Director in the IPARD Agency / Directorate for Agrarian Payments (Mr. Žarko Radat), Ms. Biljana Petrović, was nominated as new Acting Director as of February 2019.

As a coordinating mechanism for successful IPARD implementation, during the reported period IPARD Working Group was fully operated, having 2 joint meetings.

Trainings and projects

The meeting of heads of Managing Authorities and IPARD agencies of Serbia, Montenegro, Macedonia, Turkey and Albania was organized by DG AGRI on 14th December 2018 in Brussels. Topic of the meeting was common and individual issues regarding implementation of Measure 9 (Technical support), with the goal to offer explanations and concrete solutions through discussion. Serbian representatives of Managing Authority and the Directorate for Agrarian Payments participated on the meeting.

On 21st January 2019 implementation of the IPA 2015 project “Improving capacities for planning and implementing agricultural policy in the Republic of Serbia in the process of EU accession” has been started.

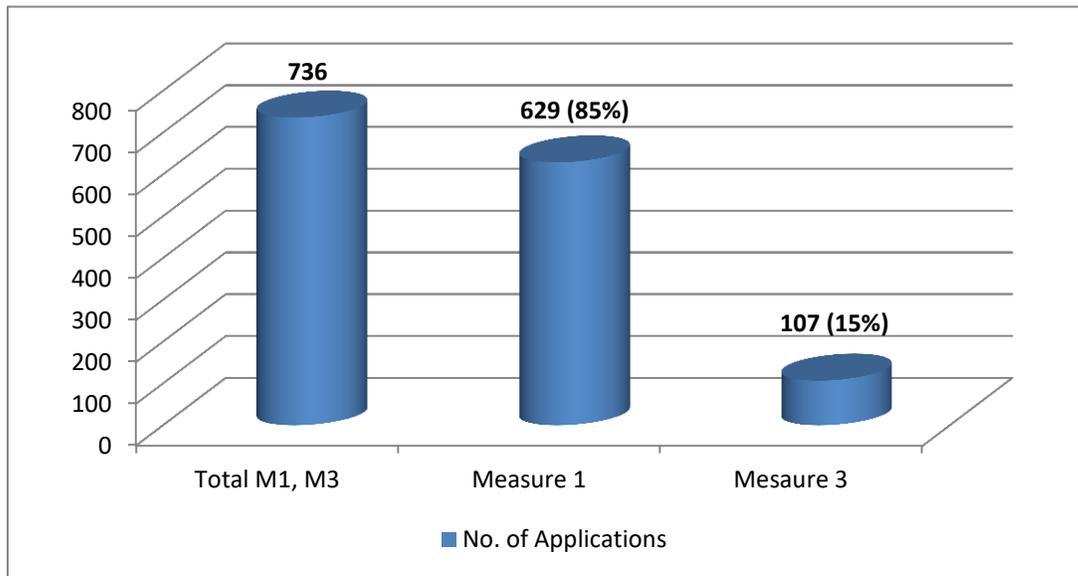
The Pilot project “Introduction and maintenance of functioning of the LPIS in the pilot municipalities in the Republic of Serbia” was started on 22nd January 2019 (the first phase). During the first mission that took place from 22nd to 24th January 2019, an introductory meeting was held. Also, the plan of future activities was prepared, data for using in LPIS pilot project (by the Republic Geodetic Office) were presented to the experts and criteria for municipalities’ selection were defined.

The relevant staffs from MA and IPARD Agency were completed online training on PRAG rules during 1Q 2019. Additionally, TAIEX Expert Mission on Reports and Data Collection within IPARD was organized in April 2019 for MA and IPARD Agency staff.

Implementation of IPARD measures for the period 2014 - 2020 in 2019

In total for both measures (Measure 1 and Measure 3) within the First, the Second, the Third and the Fourth Public Call 736 applications were received, 629 for the Measure 1 and 107 applications for the Measure 3 (Graph 1).

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



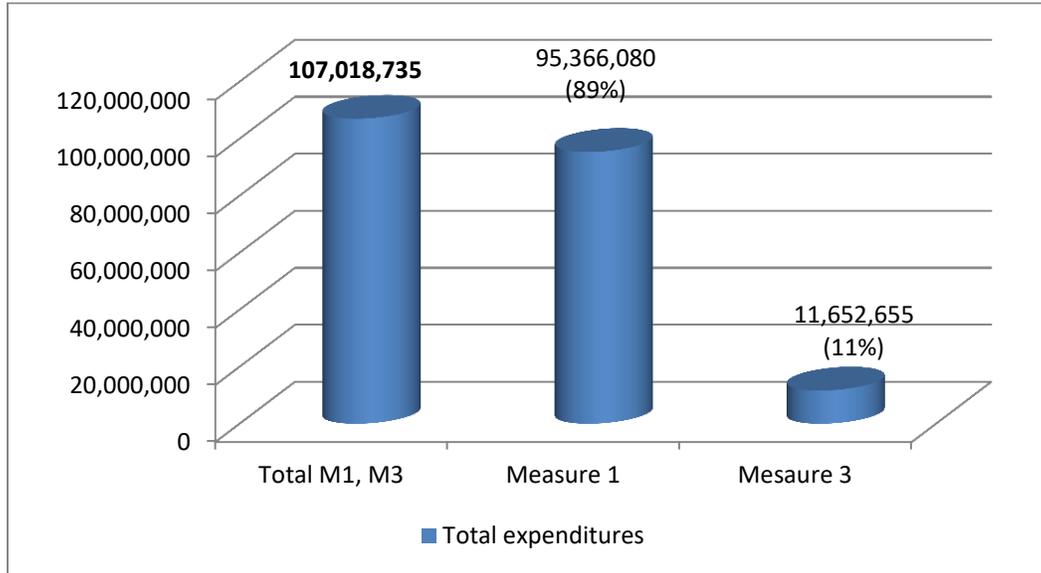
Source: DAP, 2019

Note: Having in mind the unavailability of data submitted project proposals under the Fifth Public Call (the Second Call for Measure 3) at the time of preparation of this Report, data for the First, Second, Third and Fourth Public Call were used for the analysis presented below, on the basis of the available processed data closing 18/03/2018. Data are preliminary. The total amount of eligible and ineligible expenditures will be available after the finalization of the processing of applications. The final amount of eligible expenditures is reported for approved or paid claims.

The total expenditures for Measure 1 (for the First, Second and Third Public Call) and Measure 3 (for the First Public Call) amounts EUR 107,018,735 – EUR 95,366,080 for Measure 1 and EUR 11,652,655 for Measure 3 (Graph 2).

Out of the total number of submitted applications within the Measure 1, there are 32 unclassified applications, of which in the Crop sector there are 12 unclassified applications that are without submitted business plan or specific data on the type of production, with total amount of EUR 378.433. Within the 19 unclassified applications, the sector, as well as the codes and the names of investments, are not listed, of which 18 are without stated total / eligible expenditures of investments (a total of 27 requests is without stated required amount of investments). Within Measure 3, one request is kept as "unclassified", and refers to the fisheries sector.

Graph 2: Total expenditures and expenditures per measure M 1 and M 3* (EUR)



Source: DAP, 2019

* Data entry for submitted project proposals for the Second Call for Meru 3 is in progress so that they were not available at the time of preparation of this Report. Upon finalization of the processing of applications, the total amount of eligible and ineligible expenditures will be available.

Within the Measure 1, the IA has adopted **168 decisions on the rejection of submitted projects** with the total required investment expenditures of EUR 5,098,190, of which 59 projects were suspended due to the applicants' withdrawal (EUR 3,466,257). Out of the total number of rejected projects (with decision on rejection), the largest number refers to the Second Public Call (127). Observed by sector, the largest number of rejected/withdrawal applications refers to the Crop Sector (75) and Fruit and Vegetable Sector (65), while the Meat Sector in the total number of rejected/withdrawal applications has share of 16 applications and Milk Sector with 9 applications¹. When it comes to Measures 3, on the basis of applications processed till March 18, 2019, four (4) decisions were adopted on the rejection of the submitted project proposals, with the amount of the requested expenditures in the application form of EUR 1,060,147, out of which one application was suspended due to the applicant's withdrawn (EUR 24,138).

Until 18/03/2019 IA **carried out 167 on-the-spot controls under Measure 1** (with expenditures covered by control in the amount of EUR 13,114,304). As a result of the conducted controls of potential beneficiaries, the IA adopted 167 decisions on the approval of submitted project proposals, with a total amount of eligible expenditures of EUR 10,658,479 (81.3%).

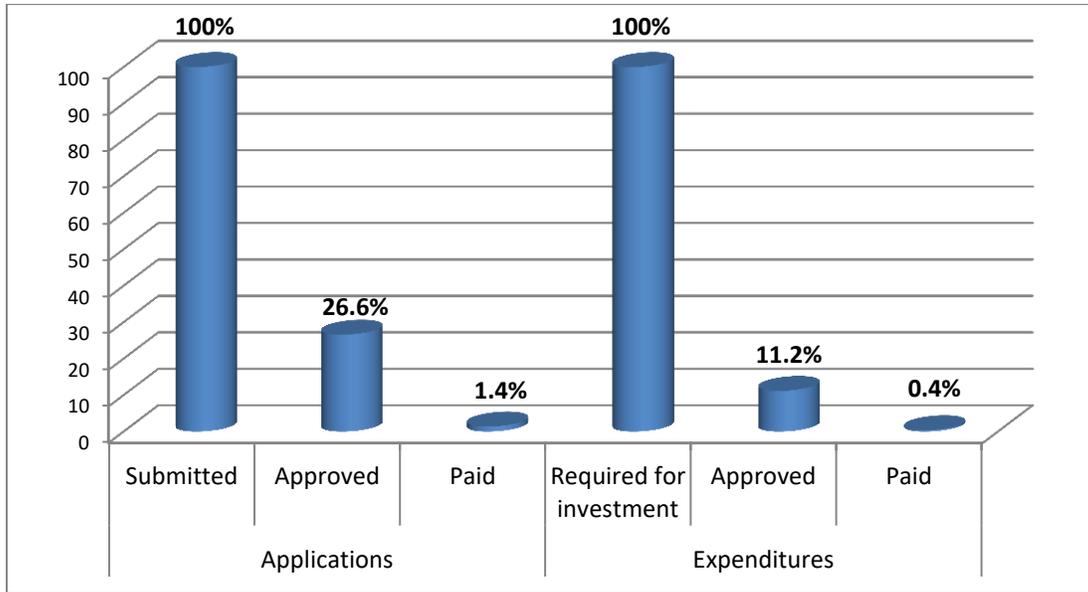
Out of the total number of applications submitted under Measures 1, the IA **approved 167 project proposals**, with the total eligible expenditures for investments in the amount of EUR 10.658.479 and the amount of support of EUR 6.683.266.

¹ The given information about rejected/withdrawal applications relates to the applications in which the sector is listed.

Until 18/03/2019 nine (9) claims were paid, with eligible expenditures for investments in the amount of EUR 376.538 and the amount of support of EUR 227.570.

Concerning Measure 1 (the First and Second Public Call), out of the total number of applications submitted (629), until the March 18, 2019, with the Decision was approved 26.6% and paid 1.4% applications (Graph 3).

Graph 3: The share of approved and paid applications and expenditures in the submitted applications (%)
M 1 – The First and Second Call

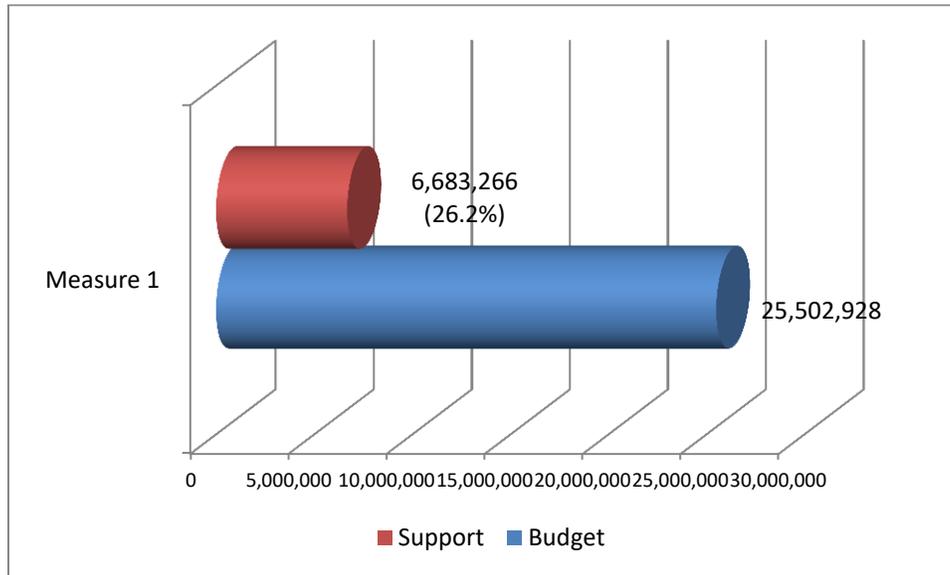


Source: DAP, 2019

Note: The shown participation of approved and paid expenditures is realistic at a higher level than shown in Graph 3 given that the required investment expenditures, according to the information provided by the IA, include eligible and ineligible investment expenditures, bearing in mind that the process of applications processing is in progress. The final amount of the required eligible expenditures for the investment will be available after the completion of the applications processing process.

Based on the currently available data on the amount of public support for 167 approved projects, taking into account the aid intensity of 60% of the total eligible expenditures (value of investments and general costs), it can be seen from the graphic view that the estimated public support for Measure 1 for 167 approved projects, covers 26.2% of the available budget for the Measure 1 (Graph 4).

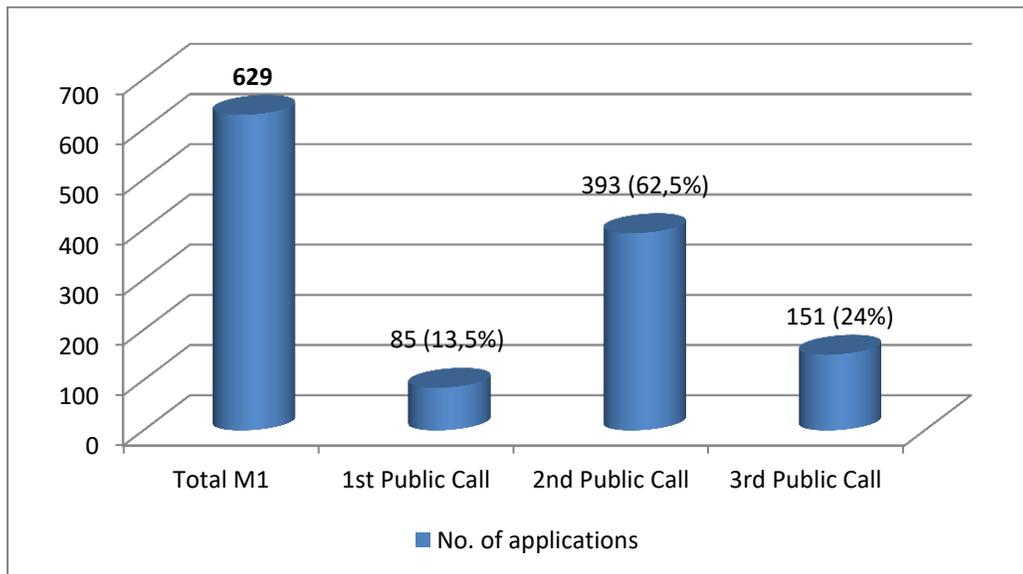
**Graph 4: Support in relation to available budget (EUR)
Measure 1**



Source: DAP, 2019

Within the Measure 1, for all three calls, 629 applications have been submitted – 85 for the First Public Call or 13.5%, 393 for the Second Public Call or 62.5% and 151 for the Third Public Call or 24% (Graph 5).

**Graph 5: The total number of submitted applications
M 1 - The First, Second and Third Public Call**

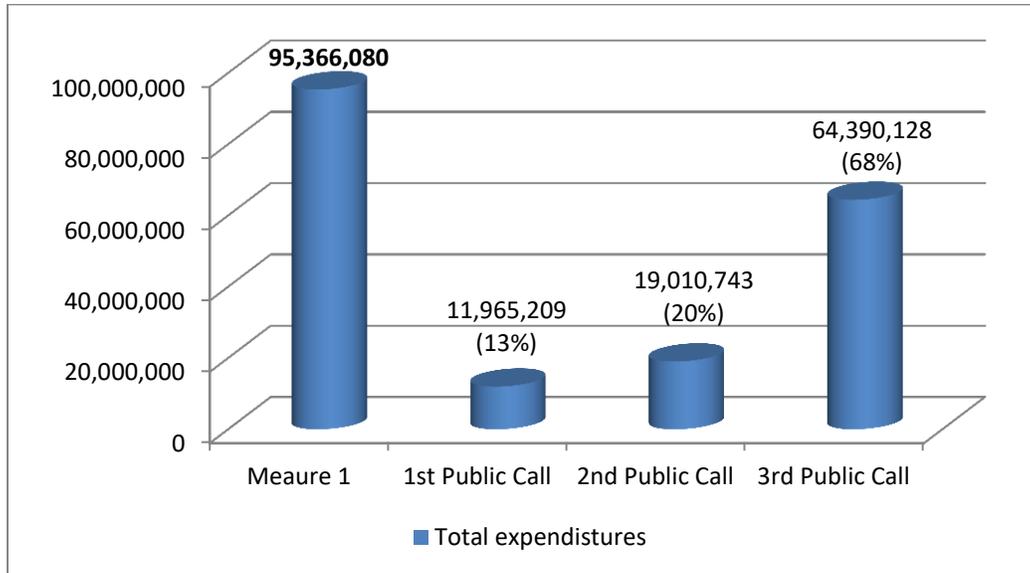


Source: DAP, 2019

When it comes to Measure 1, the total expenditures for the First Public Call amount to EUR 11,965,209, for the Second Call EUR 19,010,743 and for the Third Public Call amount 64,390,128 (Graph 6).

Bearing in mind that, within the Third Public Call for Measure 1, except for the procurement of equipment, the submission of project proposals has been approved and for construction, the cost ratio between the calls for Measure 1 was expected.

**Graph 6: Total expenditures and expenditures per calls (EUR)
M 1 - The First, Second and Third Public Call**

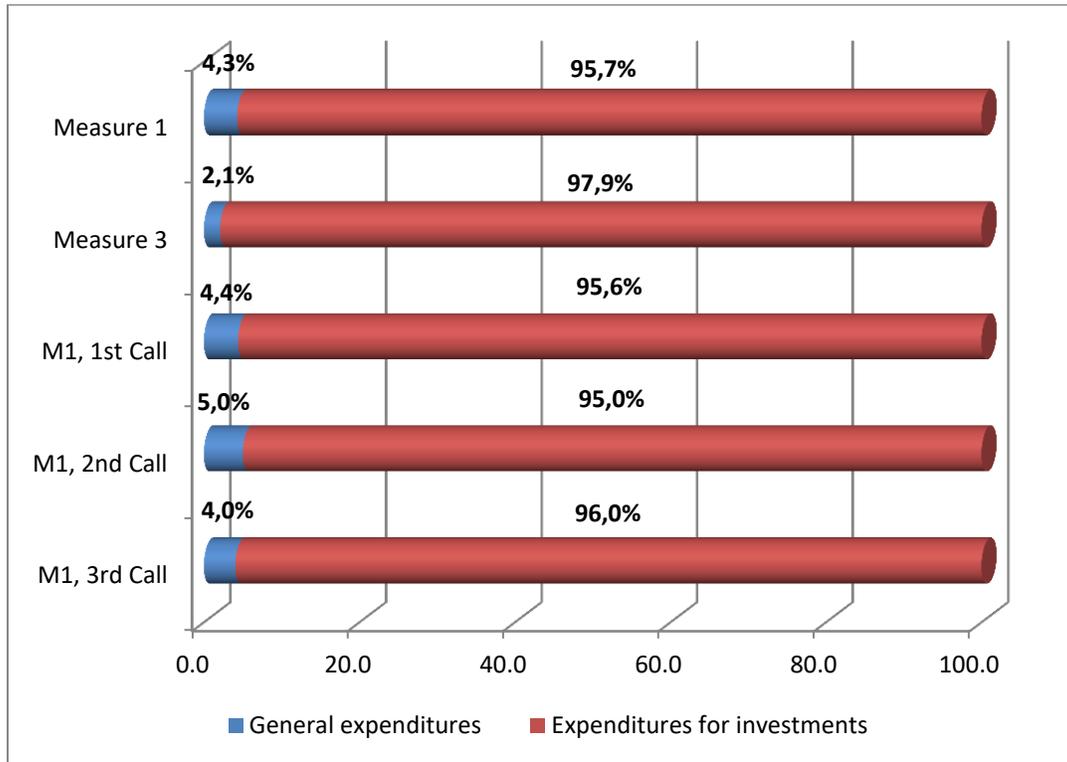


Source: DAP, 2019

In the total expenditures for the Measure 1, the general costs amount 4.073.434 EUR or 4.3%, while the expenditures related to the investment for equipment, machinery and machinery (including tractors), as well as for construction are 91.292.646 EUR, or 95.7%. At the same time, in the total expenditures for Measure 3, the general costs amount to EUR 244,410, or 2.1%, while the expenditures related to the purchase of new equipment amount to EUR 11,408,246 or 97.9% (Graph 7).

Observed individually, according to the calls within Measure 1, the mentioned relations remain largely unchanged, i.e. within the First Public Call, general costs amount to EUR 525,749.17, while for the Second Public Call they amount to EUR 949,991.61, and for the Third Public Call they amount to EUR 2,597,678.69. At the same time, expenditures for the purchase of new equipment and machinery (the First Public call) amount to EUR 11,439,445.13, while for the purchase of a new tractor (the Second Public Call) the expenditures amount EUR 18,060,751.41, and for construction - EUR 36,307,694.93 and for the purchase of equipment and machinery - EUR 25,484,754.47 (the Third Public Call) they are total amount to EUR 61,792,449 (Graph 7).

**Graph 7: General costs and expenditures for investments
M 1 and M 3**



Source: DAP, 2019

Observed from the point of view of share of the Measure 1 and Measure 3 in total expenditures for investments and total general costs, the share of Measure 1 in total investment expenditures, as well as in overall general costs compared to Measure 3, is significantly higher.

Within the published calls for Measure 1 and Measure 3, in comparison to the previous reporting, Measure 1 achieves a significant increase in share, both in the total investment expenditures and in the total general costs (collectively for Measure 1 and Measure 3). Measure 1 in the total amount of investments participates with 89%, while Measure 3 participates in the mentioned indicator with 11%. On the other hand, in total general costs for Measure 1 and Measure 3, Measure 1 has a participation of 94%, while Measure 3 participates with 6% in the total required general costs².

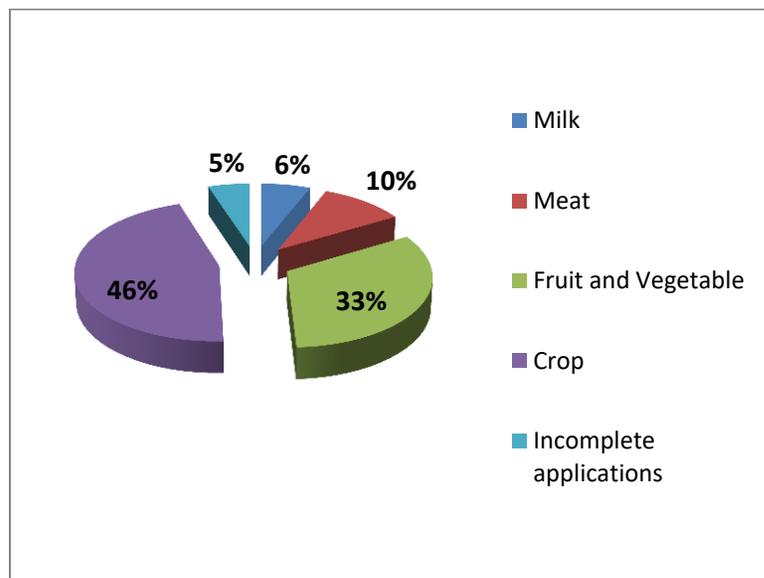
Of the total number of submitted applications for Measure 1 and Measure 3, until March 18, 2019, IA approved 167 applications for Measure 1. **The First Public Call** - 33 approved applications, or 19.8% (38.8% of submitted applications for Measure 1 within the First Public Call), with a total amount of eligible expenditures of EUR 4,753,934 or 44.6% (39.7% of the total required expenditures for Measure 1 within the First Public Call). Total public support for approved projects amounts to EUR 2,881,211 (60.5%), while the EU contribution amounts to

² The mentioned percentage participation of Measure 1 in these indicators is lower than the figure shown, given that at the time of preparation of this Report, data relating to the required expenditures for 81 submitted applications under the Fifth Public Call (the Second Public Call for Measure 3) were not available.

EUR 2,168,408. **The Second Public Call** - 134 approved applications, ie 80.2% (34.1% of submitted applications for Measure 1 within the Second Public Call), with total eligible expenditures of EUR 5,904,545, or 55.4% (31.1% total required expenditures for Measure 1 within the Second Public Call). The total public support for the approved projects amounts to EUR 3,792,055 (64.2%), while the EU contribution amounts to EUR 2,844,041.

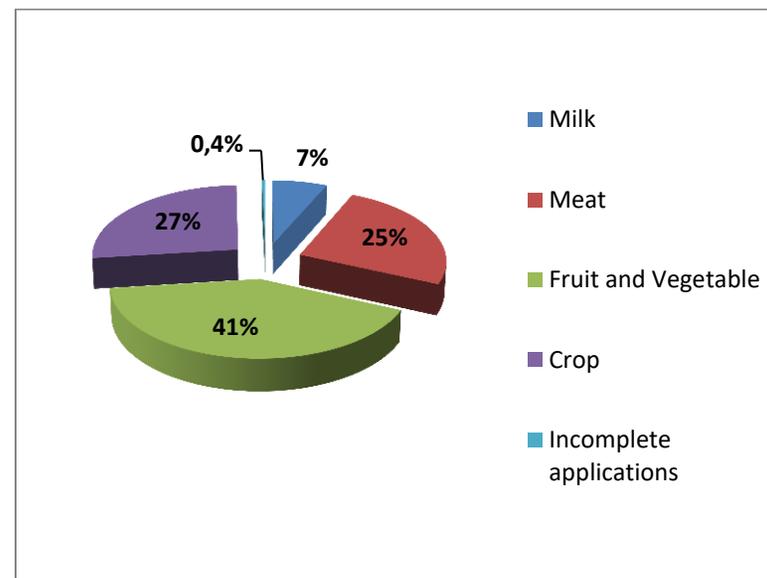
Of the total approved public support for Measure 1 (EUR 6,683,266), investment support amounts to EUR 6,392,340.60 (95.6%), while general costs, with EUR 290,925,27, participate with 4.4%. Out of the total paid public support for Measure 1 (EUR 227,570), investment support participates with 94,1%, while general costs account for 5,9%.

**Graph 8: Submitted applications per sector
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

**Graph 9: Total expenditures for investments per sector
M 1 – The First, Second and Third Public Call**

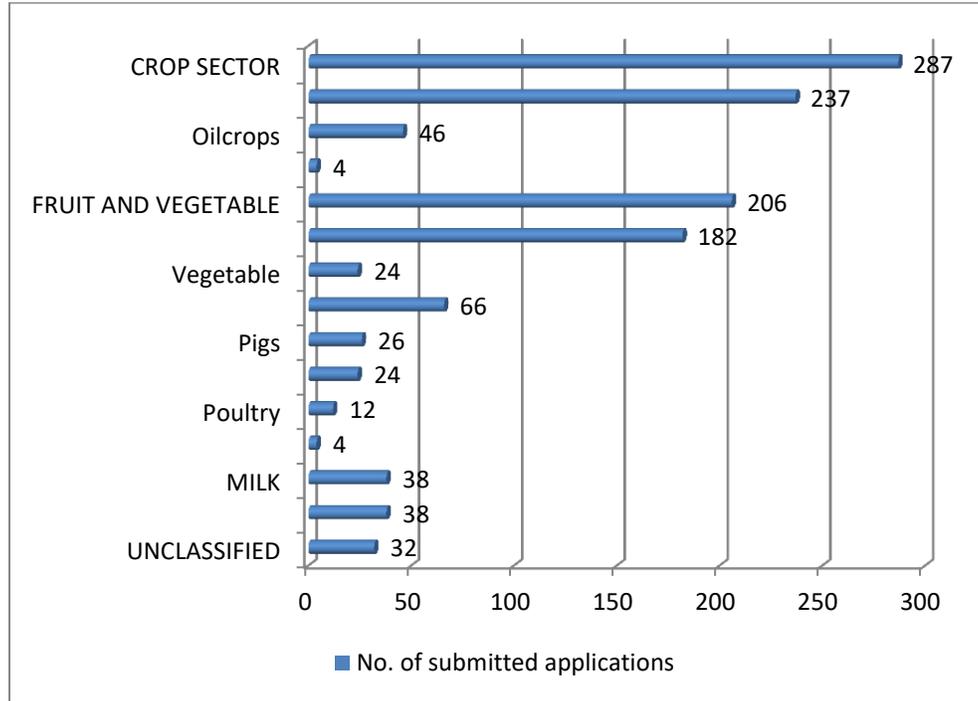


Source: DAP, 2019

Within Measure 1, in the total number of submitted applications (629) the Crop Sector (cereals, oil seeds, sugar beet) has the largest share of 46%, then Fruit and Vegetables Sector 33% (fruits 25%, vegetables 4%), Meat Sector participates with 10%, the Milk Sector participates with 6%, while 5% of the submitted applications are treated as incomplete. The overwhelming participation of the Crop Sector in the structure of submitted requests within Measure 1 is the result of the high share of this sector within the Second Public Call (two-thirds participation), bearing in mind the significantly higher number of applications submitted under the Second (393) compared to the First (85) and Third Public Call (151). On the other hand, the Fruit and Vegetable Sector achieved over half the share (54%) in the First and Third Public Calls (in general) in the number of submitted applications. Other sectors within Measure 1 have significantly lower share (below 20%) according to the above indicator (Graph 8).

When it comes to the structure of the total expenditures of investment for the sector under Measure 1, the situation is essentially different. Namely, in the total expenditures of investments, the largest share was recorded by the Fruit and Vegetable Sector - 41% (fruits 35.8% and vegetables 5.5%), while Crop Sector and Meat Sector have approximately equal share (27% and 25% respectively). The Milk Sector recorded a significantly lower share in total investment expenditures - 7% (Graph 9).

**Graph 10: Number submitted applications per sector and subsector
M 1 – The First, Second and Third Public Call**



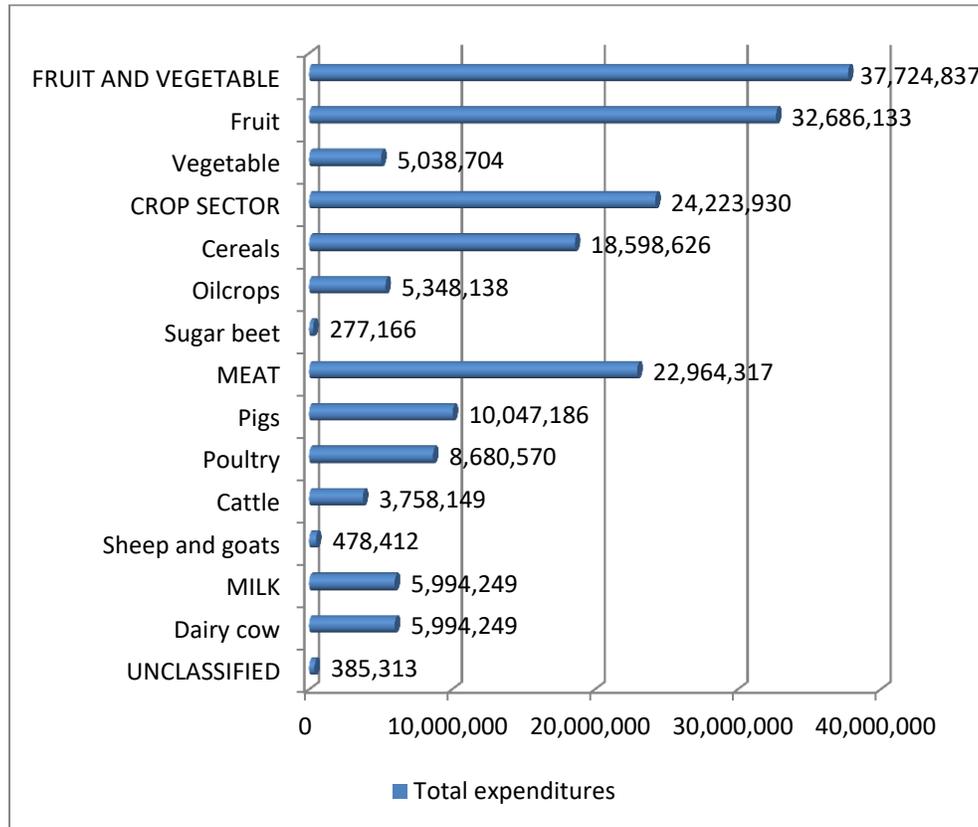
Source: DAP, 2019

From the point of received applications under Measure 1 (both for the 1st and the 3rd Public Call) dominant share of the Crop Sector (287) 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, Fruit and Vegetables Sector, compared to previous reports, reduces this difference compared to Crop Sector based on higher participation of the number of submitted requests in the First, and especially in the Second Public Call 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 (206). 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.

Within the "Unclassified" applications, there are 32 applications, of which 12 applications submitted to the Crop Sector are covered. Applications are incomplete, without the attached Business Plan or information related to the type of production. In addition, in four (4) applications, the sector-specific information and the total value of the investment were not provided. 19 applications are without the aforementioned sector, of which 18 are without the stated in total / eligible expenditures for investment (Graph 10).

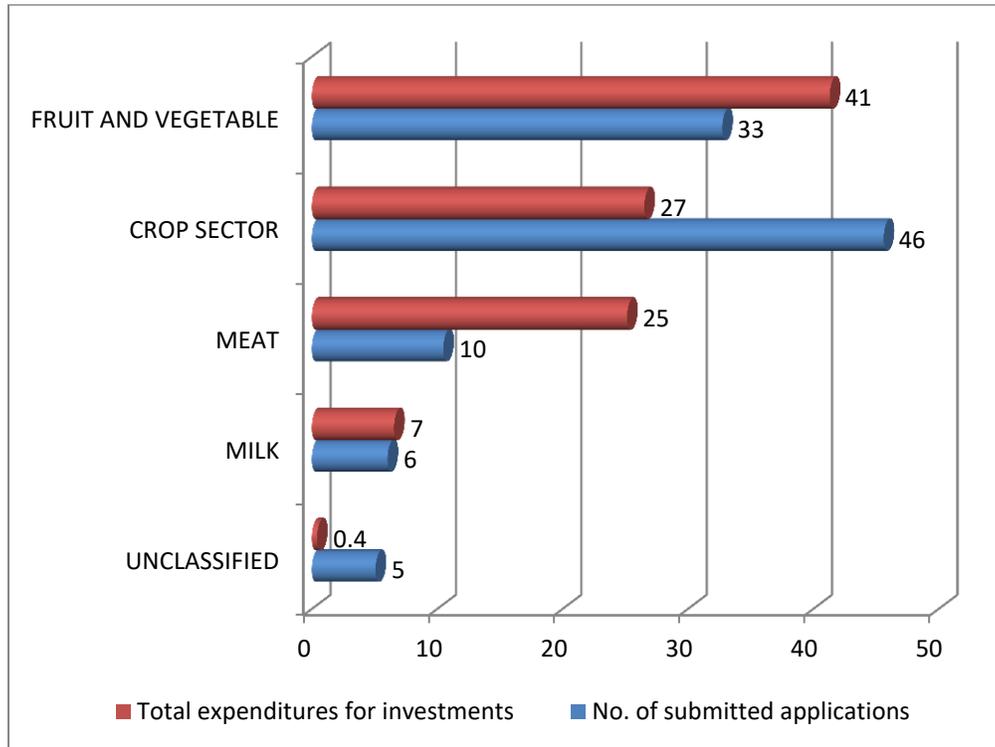
**Graph 11: Total expenditures for investments per sector and subsector (EUR)
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

In contrast to the structure of the submitted applications shown in Graph 10, within the Measure 1 in the structure of the total required investment expenditures, the Fruit and Vegetable Sector takes the leading position with a total expenditures of EUR 37.7 million (Graph 11), which represents a change compared to previous reporting, when this position was realized by the Crop Sector. The indicated change in positioning by sector is the result of the most significant participation of the Fruit and Vegetable Sector (especially Fruit Subsector) within the Third Public Call. The leading position of this sector provides the dominant share of the Fruit Subsector in the total required investment expenditures (EUR 32.7 million, with participation in this sector of 87%). The Crop Sector and Meat Sector have approximately equal share in the structure of total expenditures (around 25%), while the Milk Sector with the amount of the required investment expenditures of about EUR 6 million and participation in the structure of total required expenditures by sectors of 6.6% in this structure achieves the last position, which is consistent with previous reporting.

Graph 12: Share of sectors in total expenditures and submitted applications (%)
M 1 – The First, Second and Third Public Call

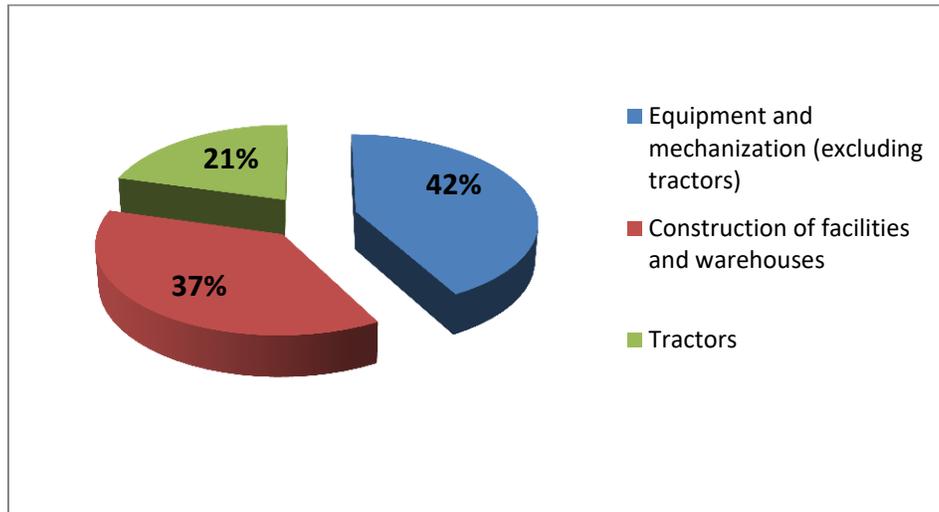


Source: DAP, 2019

Higher participation in total expenditures for investments compared to participation in total number of submitted applications within Measure 1 (the First, Second and Third Public Call) has been achieved by Fruit and Vegetables Sector, Meat Sector and Milk Sector, while on the other hand higher participation in total number of submitted applications compared to participation in total expenditures for investments has been achieved by Crop Sector (Graph 12).

When taking into account **groups of investments** within Measure 1 (all three calls), from the point of participation in total requested expenditures, group of investments concerning equipment and mechanization (excluding tractors) is predominant, with participation of 42% and amount to EUR 38,7 million, followed by investments for construction of facilities and warehouses (37%, or EUR 34.3 million), and finally investments for purchase of new tractor (21% i.e. EUR 19 million) – graphs 13 and 14.

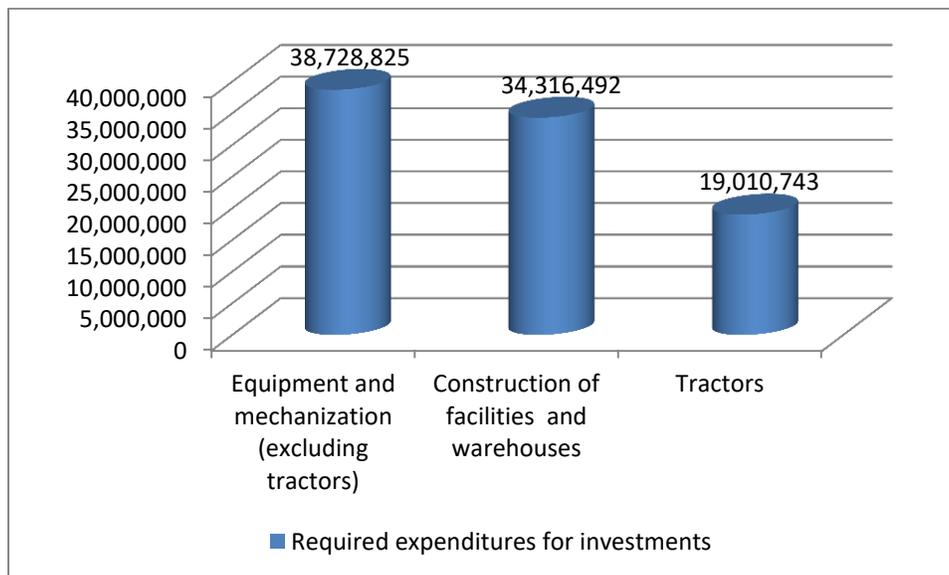
**Graph 13: Share of groups of investments in total required expenditures
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

Within the group which refers to **equipment and mechanization**, the largest amount of expenditures, through submitted applications, was presented for the purchase of harvesting, sorting, packaging and storage equipment (EUR 15,2 million), while within the **group of investments for construction** potential beneficiaries have expressed the biggest interest in building new storages at the Fruit and Vegetables Sector (EUR 11,6 million) and Crop Sector (EUR 6,6 million), also in building new objects within the field of animal husbandry (Meat Sector – EUR 12,9 million, Milk Sector – EUR 2,7 million).

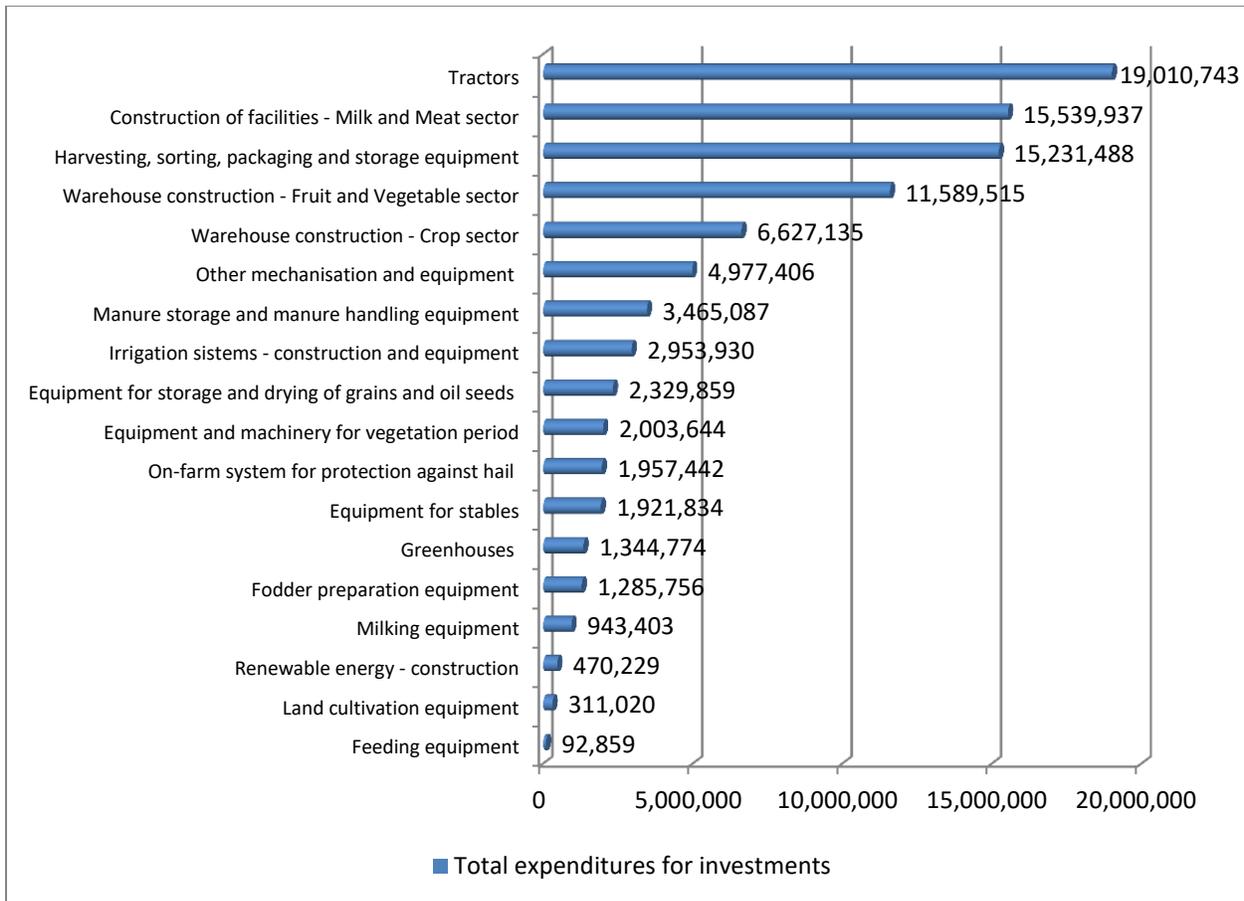
**Graph 14: Total required expenditures per group of investments
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

As observed by **an investment type** (from the point of required expenditures) in total for all three public calls within Measure 1 – potential beneficiaries were interested most in tractor purchase, construction of operational buildings and warehouses and acquisition of harvesting, sorting, packing and storing equipment (Fruit and Vegetable Sector) – with 74% of partaking out of total required investment expenditures (EUR 68 million). Lowest interest from the point of view of required expenditures for investments (under EUR 1 million) potential beneficiaries was expressed with purchasing of feeding, land cultivation and milking equipment as well as investments in renewable energy (Graph 15).

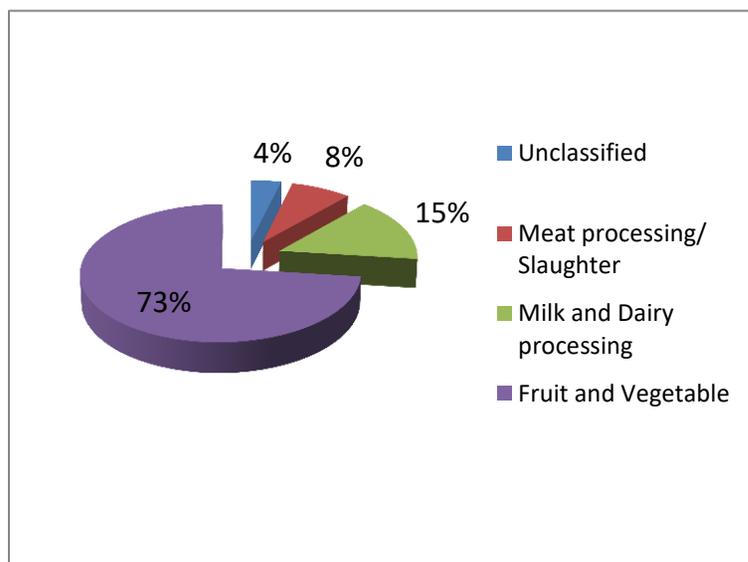
**Graph 15: Total expenditures per type of investments
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

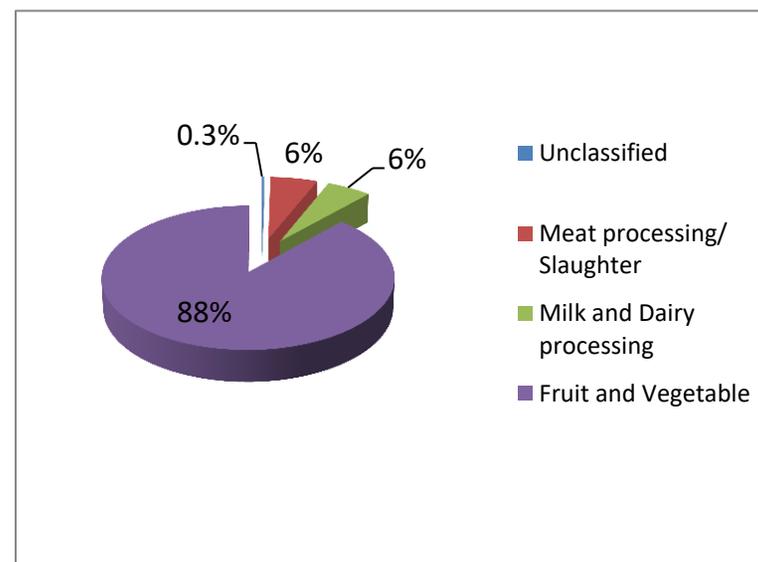
Note: In the case where the applicant submitted an application with more than one investment, the dominant group of investments was determined on the basis of a financially dominant investment.

**Graph 16: Structure of submitted applications per sector
Measure 3 – The first Public Call**



Source: DAP, 2019

**Graph 17: Structure of total expenditures for investments per sector
Measure 3 – The first Public Call**

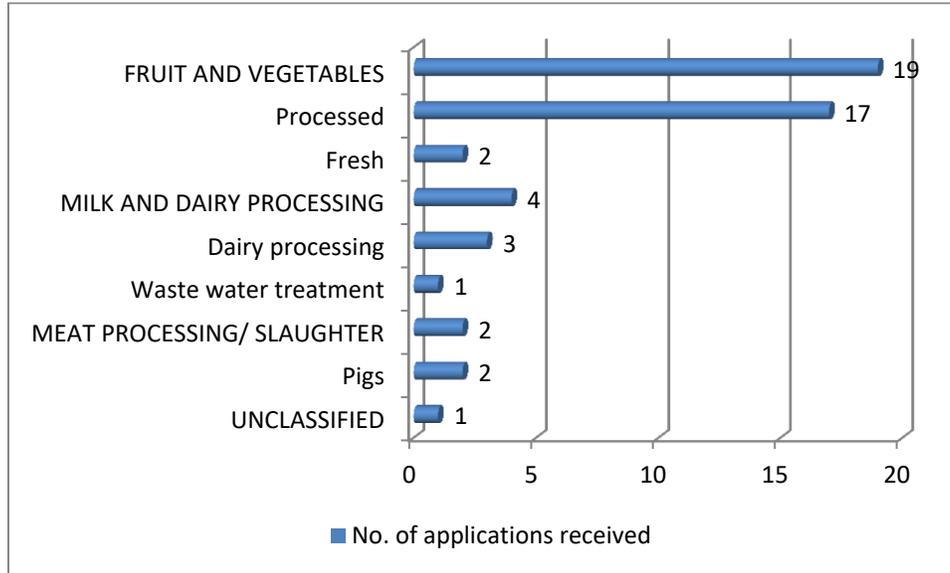


Source: DAP, 2019

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 16).

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 17).

**Graph 18: Number of received applications per sector and subsector
Measure 3 – The first Public Call**

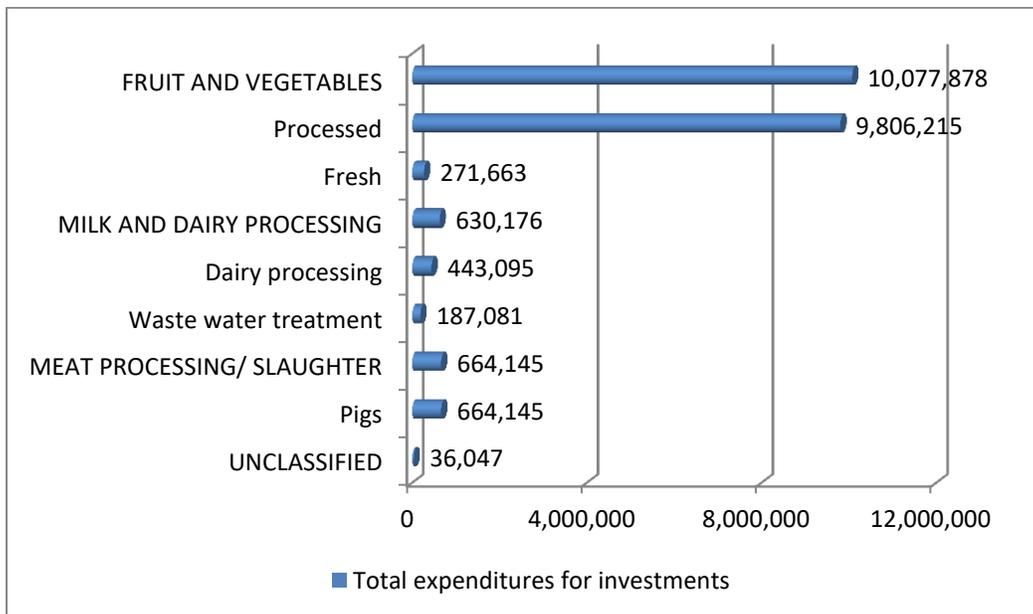


Source: DAP, 2019

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 18).

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

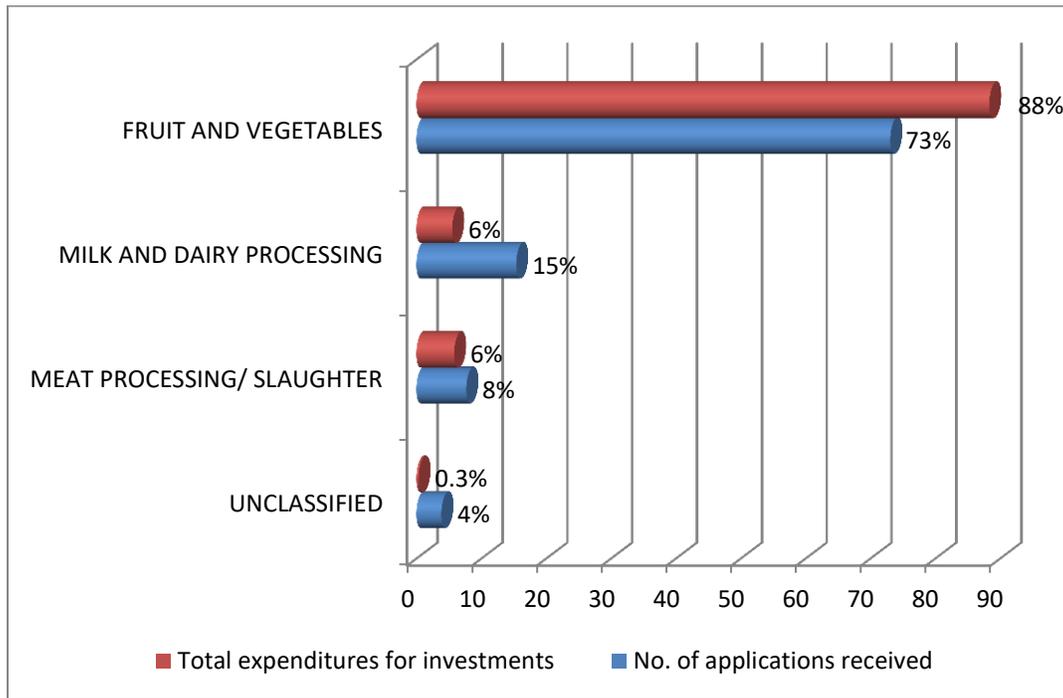
**Graph 19: Total expenditures for investments per sector and subsector (EUR)
Measure 3 – The first Public Call**



Source: DAP, 2019

Within the Measure 3 the Fruit and Vegetable also dominated in the terms of total expenditures for investments per sector and subsector (EUR 10,077,878 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 19).

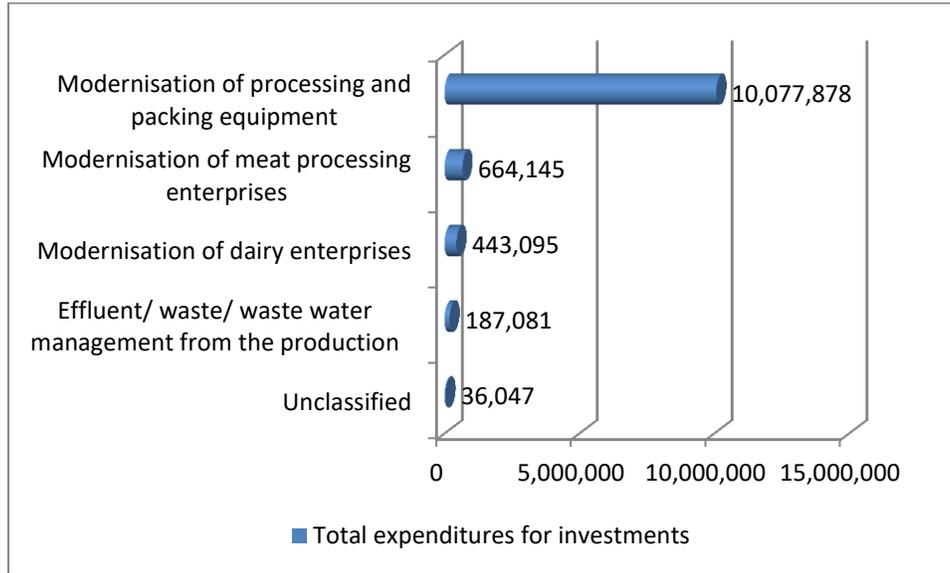
**Graph 20: Share of sectors in total expenditures and received applications (%)
Measure 3 – The first Public Call**



Source: DAP, 2019

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 20).

**Graph 21: Total expenditures per group of investments
Measure 3 – The first Public Call**



Source: DAP, 2019

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 21).

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

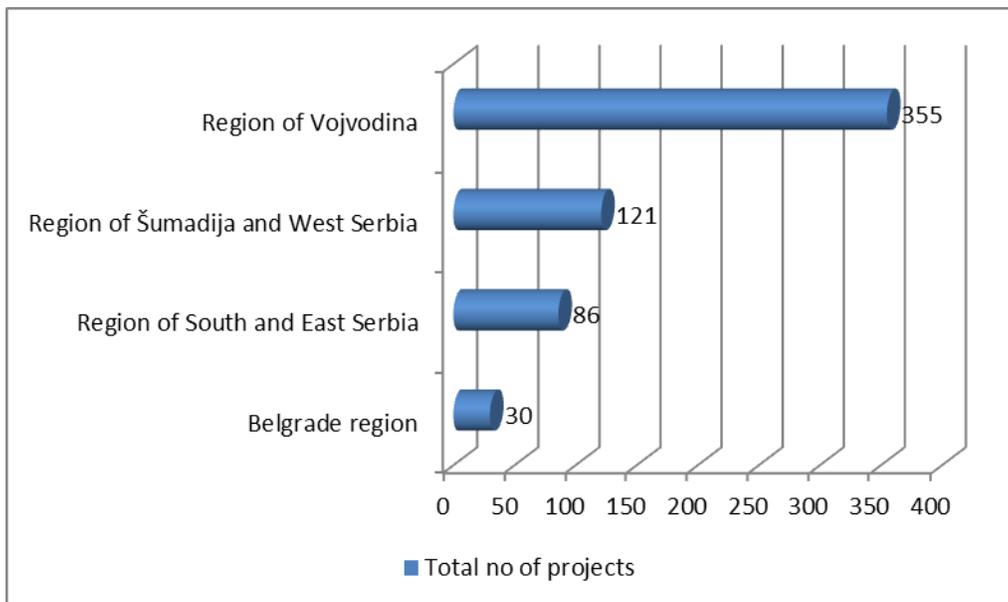
Measure 1

Observing by the regions, for Measure 1, the Region of Vojvodina has the largest share in the number of submitted projects and in the amount of expenditures. The share of Vojvodina in the total number of projects for Measure 1 is 60% (355), while in the total expenditures this region participates with 62% (Graph 21 - 22).

Compared to previous reporting period, Vojvodina's share in both indicators, total expenditures and total number of projects decreased by 10% i.e. 2% respectively.

Share of Region of Šumadija and West Serbia in total number of projects is 20%, and in total expenditures share of mentioned Region is 18%, which is increased regarding previous reporting. Share of Belgrade region and Region of South and East Serbia remaining unchanged.

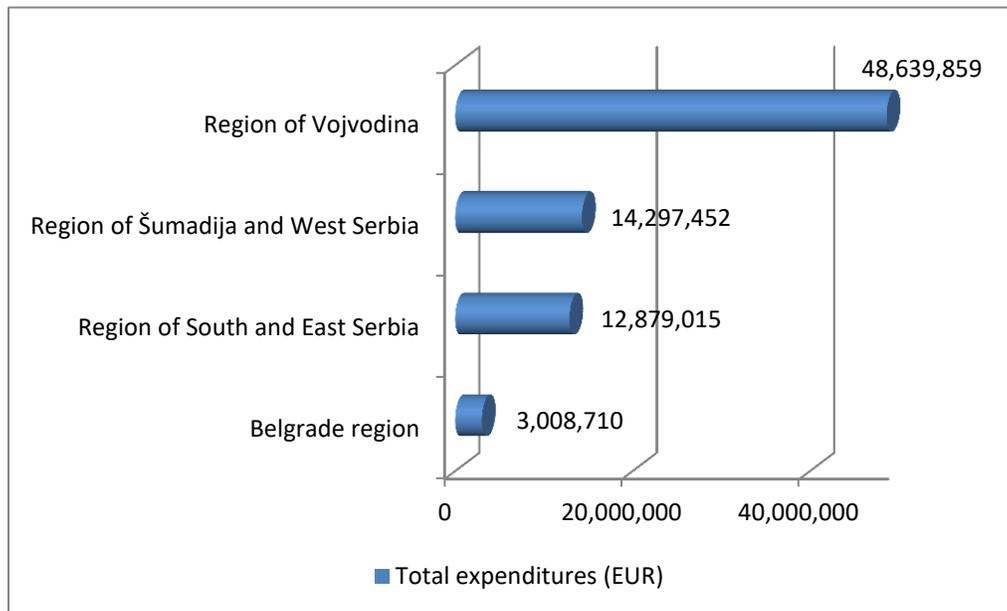
**Graph 22: Total number of projects per region
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

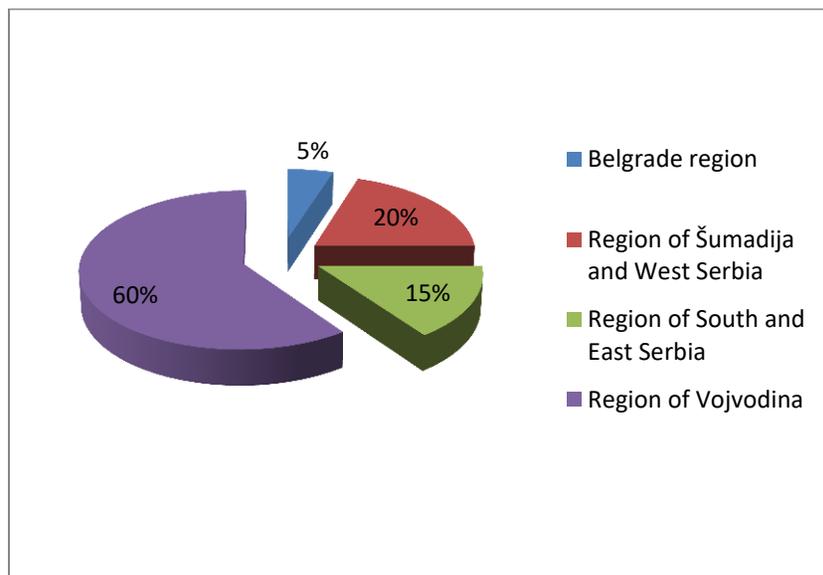
The total expenditures within Measure 1 for Region of Vojvodina (EUR 48.639.859) are so far significantly higher regarding to Region of Šumadija and West Serbia (EUR14.297.452). Region of South and East Serbia with EUR 12.879.015 of total expenditures has share in the mentioned indicator of 16% while Belgrade Region with EUR 3.008.710 in total expenditures has significantly lower participation of 4% (Graph 23).

**Graph 23: Total expenditures per region (EUR)
M 1 – The First, Second and Third Public Call**



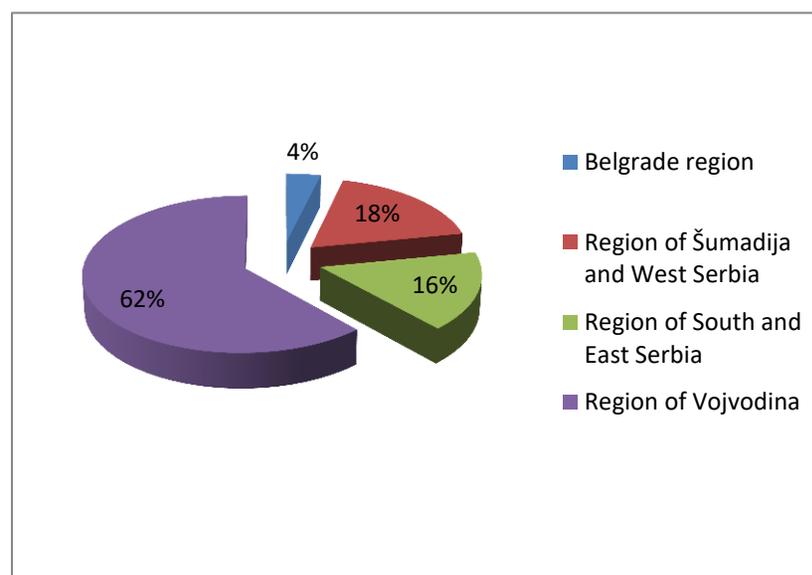
Source: DAP, 2019

**Graph 24: Submitted projects per region
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

**Graph 25: Total expenditures for investments per region
M 1 – The First, Second and Third Public Call**

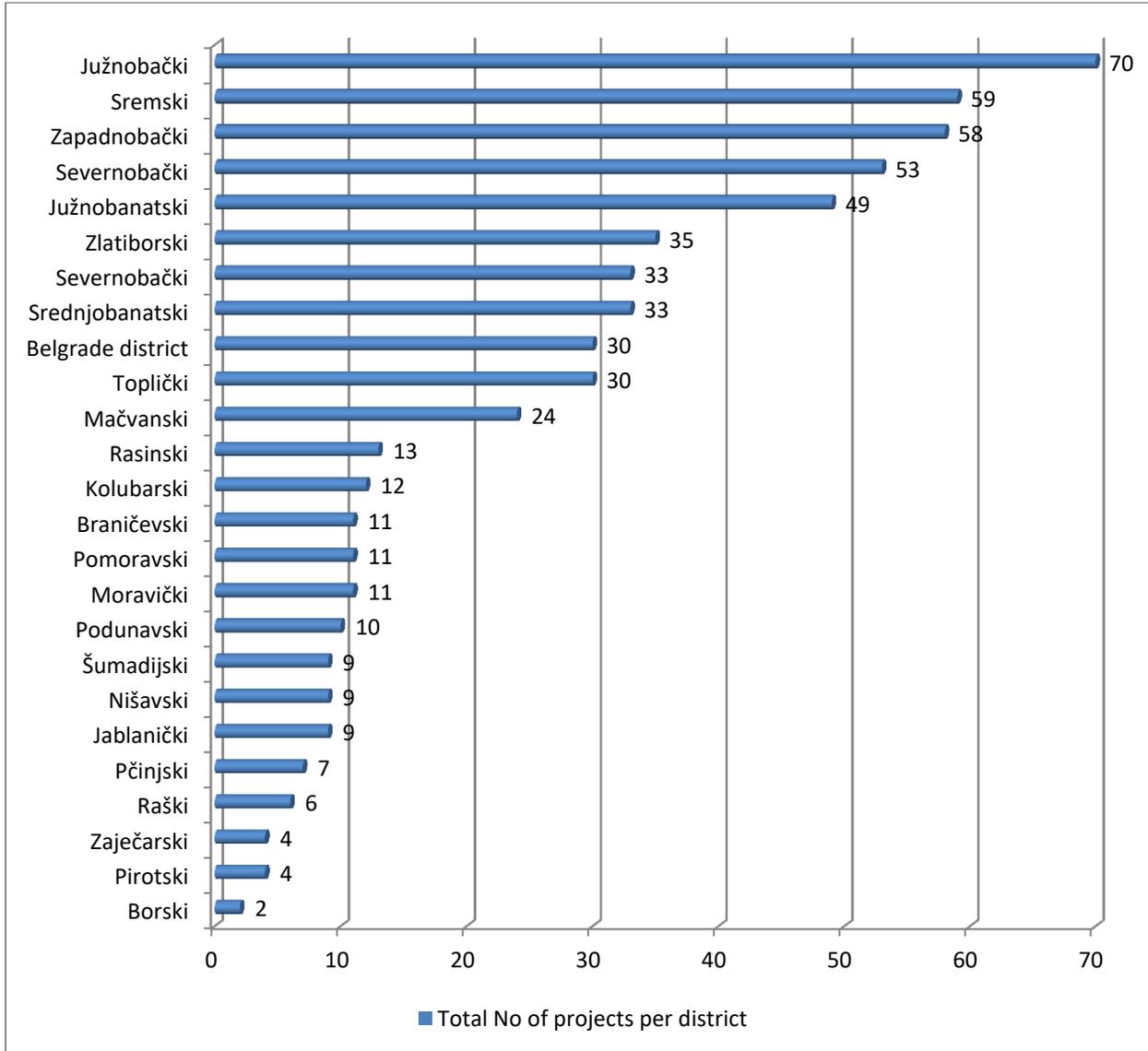


Source: DAP, 2019

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 (62%). 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 24-25).

Region of Vojvodina achieves the first position within Measure 1 as the result of the largest number of both indicators (submitted projects and total expenditures), in all (the first, the second and third) Public Calls. Within the Measure 1 (total for all three Public Calls) the largest amounts of required expenditures were related to the purchase of tractors and harvesting, sorting, packaging and storage equipment.

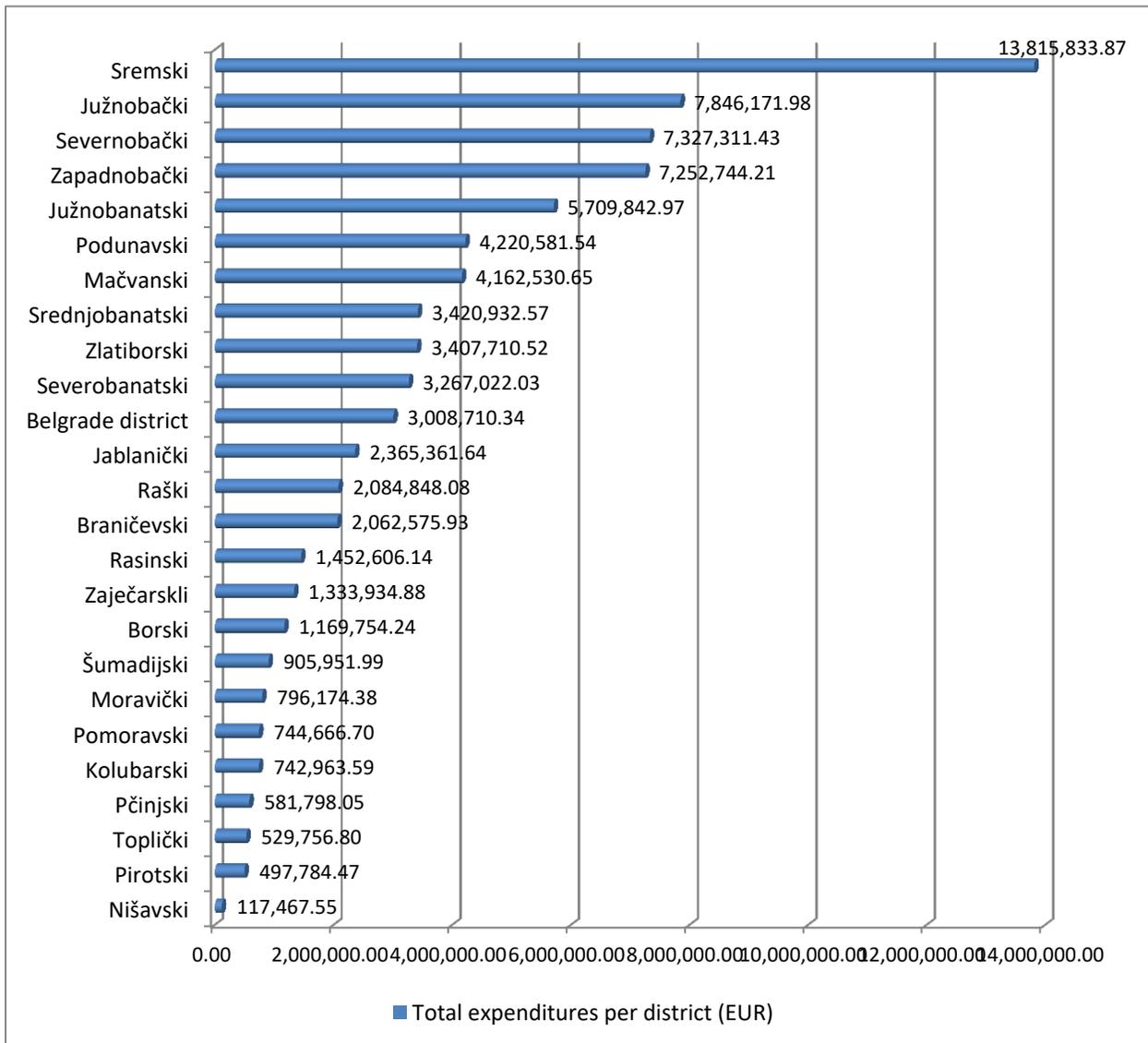
**Graph 26: Total number of submitted projects per district
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

Observed by the district's participation in the total number of projects, the first five districts, as in the previous report, belong to the Region of Vojvodina, with the following share in the total number of projects submitted: Južnobački 12%, Zapadnobački 10%, Sremski 10% ,Severnobački 9% and Južnabanatski 8%.

**Graph 27: Total expenditures per district (EUR)
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

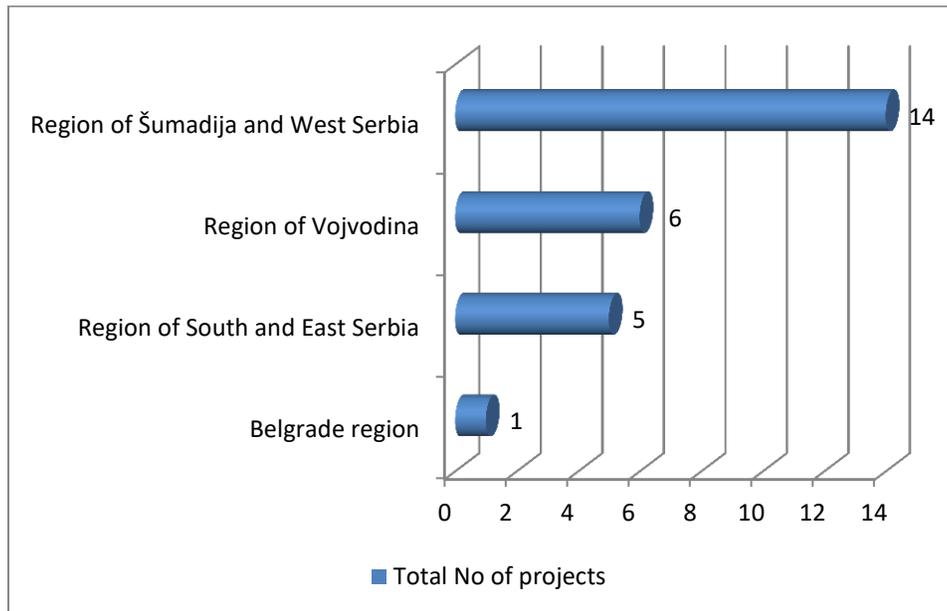
Related to total expenditures, Sremski district has a dominant share of (18%) i.e. EUR 13.815.834. The districts following behind belong to the Region of Vojvodina with the following share in the total expenditures: Južnobački 10%, Zapadnobački and Severnobački 9% each and Južnobanatski 7%. Other districts with significant share are: Podunavski district (5%), Mačvanski (5%), Zlatiborski and Belgrade regions (4% each) in the share of total expenditures. The districts with requested expenditures up to EUR 600,000 are the following: Nišavski (0.15%), Pirotski (0.63%), Toplički (0.67%) and Pčinjski (0.74%) - Region of South and East Serbia.

Observing the calls for Measure 1, the major share is taken by the Region of Vojvodina, both in the number of submitted applications and in the amount of requested support, and the values are following: the share of this region is 62% in the first call based on the amount of requested expenditures, while 69% is the share of submitted applications; the share is 79% and 60% for the second call, while the share for the third call is 55% and 52%.

Measure 3

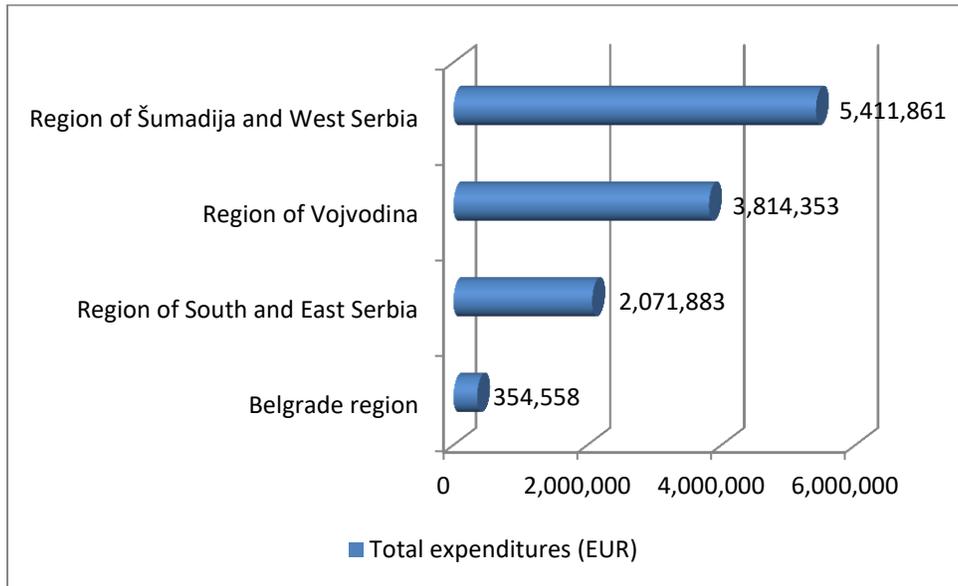
Observing by the regions for measure 3 the Region of Šumadija and West Serbia has the largest share in both the number of submitted projects and the amount of requested expenditures (14 and EUR 5.411.861 respectively). When it comes to the total number of submitted projects, the second position are taken by the Region of Vojvodina, the third position is taken by the Region of South and East Serbia, while the smallest number of submitted projects are taken from the Belgrade Region (Graph 28-29).

**Graph 28: Total number of projects per region
Measure 3 – The First Public Call**



Source: DAP, 2019

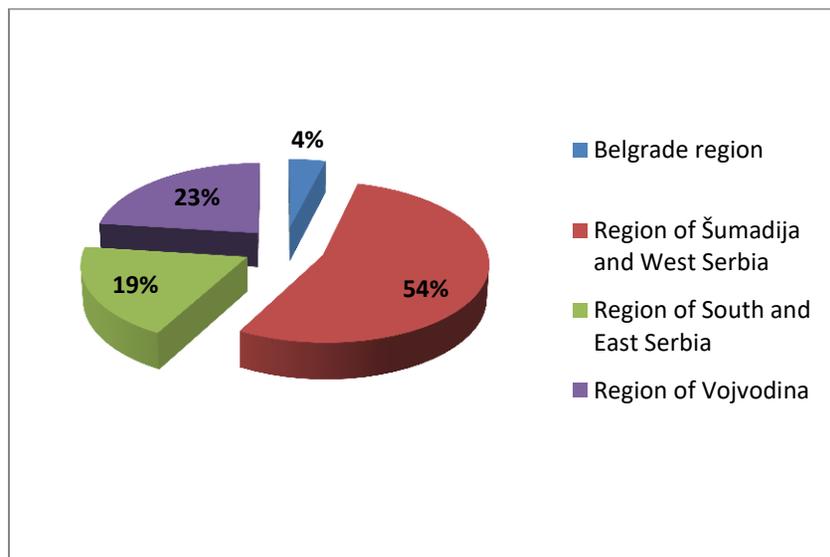
**Graph 29: Total expenditures per region (EUR)
Measure 3 – The First Public Call**



Source: DAP, 2019

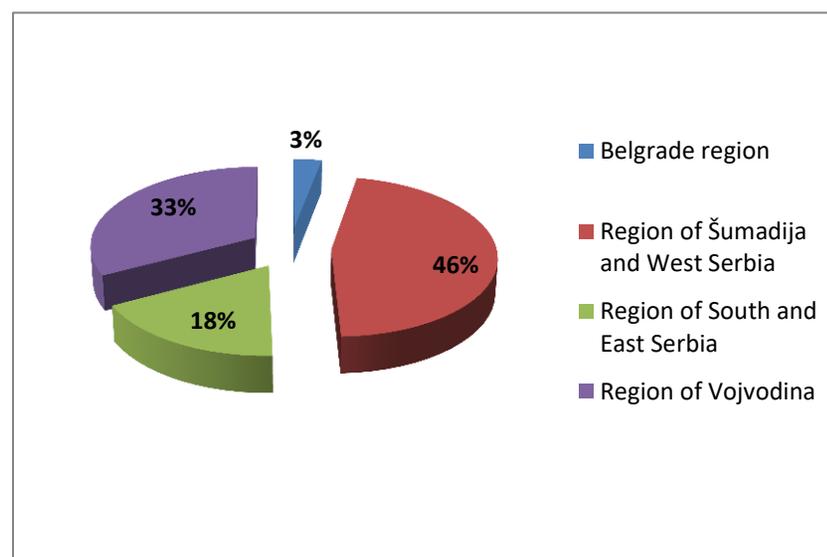
If we examine the total expenditures per region under Measure 3, we can observe that the largest total expenditures have the Region of Šumadija and West Serbia (EUR 5.411.861, i.e. 46%). Thereafter following the Region of Vojvodina (EUR 3,814,353, i.e. 33%) and Region of South and East Serbia (EUR 2.071.883, i.e. 18%) while the smallest total expenditures within Measure 3 are taken from the Belgrade Region, which is 3%, i.e. EUR 354.558 (Graph 29).

**Graph 30: Submitted projects per region
Measure 3 – The First Public Call**



Source: DAP, 2019

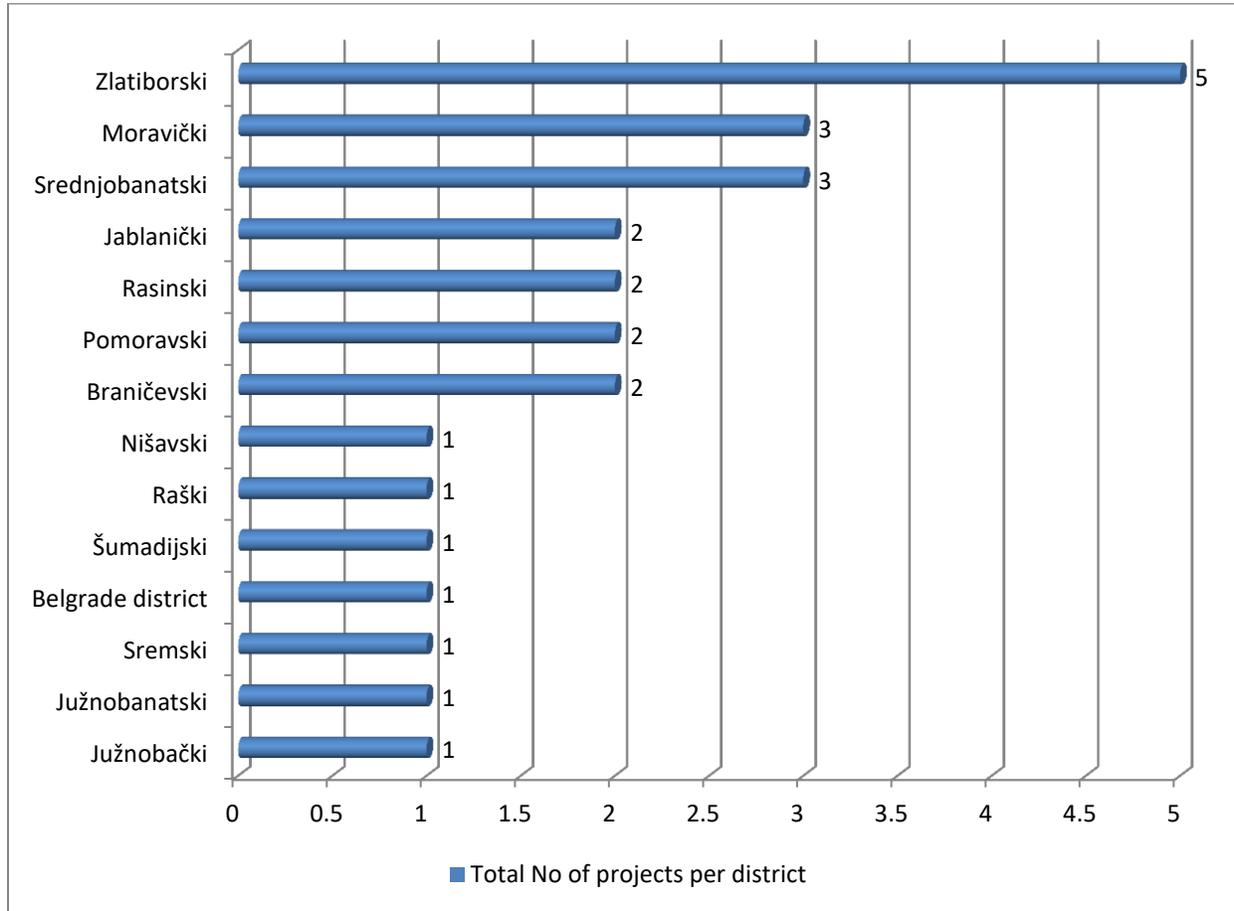
**Graph 31: Total expenditures for investments per region
Measure 3 – The First Public Call**



Source: DAP, 2019

Regarding the share of the region in terms of number of projects submitted and the total expenditures, the sequence of regions is identical. The Region of Šumadija and West Serbia achieved a leading position based on the number of submitted projects with share of 54%, the Second position in terms of number of project submitted was achieved by the Region of Vojvodina (23%). Regarding both mentioned indicators, the Belgrade Region has the lowest share, 4% and 3% respectively (Graph 30-31). 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).

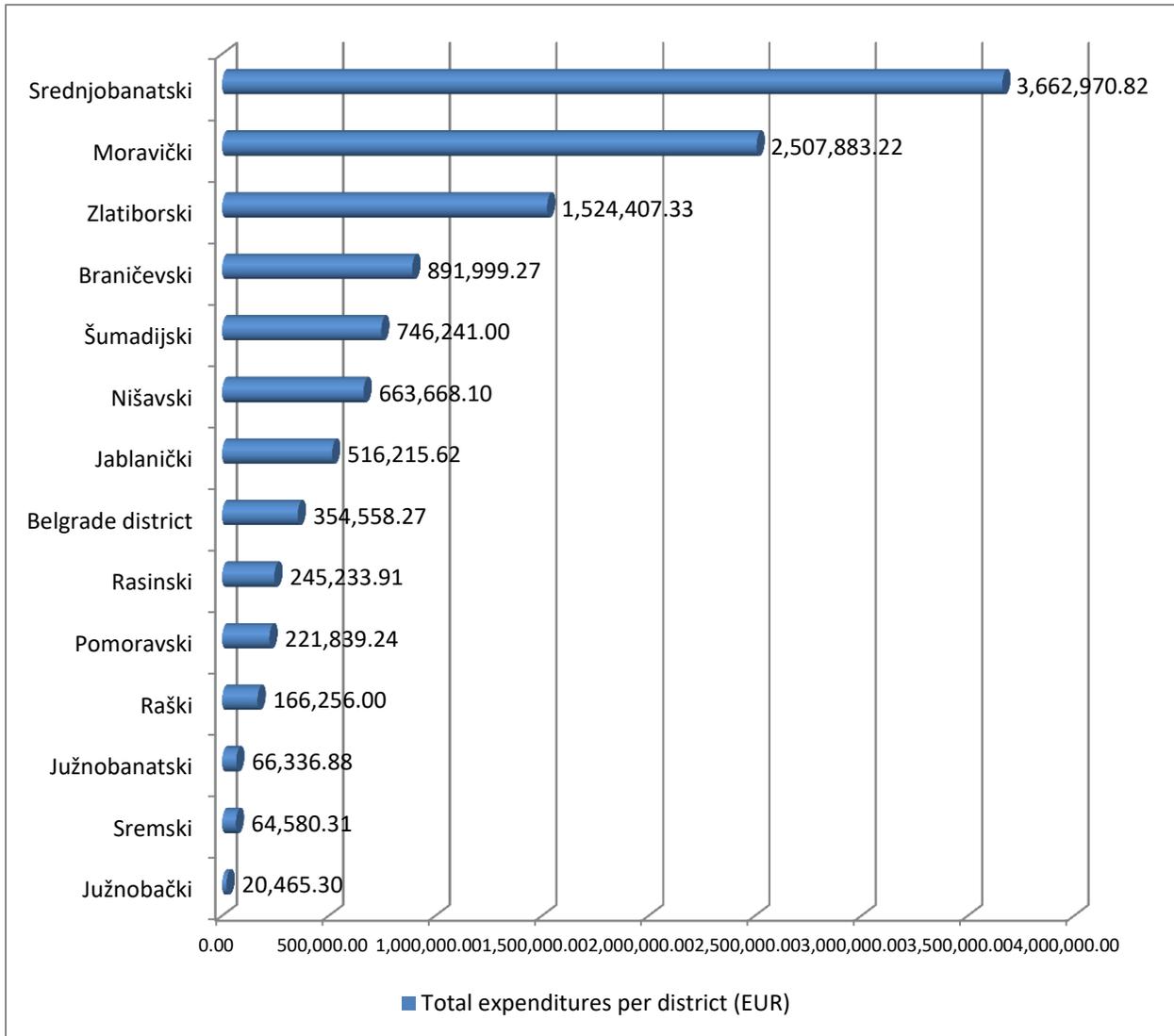
**Graph 32: Total number of submitted projects per district
Measure 3 – The First Public Call**



Source: DAP, 2019

Regarding the number of submitted projects for the Measure 3, compared to the previous reporting period, the situation is similar. The leading districts are still Zlatiborski district (5) and Srednjobanatski district (3) and Moravički 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 32).

**Graph 33: Total expenditures per districts (EUR)
Measure 3 – The First Public Call**



Source: DAP, 2019

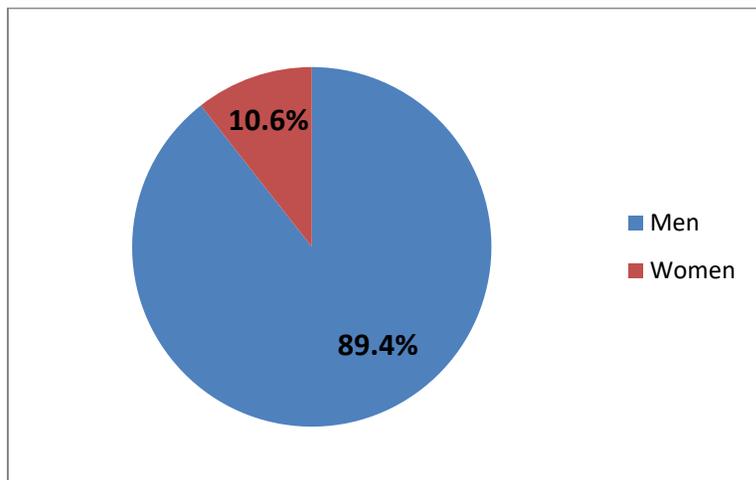
Although the Zlatibor district is leading the number of submitted projects within the Measure 3, the highest amounts of total expenditures have reached by the Srednjobanatski and Moravički district (EUR 3,662,971 and EUR 2,507,883 respectively) with share in the total expenditures of 31% and 22% (Graph 33). 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 891,999 for all other districts).

Structure of submitted applications per gender, type and age of applicants

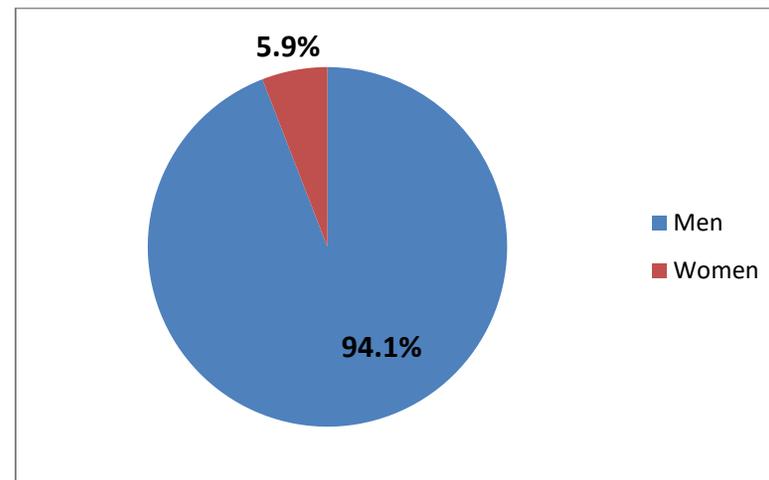
Total number of applications submitted by **women** as a holders of agriculture holdings, potential beneficiaries of IPARD support for Measure 1 is 113 (18%), with required expenditures in amount of EUR 9.031.456,04 (9,47%), of which is 42 adopted (37,2%), with total amount of expenditures of EUR 2.031.585,43 (22,49%), and 40 (35,4%) applications were rejected and suspended with the total amount of EUR 1.755.169,62 (19,4%).

Regarding to previous reporting period (93), number of women as potential recipients of IPARD fund is increased for 21.5%, since Third Public Call (Measure 1) was launched.

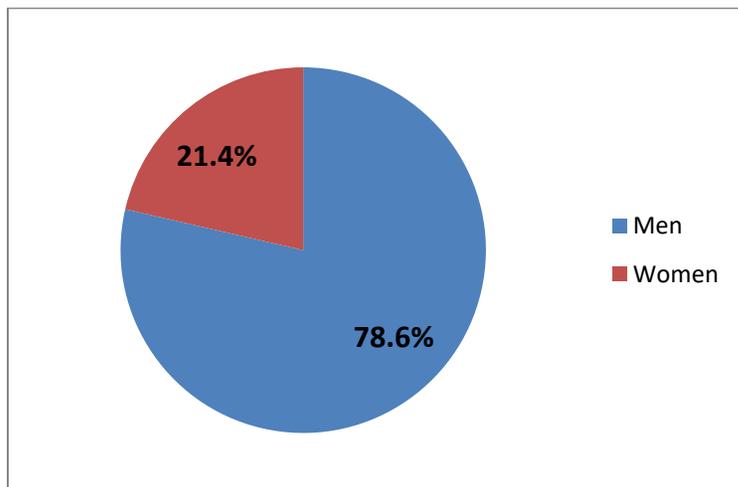
**Graph 34: Structure of submitted applications per gender
Measure 1 – The First Public Call**



**Graph 35: Structure of expenditures per gender
Measure 1 – The First Public Call**

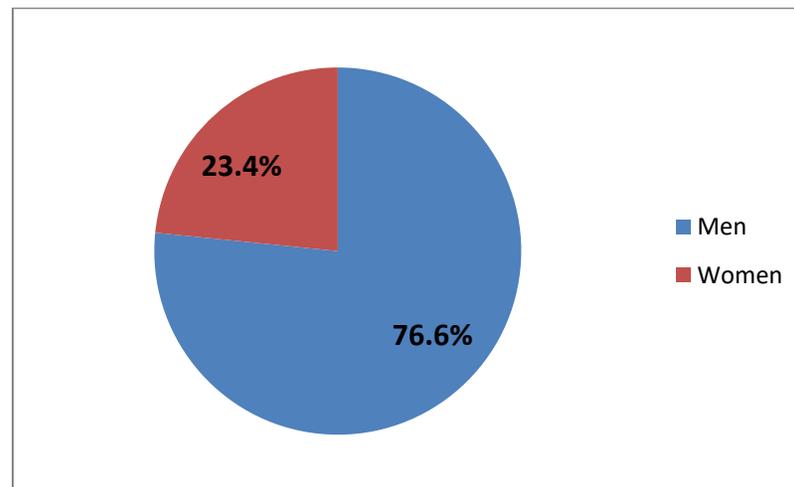


**Graph 36: Structure of submitted applications per gender
Measure 1 – The Second Public Call**



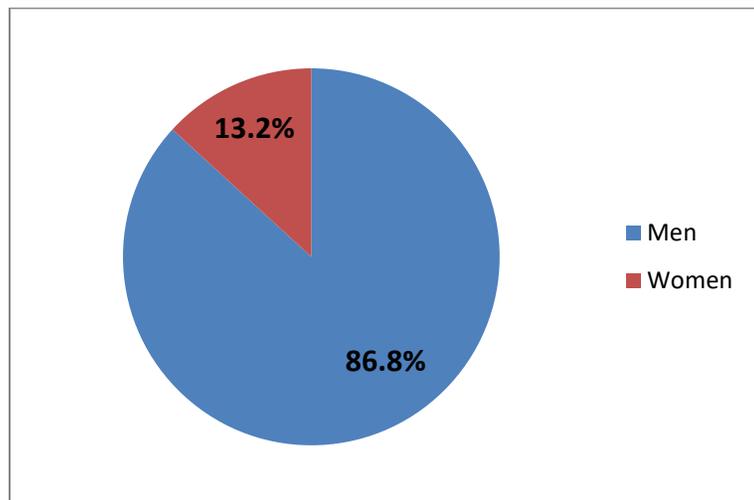
Source: DAP, 2019

**Graph 37: Structure of expenditures per gender
Measure 1 – The Second Public Call**



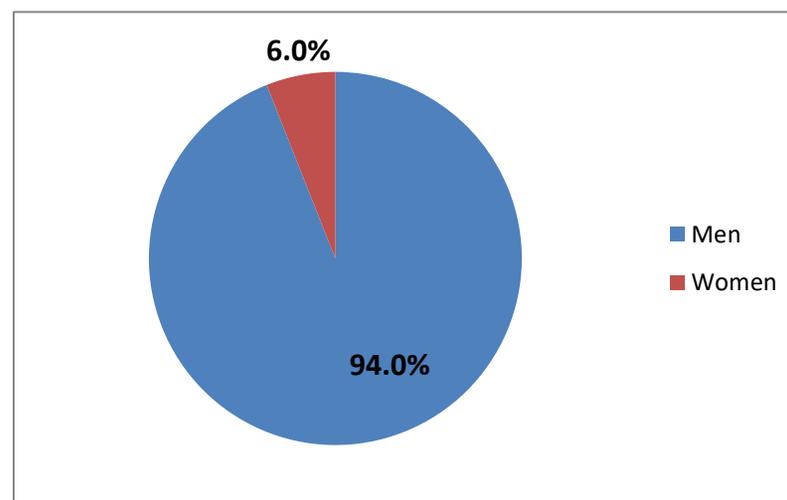
Source: DAP, 2019

**Graph 38: Structure of submitted applications per gender
Measure 1 – The Second Public Call**



Source: DAP, 2019

**Graph 39: Structure of expenditures per gender
Measure 1 – The First Public Call**



Source: DAP, 2019

Within the Measure 1, according to Call, the greatest share, in total number of submitted applications as well as in total amount of required expenditures, women realised in Second Public Call. Furthermore, within mentioned Call greater share women realised in total amount of required expenditures (23,4%) regarding to the total number of submitted applications (21,4%). From the point of both indicators, the lowest share women realised within First Public Call (graph 34-39).

From the total number of adopted applications within the First Public Call, women achieved share of 6% while in the Second Public Call share of women, in mentioned indicator, is significantly 30% (final information about structure by gender considering this indicator will be available after finalisation of data processing for First and Second Public Call for Measure 1).

When it comes to structure by gender in the point of rejected applications, within the First Public Call women reaches share of 10,5%, while in the Second Public Call this percent is significantly greater (26,8%). Having in mind that the process of data processing for the First and Second Public Call for Measure 1 is in progress, final information about this indicator will be available after completing of mentioned process.

In the matter of **type of applicants**, in total number of applications for the Measure 1 (First, Second and Third Call) and for the Measure 3 (First Call) natural persons (individual farmers, entrepreneurs) realised share of 81.8%, while legal persons (legal persons- agriculture cooperatives, legal persons-companies) reaches 18,2%³ in mentioned indicator.

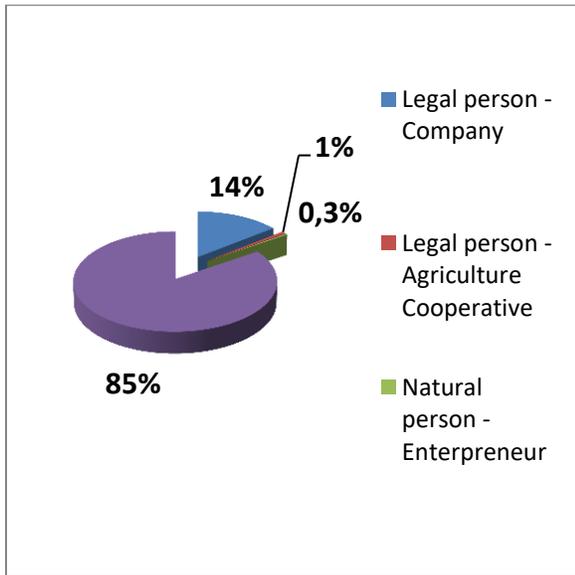
Within **Measure 1** (for all three Calls) in total number of submitted applications, natural persons submitted 533 (84.9%), and legal persons submitted 95 applications (15.1%). The significant highest number of applications, private persons realised within Second Call (96.7%), than within the First Public Call (71.1%), while the amount for this indicator for the Third Public Call reaches 60.3% (graph 40).

Although the share of natural persons in total numbers of submitted applications is significant (84.9%), the share of mentioned category of beneficiaries in total required public support is significantly lower (56.3%), particularly regarding on the First Call (share of private persons in total required expenditures is 39,8% while on the other hand their share in total number of submitted applications is 71.1%).

Reverse propositions were realised regarding mentioned indicator for the **Measure 3**: from total number of submitted applications (26), 25 refer on legal persons (96.2%), and only one application is submit by natural person (3.8%). Natural persons, same as within the Measure 1, in total required public support realised lower share (0.2%) in addition to share in total number of submitted applications (3.8%).

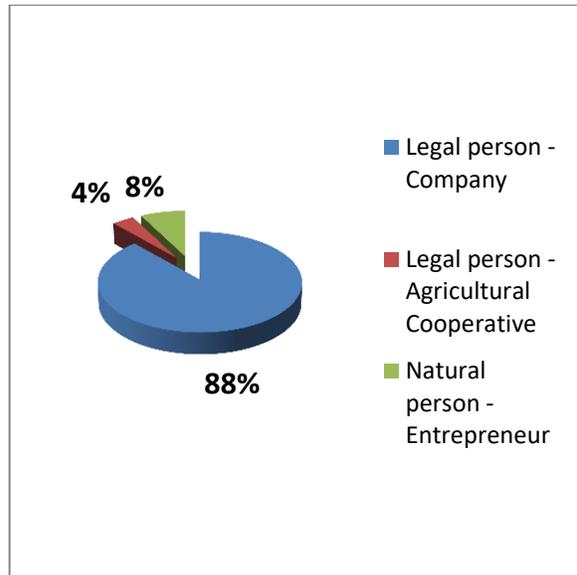
Graph 40: Structure of submitted application per type of applicants

M 1 – The First, Second and Third Call



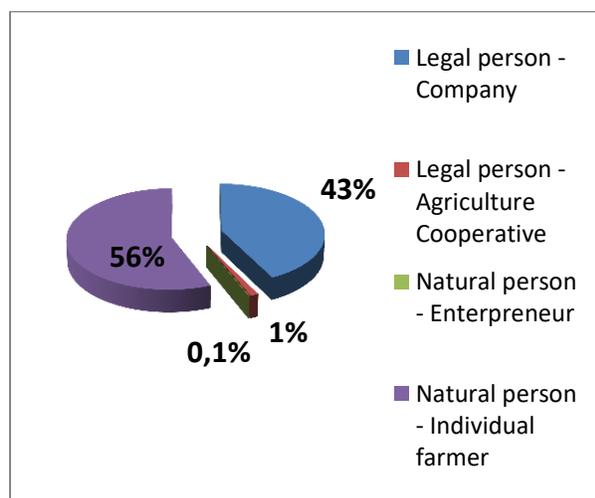
Source: DAP, 2019

M 3 – The First Call

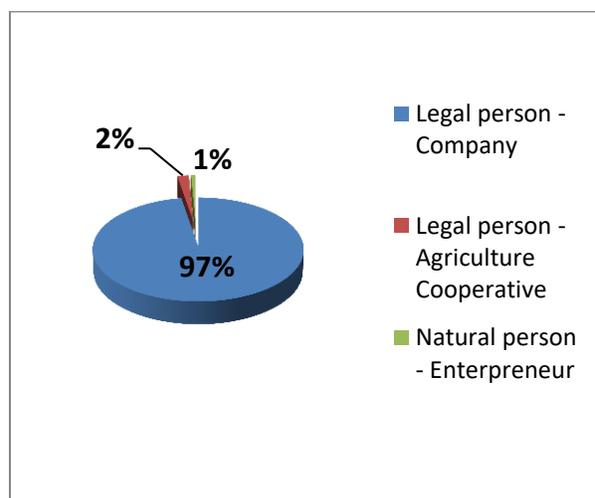


Source: DAP, 2019

³ Within Measure 1 (the Second Public Call) one application is unclassified regarding to beneficiary' type

Graph 41: Structure of required expenditures per type of applicants**M 1 – The First, Second and Third Call**

Source: DAP, 2019

M 3 – The First Call

Source: DAP, 2019

In total number of submitted applications and required expenditures within the **Measure 1** for all three Calls, natural persons - individual farmers realised dominant share (85% i.e. 56% respectively), share of legal persons- companies is 14% i.e. 43%, while the share of legal persons – agriculture cooperatives and natural person - entrepreneurs is much lower in mentioned indicator (1% - agriculture cooperatives, and 0.3%, i.e. 0.1% entrepreneurs). Observed to Calls, according to a number of submitted applications, natural persons reaching significant share in Second Call (71%), while the share of total required expenditures in Third Call is 57% for this beneficiaries group. Legal persons realised highest share both in total number of submitted applications (63%) and total required expenditures (81%) within Third Public Call.

Regarding on previous reporting for Measure 1, natural persons – individual farmers achieved lower share in total number of submitted applications within this Measure in amount of 7% (from 92% for First and Second Call to 85% for First, Second and Third Call). In the same time legal persons – companies doubles their share in number of submitted applications within Measure 1 for the period between two reporting (from 7% to 14%).

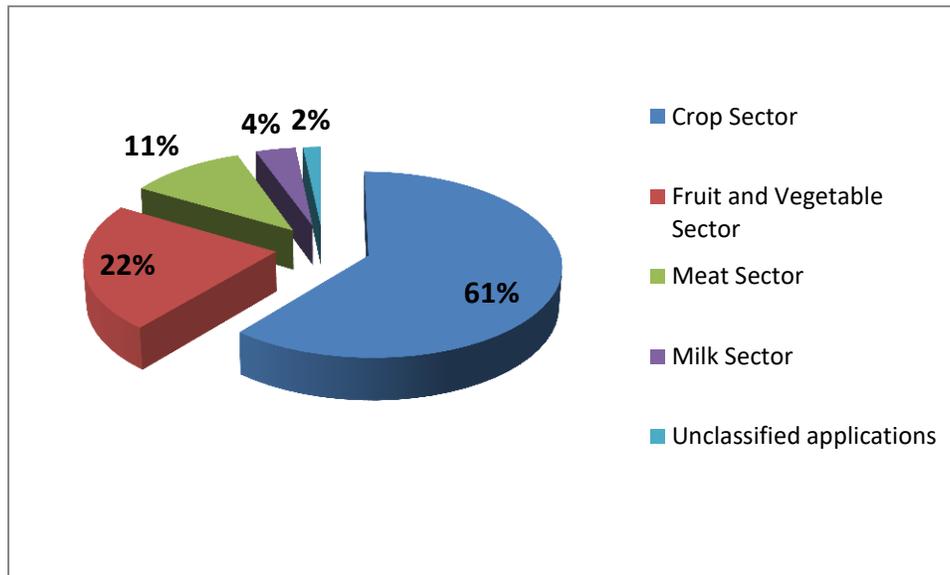
In total number of submitted applications and required expenditures within **Measure 3 – First Call**, legal persons- companies reaching dominant share in both indicators, 88% share is for total number of submitted applications and 97% share is for required expenditures. Other two categories of potential beneficiaries realised lower share in previous mentioned indicators (graph 40 and 41).

The total number of requests submitted by **young farmers** which are potential beneficiaries of IPARD support for Measure 1 is 236 (37.5%), with the required expenditures in the amount of 32,375,046 EUR (33.9%), out of which 108 decisions were approved (45.8%), with the associated costs in the amount of 5,290,437 EUR (16.3%), and rejected and suspended of 63 requests (26.7%), with the associated costs in the amount of 2,975,953 EUR (9.2%).

Compared to the previous reporting (191 requests), the number of submitted applications for young farmers increased by 23.6%, and this increase, respectively the difference in the number of submitted applications in the period between the two reports, relates to the Third Public Call for Measure 1 (45 applications).

Observed by sectors, a potential young beneficiaries submitted the highest number of project proposals within the Crop Sector - 61% (144 submitted applications), while other sectors have significantly lower participation by young farmers (Graphs 42 and 43).

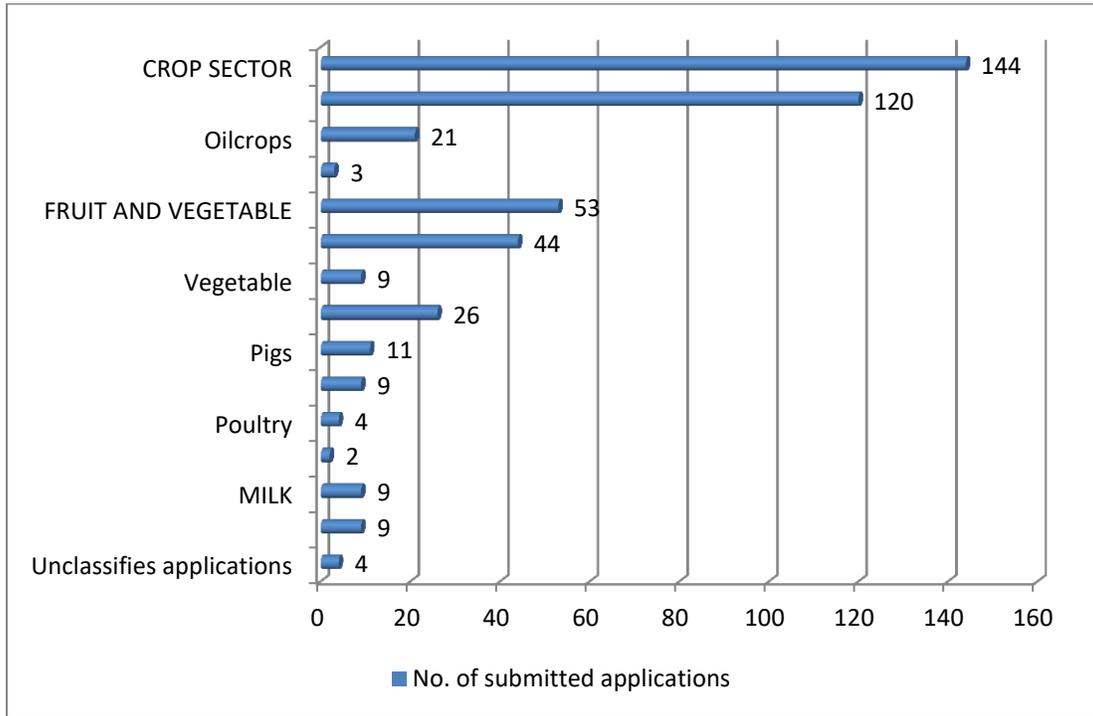
**Graph 42: Share of young farmers in submitted applications per sectors
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

The dominant position of the Crop Sector from the point of view of young farmers and their submitted applications (61%), as well as at the level of the Crop Sector so and at the level of all total sectors, above all contributed by the highest number of submitted applications of the young potential beneficiaries within the Cereals Subsector (120) and partly Oilseeds Subsector (Graphs 42 and 43).

**Graph 43: Number of submitted applications by young farmers per sectors
M 1 – The First, Second and Third Public Call**



Source: DAP, 2019

Business plans prepared by AAS

Out of the total number of received projects for Measure 1 (629), AAS covering Central Serbia have prepared in total 38 business plans for potential recipients of IPARD support for Measure 1 – 29 for 2017-2018 and 9 for Q1 2019 (Table 1) while AAS covering the AP of Vojvodina have prepared 6 business plans in the period 2017-2018 for potential recipients of IPARD support for Measure 1.

Table 1: Business plans prepared by AAS per district

District	No. of prepared Business plans	
	2017-2018	Q1 2019
Rasinski	11	4
Belgrade district	7	0
Jablanički	4	1
Mačvanski	3	0
Braničevski	1	0
Borski	1	2
Šumadijski	1	0
Kolubarski	1	0
Toplički	0	2
Total	29	9

Promotional activities and visibility

As of 26 October, 2018, ten regional information days on IPARD measures: M1 and M3 were held across the Serbia. Target groups were potential beneficiaries of IPARD measures, farmers, agricultural cooperatives, farmers' associations, regional development agencies, agricultural advisory expert services and consultants. The events were organised in cooperation with the IPA 2013 project: "Support to the IPARD Operating Structure (MA, IPARD Agency and AAS)" as well as with stakeholders and partners.

Guidelines for applicants / beneficiaries for IPARD measures M1 and M3 have been prepared and published on the MAFWM and IPARD Agency websites (<http://www.minpolj.gov.rs/ipard-program-2014-2020/> and <http://uap.gov.rs/ipard-ii-u-srbiji/>). The listed web pages contain all relevant information for applicants and potential users.

When it comes to the IPARD e-mail address for questions ipard.info@minpolj.gov.rs in the period from 18 October 2018 till 31 March 2019, 392 responses were prepared and delivered to all interested parties. In the same period, there were 225 phone calls related to IPARD.

During the reporting period, education of representatives of advisory services was carried out through four two-day modules. IPARD II Programme was also promoted through activities of advisory services that disseminated information on IPARD II to the potential users through forums, workshops, media and newsletters. Also, on the AAS portal, there is link for the registration of potential users who do not have adequate education or experience in agriculture but that criteria can be obtained by attending 50 hours of lessons in the appropriate sector (<https://www.psss.rs/licenciranje/ipard-50h.html>).

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

AAS Central Serbia

Information tool	2016		2017		2018		Q1 2019	
	Number of events held	Number of participants	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	40	1952

Media (local TV, radio, newspapers)	163	/	366	/	126	/	31	/
Bulletin / Portal of Advisory Services	41	/	63	/	126	/	9	/

AAS AP of Vojvodina

Information tool	2017		till 31.05.2018	
	Number of events held	Number of participants	Number of events held	
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 October, 18 2018 to March, 31 2019	Target	Execution Rate (%)
Output	Number of potential recipients attending information events	900	4.000	22,5
	Number of promotional events implemented	12	30	40
	Number of National events	4	5	80
	Number of promotional materials disseminated	700 brochures 700 leaflets	6.000	23,3
	Number of national and regional media, reached by informational materials	94 through news agencies (printed, electronic)	20	Achieved

	(press conferences, press releases)	and the Internet media)		
	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	127	Per call	Achieved
	Number of press conferences organised	4	At least 5 national and at least 4 regional	44,4
	Number of press releases provided	26	At least 20	Achieved
	Number of people accessing the IPARD II website	79.789 (for period October, 18, 2018 – March 31, 2019) around 13.000 per month	2.000	Achieved
Type of indicator	Indicator	Value from October, 18 2018 to March, 31 2019	Target	Execution Rate (%)
Result	Level of satisfaction from the informational events		At least 80% satisfied by the content and organisation	
	Number of publications/ articles, TV and radio reportages for the IPARD II Programme	526	60	Achieved
	Number of applications for grants per measure	M1 - 151 M3 – 81	At least 80 for the Measure 1 and at least 45 for the Measure 3	Achieved for Measure 1 and Measure 3

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