



**SEMI-ANNUAL IMPLEMENTATION REPORT
ON IPARD II PROGRAMME
IN THE REPUBLIC OF SERBIA
FOR THE PERIOD 1ST JANUARY – 30TH JUNE 2022**

**Department for Management
of IPARD Programme
(IPARD Managing Authority)**

Belgrade, November 2022



THE REPUBLIC OF SERBIA
Ministry of Agriculture, Forestry and Water
Management



IPARD
EU4Rural Areas

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LIST OF ABBREVIATIONS

A

AP – Autonomous Province

AIR – Annual Implementation Report

AAS – Agriculture Advisory Services

D

DAP – Directorate for Agrarian Payments

E

EC – European Commission

EU – European Union

I

IA – IPARD Agency

IPA – Instrument for Pre-Accession Assistance EU

IPARD – Instrument for Pre-Accession Assistance for Rural Development

M

MA – Managing Authority

MAFWM – Ministry of Agriculture, Forestry and Water Management

N

NAO – National Authorizing Officer

R

RS – Republic of Serbia

Executive Summary

The Semi-Annual Implementation Report on IPARD II Programme in the Republic of Serbia contain information on progress in the Programme implementation and covers the period from 1st January to 30th June 2022.

The Report has been prepared by the IPARD Managing Authority on the basis of data provided by the IPARD Agency in the form of Common Indicator Tables for Monitoring and Evaluation of IPA Rural Development Programmes 2014 – 2020. The Report presents the results of the 13 published and closed calls for Measure 1, Measure 3 and Measure 7, shown cumulatively since the beginning of the Programme implementation. The results of the public calls are presented per measure, eligible sector, type of investment, region, as well as type of recipients and vulnerable categories. The Report also include legal acts adopted during the reporting period, as well as an overview of promotional activities that have been carried out.

The European Commission officially approved the IPARD II Programme on 20th January 2015 by Decision C (2015) 257 (most recently amended by the EC Decision C (2021) 2585 of 9th April 2021).

The main goal and purpose of the IPARD II Programme is to support agricultural producers and processors and the population of rural areas in the Republic of Serbia in gradually increasing their capacities and potential to timely and properly prepare them for complying with the European standards and laws in the fields of agriculture, the agri-food industry and environment protection. The IPARD II Programme sets out measures that provide financial support to primary agricultural production sector, processing and marketing of agricultural and fishery products sector, agri-environment-climate measures and organic farming, implementation of local development strategies and farm diversification and business development in rural areas of the Republic of Serbia. Eligible sectors are defined under each measure. Furthermore, IPARD II Programme, in addition to abovementioned measures, include Measure Technical Assistance.

From the beginning of the IPARD II Programme implementation until 30th June 2022, within 13 published calls, 3,177 applications have been submitted in the amount of EUR 488.0 m of requested public support. In total, 997 applications were approved, with total public support of approx. EUR 111.6 m and EU contribution of approx. EUR 83.7 m. For Measure 1, there were 792 applications approved, with total public support of approx. EUR 65.3 m and EU contribution of approx. EUR 49.0 m. Regarding Measure 3, there were 111 applications approved, with total public support of approx. EUR 32.3 m and EU contribution of approx. EUR 24.2 m, while for Measure 7 there were 94 applications approved, with total public support of approx. EUR 14.0 m and EU contribution of approx. EUR 10.5 m. In total, 427 applications were rejected, in the amount of EU contribution of approx. EUR 48.0 m, 249 applications were withdrawn by applicant in the amount of EU support of EUR 21.4 m and 107 application were terminated in the amount of EU support of EUR 5.7 m. Until 30th June 2022, 575 applications were paid, with total public support of approx. EUR 37.1 m and EU contribution of approx. EUR 27.8 m. Out of the total EU funds allocated for the period 2014 - 2020 (EUR 175.0 m), 47.8% was approved for all measures by the end of June 2022. Out of the total approved amount of the EU contribution, 58.5% was for Measure 1, 28.9% for Measure 3 and 12.6% for Measure 7.

By the end of June 2022, total paid EU support was EUR 27.8 m including advance payments. Out of the total paid EU contribution, 71.3% refers to Measure 1, 27.2% refers to Measure 3 and 1.6% refers to Measure 7. The execution rate of the EU contribution at Programme level including

advance payments was 15.9%, while observed per measure, 20.4% relates to Measure 1, 15.3% relates to Measure 3 and 1.7% relates to Measure 7. Execution rate of the EU contribution at the Programme level, observed per completed projects, was 15.0% (excluding advance payments).

Out of the total EU funds allocated for the period 2014 - 2020 (EUR 175.0 m), amount of EUR 3,696,787.33 was not used for the purpose of pre-financing, for interim payments, and for the same NAO did not submit a payment request. The EC informed the Republic of Serbia regarding the application of the automatically de-commitment of the budgetary commitment for 2017 in the aforementioned amount. Accordingly, the total budgetary commitment for the IPARD II Programme, i.e. the allocated EU contribution amounts to EUR 171,303,212.67, instead of the initial EUR 175,000,000.00.

1. Introduction

The Republic of Serbia has been implementing the IPARD II Programme since December 2017, when the first call was published. Strong political commitment of the Government of the Republic of Serbia is of great importance for successful implementation of the IPARD II Programme, as well as the broad social consensus on the importance of IPARD support for further development and increase in competitiveness in the agriculture and rural development sector.

From the beginning of IPARD II Programme implementation, the agricultural producers have shown the great interest, which support the fact that 3,177 applications have been submitted up to 30th June 2022 within 13 published calls, out of which 575 recipients have received the Decision on payment approval.

The Semi-Annual Implementation Report on IPARD II Programme covers data presented cumulatively since the beginning of Programme implementation and refers to the period from 1st January to 30th June 2022.

For the following measures budget implementation tasks were entrusted within the IPARD II Programme:

- Measure 1: Investment in physical assets of agricultural holdings;
- Measure 3: Investments in physical assets concerning processing and marketing of agricultural and fishery products;
- Measure 7: Farm diversification and business development and
- Measure 9: Technical Assistance.

Measure 1

Under Measure 1, seven calls have been published:

- The First Public Call was related to investments in physical assets of agricultural holdings for the purchase of new equipment, machinery and mechanisation – 85 submitted applications in total;
- The Second Public Call was related to investments in physical assets of agricultural holdings for the purchase of a new tractor – 393 submitted applications in total;
- The Third Public Call was related to investments in physical assets of agricultural holdings for construction and purchase of new equipment, machinery and mechanisation (excluding tractors) – 151 submitted applications in total;
- The Fourth Public Call was related to investments in physical assets of agricultural holdings for the purchase of a new tractor – 437 submitted applications in total;
- The Fifth Public Call was related to investments in physical assets of agricultural holdings for the construction and purchase of new equipment, machinery and mechanisation (excluding tractors) – 169 submitted applications in total;
- The Sixth Public Call was related to investments in physical assets of agricultural holdings for construction and purchase of new equipment, machinery and mechanisation (excluding tractors) – 369 submitted applications in total;
- The Seventh Public Call was related to investments in physical assets of agricultural holdings for the purchase of a new tractor – 656 submitted applications in total.

Measure 3

Under Measure 3, four calls have been published:

- The First Public Call was related to investments in physical assets concerning processing and marketing of agricultural and fishery products for purchase of new equipment and mechanisation – 26 submitted applications in total;
- The Second Public Call was related to investments in physical assets concerning processing and marketing of agricultural and fishery products for the construction and purchase of new equipment and mechanisation – 81 submitted applications in total;
- The Third Public Call was related to investments in physical assets concerning processing and marketing of agricultural and fishery products for the construction and purchase of new equipment and mechanisation – 95 submitted applications in total;
- The Fourth Public Call was related to investments in physical assets concerning processing and marketing of agricultural and fishery products for the construction and purchase of new equipment and mechanisation – 111 submitted applications in total.

Measure 7

Under Measure 7, two calls have been published:

- The First Public Call for Measure 7 was related to farm diversification and business development – 311 submitted applications in total;
- The Second Public Call for Measure 7 was related to farm diversification and business development – 293 submitted applications in total.

Measure 9

When it comes to Measure 9 - Technical Assistance, the Managing Authority in cooperation with the IPARD Agency, prepared the Rulebook on conditions, manner and procedure for Technical Assistance Measure implementation under the Instrument for Pre-Accession Assistance for Rural Development. This Rulebook prescribes in more detail eligible recipient under Technical Assistance Measure, the amount of funds available and the conditions, manner and procedure for implementation. The Rulebook was adopted on 12th November 2021 (“Official Gazette of the RS” No. 107).

After the Rulebook adoption, during 2022 the Operating Structure performed harmonization of procedures.

2. Adopted Legal Acts

The following legal acts were drafted and adopted in 2022:

- 1) IPARD III Programme for the Republic of Serbia for the period 2021 - 2027 (EC *Commission Implementing Decision* C(2022) 1537 of 9th March 2022);
- 2) The Rulebook on Amendments to the Rulebook on IPARD support for Investments in Physical Assets of Agricultural Holdings (“Official Gazette of the RS”, No. 10/2022 and 18/2022);

- 3) The Rulebook on Amendments to the Rulebook on IPARD support for Investments in Physical Assets concerning Processing and Marketing of Agricultural and Fishery Products (“Official Gazette of the RS”, No. 10/2022);
- 4) The Rulebook on Amendments to the Rulebook on IPARD support for Farm Diversification and Business Development (“Official Gazette of the RS”, No. 10/2022);
- 5) Annual Implementation Report on IPARD II Programme for 2021 was adopted at the Ninth session of the IPARD II Monitoring Committee, as well as by the EC (Ref. Ares (2022) 6717401 – 29/09/2022);
- 6) The Proposal for the Fifth Modification of the IPARD II Programme was adopted at the Ninth session by the members of the IPARD II Monitoring Committee, which was held on 21st June 2022, while it was submitted to the EC for approval on 28th June 2022.

Fifth Modification of the IPARD II Programme

By the Letter No. *AGRI.G.4/FK/D(2022)2980186*, the European Commission informed the Republic of Serbia regarding the beginning of the application of the rule related to the automatically de-commitment of allocated funds and the amount covered by the mentioned rule, in accordance with the Article 34(1) of the Sectoral Agreement for the IPARD II Programme, which initiated the Fifth Modification of the Programme. Accordingly, the Fifth Modification of the Programme includes changes in the financial tables, as well as changes in quantified target values both at the measure and Programme level. The total budget commitment for the IPARD II Programme, i.e. the allocated EU contribution was reduced by approx. EUR 3.7 m and amounts to EUR 171.3 m, instead of the initial EUR 175.0 m. The budget for Measure 1 was reduced by approx. EUR 1.5 m, while for Measure 3 it was reduced by approx. EUR 0.7 m. When it comes to Measure 7, the budget for 2017 was reduced by EUR 1.5 m, while from Measure 9 funds in the same amount, for 2019 and 2020, were reallocated to the corresponding annual allocations for Measure 7. The reduction of the total allocated EU budget amounts to 2.1%, while the reduction of the budget for investment measures amounts to 1.3%, i.e. approx. EUR 2.2 m.

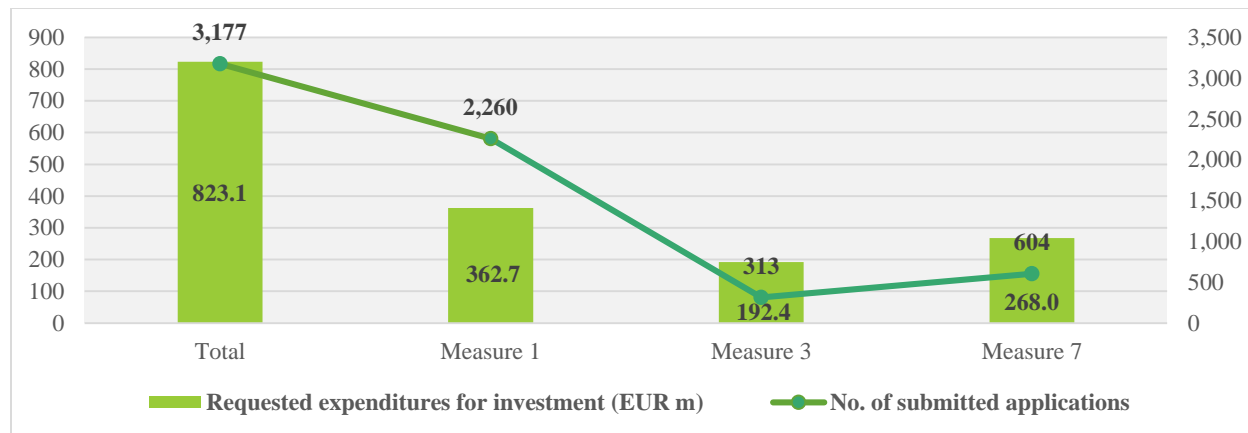
3. Implementation of the IPARD II Programme measures

Analytical data presented in this part of the Report are based on the data from Common Indicator Tables for Monitoring and Evaluation of the IPA Rural Development Programmes 2014 - 2020, as well as on data from additional monitoring tables which have been submitted to the Managing Authority by the IPARD Agency (IA), with a cut-off date on 30th June 2022. The Report is based on data within seven published calls under Measure 1, four published calls for Measure 3, as well as for two published calls for Measure 7, in cumulative amount. The analysis of paid applications include both completed projects and advance payments, while the calculation of IPARD budget execution refers exclusively to completed projects. Analysis of payments per sector, type of investment, vulnerable categories and types of recipients was prepared based on completed projects.

In the reporting period on the IPARD II Programme implementation from 1st January until 30th June 2022, the Seventh Call within Measure 1 was published for the purchase of a new tractor (with the deadline for submission of applications from 17th February until 22nd April 2022), which is also the last published call for submission of applications for project approval within the IPARD II Programme.

Based on available data from a total of 13 published IPARD II calls by the end of 30th June 2022, potential recipients submitted a total of 3,177 applications for project approval, out of which 2,260 applications were submitted for Measure 1 (71.1%), 313 applications (9.9%) for Measure 3 and 604 applications, i.e. 19.0% for Measure 7 (Graph 1).

Graph 1: Submitted application and requested expenditures for investment, M1, M3, M7



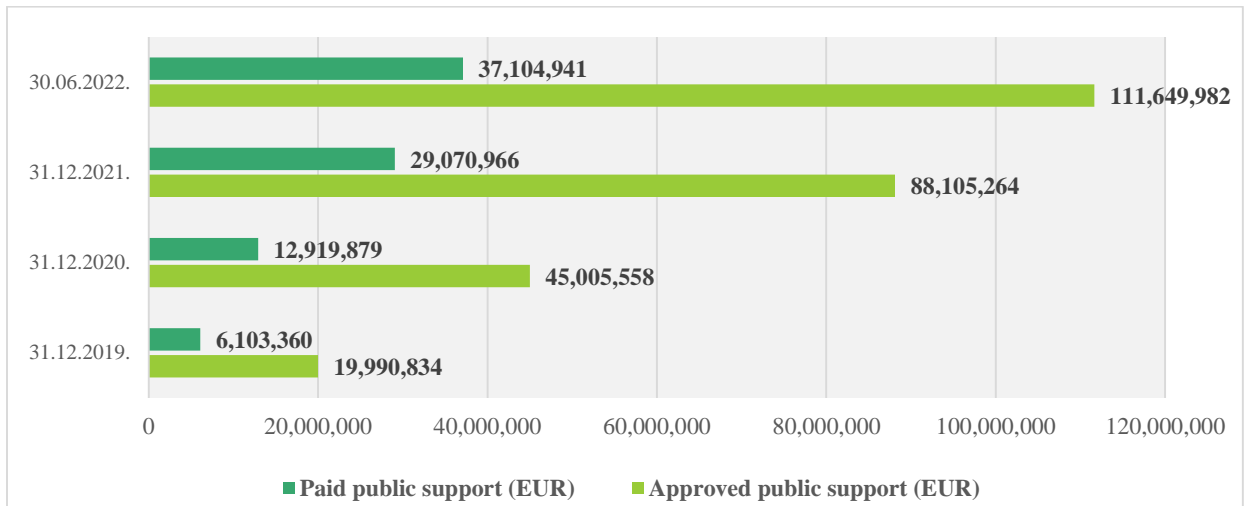
The total requested expenditures for investment within 13 published IPARD calls until 30th June 2022 amounted to EUR 823.1 m. The largest amount of requested expenditures refers to investments within Measure 1 (EUR 362.7 m, or 44.0%), almost a quarter of this amount refers to investments within Measure 3 (EUR 192.4 m or 23.4 %), while nearly a third of the total amount of requested expenditures for investment refers to Measure 7 (EUR 268.0 m, i.e. 32.6%). The total estimated amount of requested public support was EUR 488.0 m: EUR 217.6 m for Measure 1, EUR 96.2 m for Measure 3 and EUR 174.2 m for Measure 7.

By the end of the first half of 2022, a total of 997 decisions on project approval were adopted, with total approved eligible expenditures for investment in the amount of EUR 195.2 m and approved public support in the amount of EUR 111.6 m (Graph 2). For Measure 1, 792 applications were approved with total approved eligible expenditures for investment in the amount of EUR 106.7 m and approved public support in the amount of EUR 65.3 m, with the largest number of approved applications and eligible expenditures within the Fourth Call (294 applications with total approved eligible expenditures for investment in the amount of EUR 16.8 m). When it comes to Measure 3, 111 applications were approved in the amount of EUR 65.5 m of eligible expenditures for investment and public support in the amount of EUR 32.3 m, with the largest number of approved applications and eligible expenditures within the Third Call (46 applications with total approved eligible expenditures for investment in the amount of EUR 28.6 m). Out of the total number of submitted applications under Measure 7 (604), 94 were approved, with the corresponding amount of eligible expenditures for investment of EUR 23.0 m and total approved public support of EUR 14.0 m.

Within Measure 1, by far the largest number of applications was approved in the Other Crops Sector (61.9%), followed by the Fruit and Vegetables Sector (24.2%), while the number of approved applications was significantly lower in the Meat Sector (8.3%), Milk Sector (3.7%) and Viticulture Sector (1.3%), while five projects were approved in the Egg Sector. The analysis per sector indicates that within Measure 3, by far the largest number of applications was approved in the Fruit and Vegetables Processing Sector: 92, i.e. 82.9% of the total number of approved projects, while a significantly lower number of approved applications were realized in other sectors (Meat Processing Sector: eight, Wine Sector: seven, Milk Processing Sector: four approved projects).

Until June 2022, the public support in amount of EUR 111.6 m was approved for amount of EUR 195.2 m of eligible expenditures for investment. In the same implementation period it was adopted 575 decisions on payment approval by the IPARD Agency (including advance payments for 14 applications) with eligible expenditures for investment in the amount of EUR 68,0 m and paid public support in the amount of EUR 37.1 m, out of which the advance payments amount to EUR 2.0 m (Graph 2).

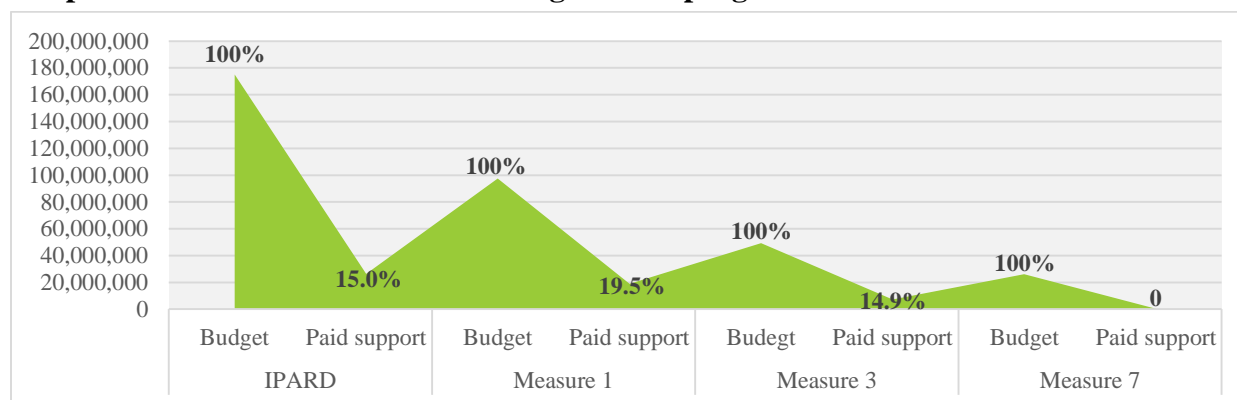
Graph 2: Approved and paid IPARD public support



Within Measure 1, 519 applications were paid with eligible expenditures for investment in the amount of EUR 44.5 m and public support in the amount of EUR 26.4 m, while 50 applications were paid within Measure 3 with eligible expenditures for investment in the amount of EUR 21.6 m and public support in the amount of EUR 10.1 m. When it comes to Measure 7, six applications were paid in advance with eligible expenditure for investment in the amount of EUR 1.9 m and public support in the amount of EUR 0.6 m.

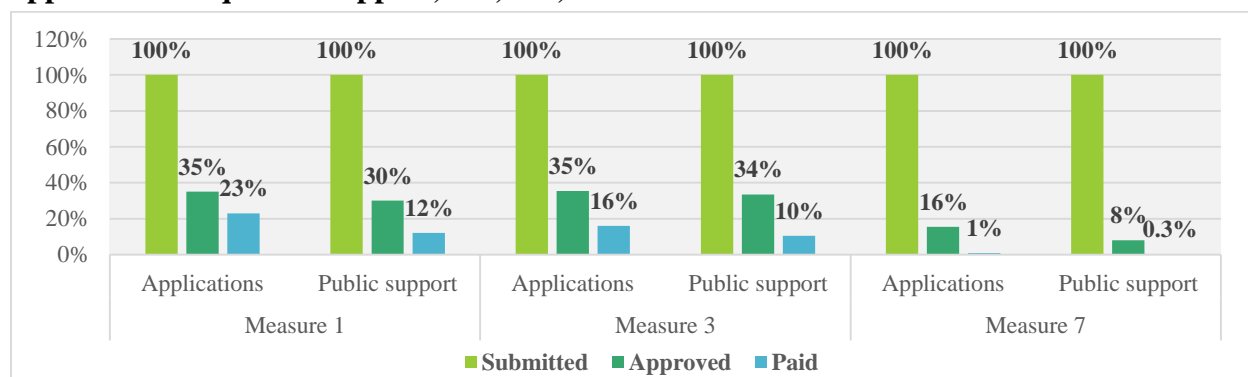
The number of completed projects in terms of final payment by the end of the first half of 2022 was 561, with the amount of paid public support of EUR 35.1 m (EU contribution: EUR 26.3 m). Within Measure 1, 513 projects were completed (paid public support in the amount of EUR 25.3 m and EU contribution in the amount of EUR 19.0 m), while 48 projects were completed under Measure 3, with paid public support in the amount of EUR 9.8 m and the EU contribution in the amount of EUR 7.3 m.

Until 30th June 2022, the execution rate of the EU contribution at the Preprogramme level, including advance payments, amounted 15.9%, while observed per measure amounted 20.4% for Measure 1, i.e. 15.3% for Measure 3 and 1.7% for Measure 7. Observed from the point of completed projects, **the execution rate of the EU contribution amounted 15.0%**. The approved support in relation to the total allocated IPARD funds until the end of June 2022 was 47.8%. The highest execution rate of the allocated budget, as well as percentage of approved support in relation to the allocated budget until the end of the first half of 2022, was achieved under Measure 1 (19.5%, i.e. 50.3%, respectively), followed by Measure 3 (14.9%, i.e. 49.1% respectively), while within Measure 7 by the end of June 2022, there were no completed projects and advance payments for six projects in the total amount of public support of EUR 579,532 were made. The approved support in relation to the total allocated IPARD funds for this Measure by the end of the mentioned Programme implementation period amounted to 40.2% (Graph 3).

Graph 3: Execution rate of IPARD budget at the programme and measure level

Measure 3 compared to Measure 1 achieves a higher percentage of approved support compared to requested support (33.5% vs. 30.0%, respectively), while a better result of the ratio of paid to requested support was achieved within Measure 1 (12.1%) compared to Measure 3 (10.5%). Until 30th June 2022, Measure 7 achieved a significantly lower execution rate of approved and paid support compared to the requested support.

When it comes to the ratio of approved to submitted applications, Measure 1 and Measure 3 achieved the same application approval rate (35%), while the percentage of paid applications in relation to submitted applications is higher in Measure 1 compared to Measure 3 (Graph 4).

Graph 4: Rate of approval and payment of applications/support in relation to submitted applications/requested support, M1, M3, M7

The total number of applications submitted within seven published calls for Measure 1 is 2,260, while an estimated amount of requested public support is EUR 217.6 m. For Measure 3 within four calls, 313 applications were submitted with EUR 96.2 m of total requested public support, while 604 applications were submitted within two calls for Measure 7, with an estimated amount of public support of EUR 174.2 m. The estimated average value of requested expenditures for investment per submitted IPARD application is EUR 259,096 and the highest value is reached for Measure 3: EUR 614,843, the lowest for Measure 1: EUR 160,469 (due to the large share of applications for the purchase of a new tractor), while the average value of the investment per project under Measure 7: EUR 443,779.

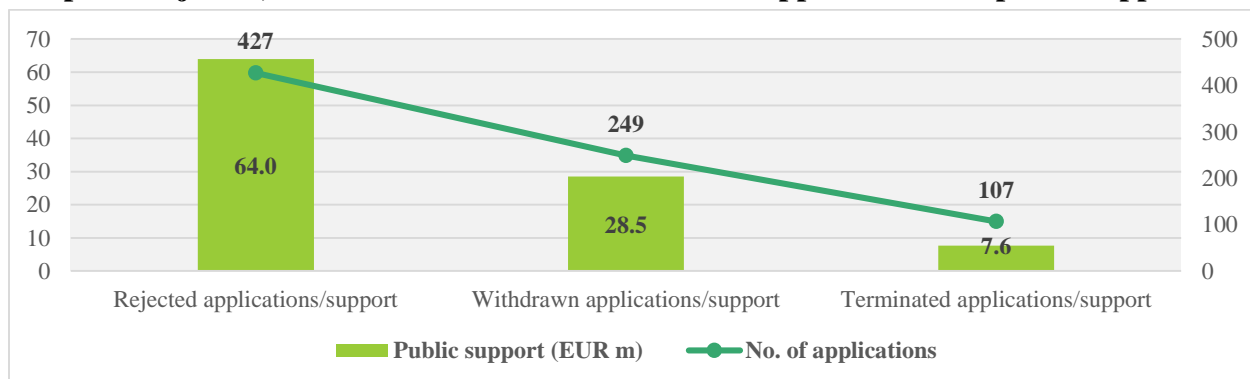
Based on the processing of applications until the end of June 2022, out of the total number of submitted applications 41 are unclassified (1.3%), out of which 15 unclassified applications refer to Measure 1 (without the specified sector, total/eligible expenditures for investment, without business plan or without specific data on the type of production, in total value of EUR 75,432.7:

EUR 73,239.0 for equipment and EUR 2,193.7 for general costs), 14 applications refer to Measure 3 (without specified sector/subsector), while out of the total number of the applications submitted under Measure 7, 12 applications are unclassified. Until 30th June 2022, 31 applications are without specified requested amount for investment within Measure 1 and 24 applications refer to Measure 7.

The IPARD Agency conducted a total of 1,598 on-the-spot controls, out of which 842 were conducted prior to project approval (611 for Measure 1, 121 for Measure 3 and 110 for Measure 7), before payment of projects 638 on-the-spot controls were conducted (557 for Measure 1 and 81 for Measure 3), while 118 controls after payment of projects (*ex-post*) were carried out (106 for Measure 1 and 12 for Measure 3).

The total number of rejected (due to unacceptability of investment criteria, not delivering complementary requested documentation, etc.), withdrawn (due to withdrawal by applicant) and terminated IPARD applications (due to the expiration of the deadline for submitting applications for payment approval and rejection of applications for payment approval) by the end of the first half of 2022 was 783, with total estimated public support in the amount of EUR 100.1 m. Based on the conducted administrative and on-the-spot controls, by the end of the reporting period, the IPARD Agency adopted a total of 427 decisions on applications rejection, 249 applications were withdrawn, while 107 applications were terminated (Graph 5). The average amount of public support per application is higher for rejected applications (EUR 149,896) compared to withdrawn applications (EUR 114,350), while for terminated applications amounts to EUR 71,470.

Graph 5: Rejected, withdrawn and terminated IPARD applications and public support



The largest number of rejected, withdrawn and terminated applications refers to Measure 1 (583, with a share of 74.5% in the total number of rejected, withdrawn and terminated applications), with the corresponding amount of total public support of EUR 60.8 m (60.7%). Measure 3 follows with a total of 112 rejected, withdrawn and terminated applications in the corresponding amount of public support of EUR 23.6 m, while within Measure 7 a total of 88 applications were rejected, withdrawn and terminated in the amount of public support of EUR 15.8 m, which corresponds to the total number of submitted applications, as well as the dynamics of applications processing according to the IPARD measure.

By far the most common reason for rejecting applications is the unacceptability of investment criteria (for 295 rejected applications), followed by not delivering complementary requested documentation (79) and incompleteness of documentation required (22). Observed per year of the IPARD II Programme implementation, the highest number of the total rejected applications was achieved in 2021 (121), while the lowest number of rejected applications was achieved in 2020 (71).

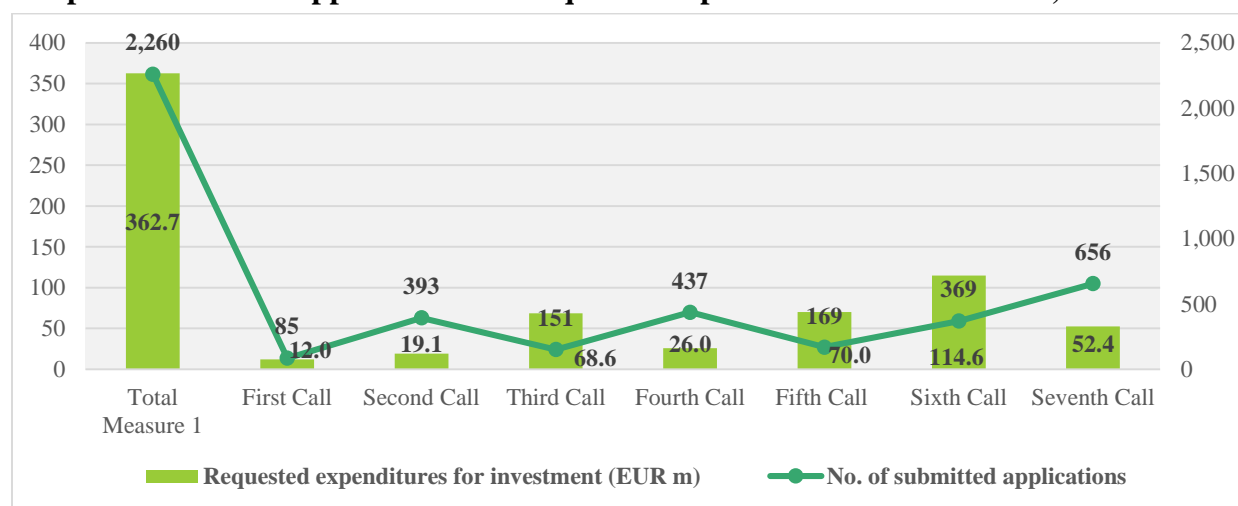
3.1. Measure 1 - Investments in physical assets of agricultural holdings

Until 30th June 2022, a total of seven calls were published for investments in the physical assets of agricultural holdings. The First Call within Measure 1 is closed in regard to payment and final processing of all submitted applications, with the following result: a total of 85 submitted applications with requested public support in the amount of EUR 7,209,545.4, a total of 42 approved projects with approved public support in the amount of EUR 3,784,815.2 (EU contribution: EUR 2,838,611.4) and a total of 32 paid projects with paid public support in the amount of 2,801.390,0 EUR (EU contribution: EUR 2,101,041.5). A total of 25 decisions on application rejection were adopted (EUR 2,077,058.5 rejected public support, EUR 1,557,793.1 EU contribution) and 18 projects were withdrawn (EUR 814,187.6 public support, EUR 610,640.7 EU contribution). The execution rate within this Call in relation to submitted applications is 37.6%, and for requested support it is 38.9%. The total execution in relation to the allocated budget within this Call is 33.5%. The first application within this Call was paid on 7th March 2019 and the last on 19th June 2020. The First Call in the total number of submitted applications and estimated requested public support within Measure 1 achieved a share of 3.8%, i.e. 3.3% respectively, and at the total Programme level of 2.7%, i.e. 1.5%, respectively.

Except in the First Call, the ranking procedure of submitted applications was applied in all other calls for Measure 1.

The total requested expenditures for investment for the 2,260 submitted applications under Measure 1 amount to EUR 362.7 m and are the largest within the Sixth Call (EUR 114.6 m), with estimated requested public support in the amount of EUR 68.8 m for 369 submitted applications (Graph 6).

Graph 6: Submitted applications and requested expenditures for investment, M1



The number of applications submitted per call under Measure 1 is as follows: First Call - 85 applications (3.8%); Second Call - 393 applications (17.4%); Third Call - 151 applications (6.7%); Fourth Call - 437 applications (19.3%); Fifth Call - 169 applications (7.5%); Sixth Call - 369 applications (16.3%) and Seventh Call - 656 applications (29.0%). Analyzing the number of applications submitted under Measure 1 it can be concluded that the greatest interest of potential recipients for submission of applications was expressed in calls related to the purchase of a new tractor.

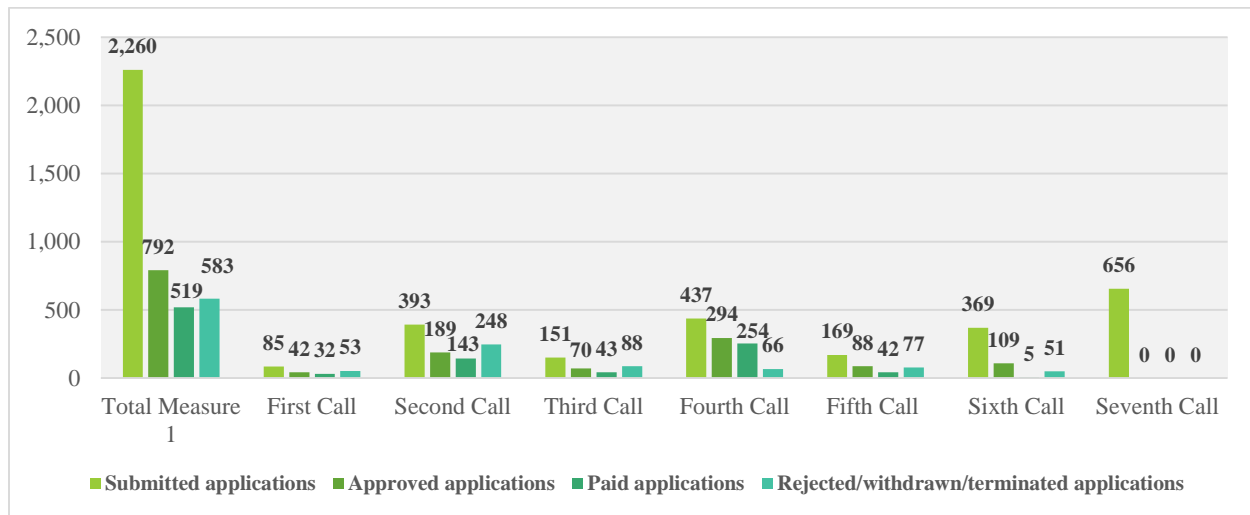
At the level of Measure 1, 792 applications were approved (with the amount of approved eligible expenditures for investment of EUR 106.7 m and corresponding approved public support in the amount of EUR 65.3 m), i.e. 35.0% in relation to the number of submitted applications, whereby the highest percentage of approval, both in terms of applications and eligible expenditures for investment, was achieved within the Fourth Call (67.3%, i.e. 64.7% respectively), and the lowest within the Sixth Call (29.5% and 17.8%, respectively). Under Seventh Call, until 30th June 2022, there were no approved applications. At the same time, the largest number of applications was approved within the Fourth Call (294), while the Fifth Call is dominant from the point of view of the amount of approved public support (with EUR 29.6 m of approved eligible expenditures for investment and EUR 17.9 m of approved public support). The lowest number of applications was approved within the First Call (42), which was closed in regard to processing and payment of applications.

By the end of June 2022, a total of 519 applications were paid for Measure 1 (including advance payments for six applications with a total amount of paid public support of EUR 1.1 m), with a total amount of paid public support of EUR 26.4 m (EU contribution: EUR 19.8 m). For 519 paid applications execution rate in relation to the number of submitted applications at the level of Measure 1 is 23.0%, while in relation to the number of approved applications execution rate is 65.5%. Compared to the execution rate of applications, the financial execution in relation to the estimated requested support is at lower level and amounts to 12.2%, i.e. 40.5% in relation to the approved amount of support. The Fourth Call recorded the highest achievement for all mentioned indicators, both in terms of paid applications (58.1% paid in relation to submitted applications, i.e. 86.4% paid in relation to approved applications) and in terms of paid support (61.2% of paid support in relation to the estimated requested support, i.e. 88.2% of paid support in relation to the approved). At the same time, the Fourth Call within Measure 1 is dominant also in absolutely expressed values of indicators, with the largest number of paid projects (254) and the amount of paid public support of EUR 9.5 m.

The total number of rejected/withdrawn/terminated applications under Measure 1 by the end of the first half of 2022 was 583, with a total estimated public support in the amount of EUR 60.8 m. Within this Measure, 285 applications were rejected (EUR 38.5 m of public support), with a rejection rate in relation to submitted applications of 12.6% and requested public support of 17.7%, 204 applications were withdrawn (EUR 18.6 m of public support), with a withdrawal rate in relation to submitted applications of 9.0% and requested public support of 8.5% and 94 applications (EUR 3.8 m of public support) were terminated due to the expiration of the deadline for submitting applications for payment approval and rejection of applications for payment approval, which makes 4.2% in relation to submitted applications, i.e. 1.7% of requested public support.

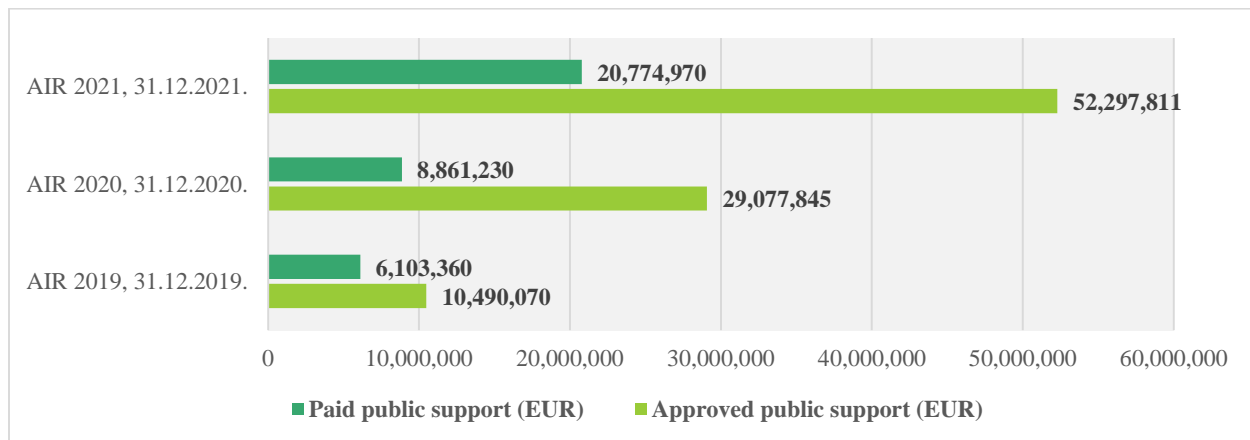
The largest number of rejected, withdrawn and terminated applications refers to the Second Call (for the purchase of a new tractor), while the highest rejection rate in relation to submitted applications was achieved within the Fifth Call (33,1%). The largest number of rejected applications was related to the Fruit and Vegetables Sector (115), while the largest number of withdrawn and terminated applications, by the end of June 2022, was within the Other Crops Sector (93 and 44 applications, respectively).

Graph 7: Submitted, approved, paid and rejected/withdrawn/terminated applications, M1



Dynamics of the approval and payment of public support within Measure 1 (monitored based on annual reporting) indicates a continuous increasing tendency in the amount of approved and paid public support in relation to each previous report. The approved amount of public support achieved a significant increase of 177.2% during the implementation period by the end of 2020 compared to the previous year, with a simultaneous tendency of a slow increase in the approval of public support during the implementation period until the end of 2021 in relation to an increase compared to the previous year 2020 of 79.8%. At the same time, the dynamics of increase in paid public support in the mentioned periods shows the opposite tendency: an accelerated increase in paid public support in the implementation period until the end of 2021 of 134.4% compared to the previous year in relation to the same indicator for 2020 compared to the previous year 2019, when this annual increase was 45.2%. In other words, for Measure 1 in the implementation period by the end of 2021, compared to the period by the end of 2020, there was an increasing tendency in the amount of paid public support (by 89.2 percentage points) and a decreasing tendency of increase in the amount of approved public support (by 97.4 percentage points) for Measure 1 (Graph 8).

Graph 8: Dynamics of approval and payment of public support at annual level, M1



The percentage of approved in relation to submitted applications under Measure 1 in the implementation period by the end of 2021 compared to the implementation period by the end of 2020 is at the level of approx. 40.6%, while at the same time in the mentioned period the percentage

of paid in relation to approved applications has significantly increased: from 36.3% to 69.1%. The same indicators record a decreasing tendency until 30th June 2022 in relation to the end of 2021: 35.0% approved in relation to submitted applications and 65.5% paid in relation to approved applications within Measure 1.

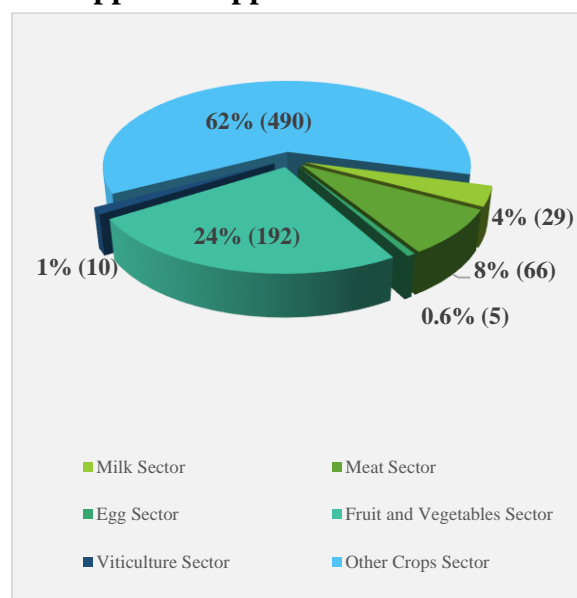
Distribution of applications per sector

Based on available data for Measure 1, in the total number of submitted applications two sectors have a significant share: the Other Crops Sector achieves the largest share of 50.1% (804 submitted applications), followed by the Fruit and Vegetables Sector with 32.8% for 526 submitted applications (436 applications were submitted for the Fruit Subsector, while 90 applications were submitted for the Vegetables Subsector). Other sectors have a lower share in submitted applications: the Meat Sector participates with 10.4% (167 applications), the Milk Sector participates with 3.7% (59 applications), the Viticulture Sector with 1.5% (24 applications) and the Egg Sector participates with 0.6% (nine submitted applications), while 15 submitted applications are unclassified.

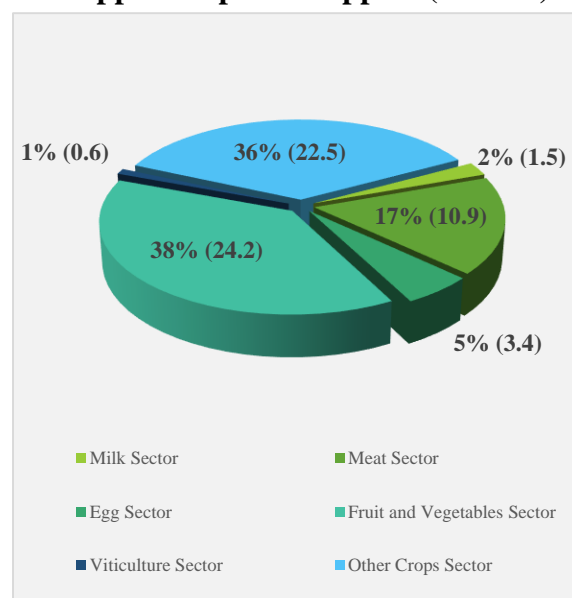
When it comes to the structure of approved applications and approved public support per sector within Measure 1, the most significant position is also achieved by the Other Crops Sector and the Fruit and Vegetables Sector, with the fact that the Other Crops Sector has achieved a dominant share in terms of approved applications (61.9% for 490 approved applications), while from the aspect of share in the total approved public support, the Fruit and Vegetables Sector and the Other Crops Sector achieve almost equal share (38.4% and 35.6%, respectively). The Meat Sector with EUR 10.8 m of total approved public support has a share of 17.2% in total approved public support, while other sectors regarding this indicator have a significantly lower share (Graph 9.a and 9.b).

Graph 9: Approved applications and approved public support per sector, M1

9.a: Approved applications

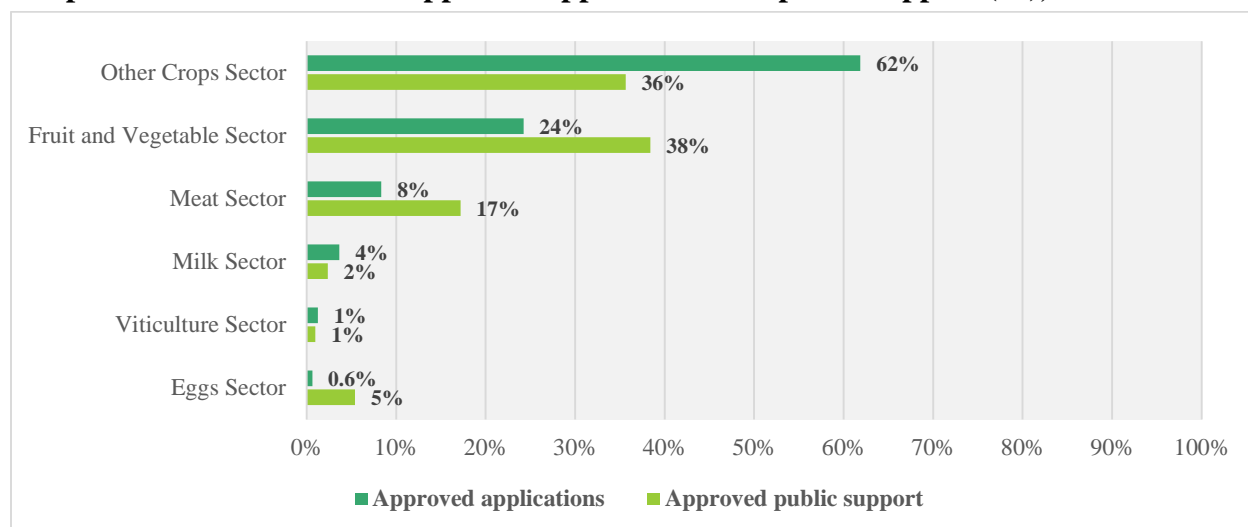


9.b: Approved public support (EUR m)



The following sectors have a higher share in approved applications in relation to the share in the approved public support: The Other Crops Sector, the Milk Sector and the Viticulture Sector, while a higher share in the approved public support in relation to the share in approved applications achieve the Fruit and Vegetables Sector, the Meat Sector and the Egg Sector (Graph 10).

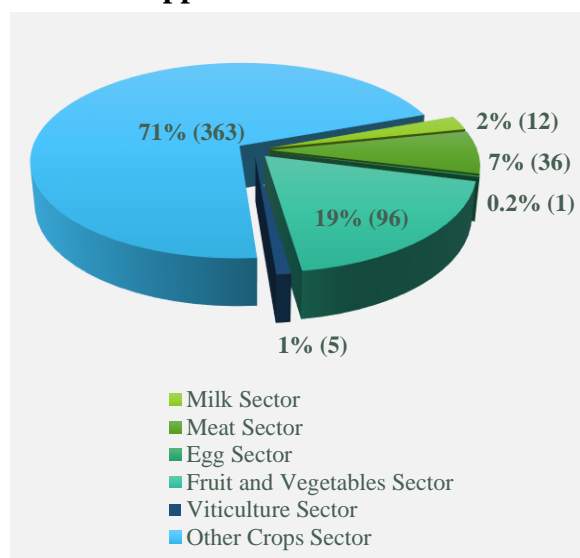
Graph 10: Share of sector in approved applications and public support (%), M1



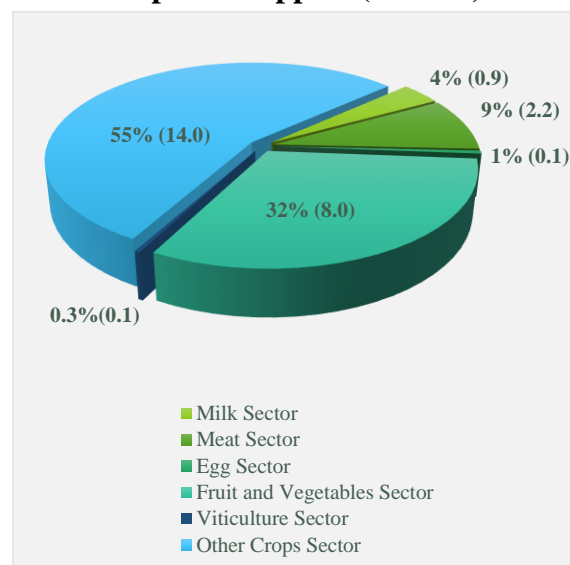
When it comes to paid applications and paid public support per sector, with a share of 70.8% in the total number of paid applications and a share of 55.2% in the total paid support, the dominant position is achieved by the Other Crops Sector, followed by: Fruit and Vegetables Sector (18.7%, i.e. 31.5%, respectively), Meat Sector (7.0%, i.e. 8.7%, respectively), Milk Sector (2.3%, i.e. 3.7%, respectively), Viticulture Sector (1.0%, i.e. 0.3%, respectively), while within the Egg Sector, by the end of June 2022, out of the total number of paid applications 0.2% was paid, i.e. 0.5% of the total amount of paid public support (Graph 11.a and 11.b).

Graph 11: Paid applications and public support per sector, M1

11.a: Paid applications



11.b: Paid public support (EUR m)



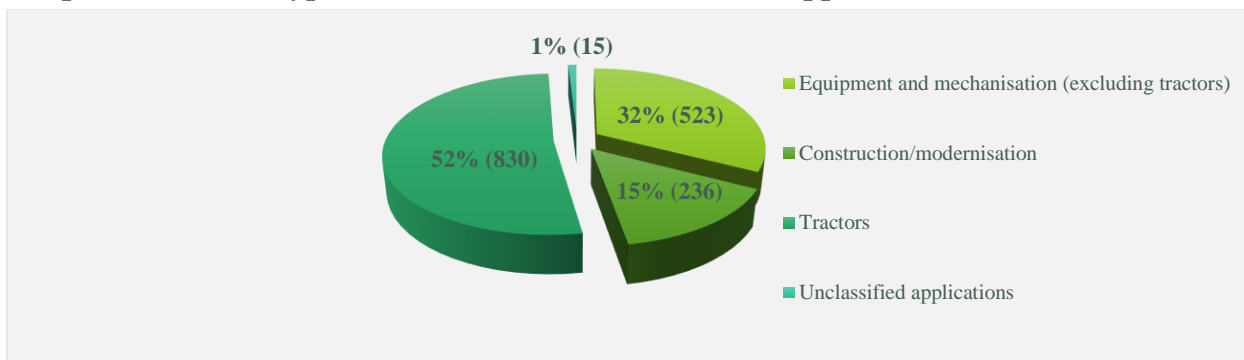
The average value of paid public support per completed project under Measure 1 amounts to EUR 49,399, and has increased compared to the previous Semi-Annual Report, when it amounted to EUR 43,309. Excluding tractors, the average value of paid public support per completed project is EUR 99,851, while the average value of paid public support for the purchase of a new tractor is EUR 34,657. The highest average value per paid project was achieved by the Fruit and Vegetables Sector (EUR 83,191), followed by the Milk Sector (EUR 77,287), the Meat Sector (EUR 61,438)

and the Other Crops Sector (EUR 38,561), while the lowest value of this indicator was achieved by the Viticulture Sector (EUR 17,671). Public support in the amount of EUR 130,035 was paid for one project in the Egg Sector by the end of the first half of 2022. From the point of the average value per paid project, all sectors achieved an increase compared to the same indicator in the previous Semi-Annual Report.

Distribution of applications per type of investment

Observed per type of investment, within Measure 1 the largest number of applications were submitted for the purchase of equipment, machinery and mechanisation (including tractors): 1,353 applications, i.e. 84.4%, for investments in the construction and equipping of facilities 236 applications were submitted (14,7%), while 15 applications (0.9%) were unclassified due to the lack of relevant data until 30th June 2022. From the point of share in the total submitted applications, the dominant position refers to the investment for the purchase of a new tractor, with a total of 830 submitted applications and a share of 51.7% (Graph12).

Graph 12: Share of type of investment in total submitted applications (%), M1



For investments in the construction and modernisation of facilities, the greatest interest of potential recipients was expressed within the Fruit and Vegetables Sector: 108 submitted applications, with a share of 45.7% in the total number of submitted applications for this type of investment, while for the purchase of equipment, machinery and mechanisation potential recipients expressed the greatest interest in the Other Crops Sector: 759 applications, with a share in the total number of submitted applications for this type of investment of 56.1%, primarily due to the dominant share of applications for the purchase of a new tractor (79.5%). As a result of the abovementioned, the Other Crops Sector in relation to other sectors is dominant in terms of expressed interest of potential recipients for purchase of a new tractor with a share of 72.7% for this type of investment. The analysis per type of production indicates by far the largest number of requested investments in the field of plant production: 85.2%, while 14.8% of applications were submitted for investments in livestock production (excluding unclassified applications), primarily due to the most significant share of two sectors from the field of plant production of 83.7% in the total number of submitted applications for all types of investments: Other Crops Sector (50.6%) and Fruit and Vegetables Sector (33.1%).

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

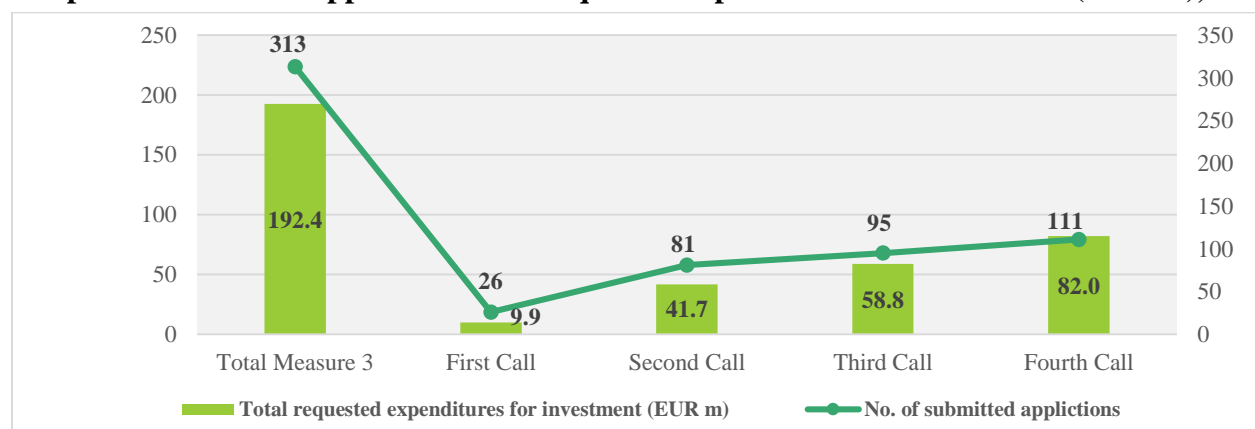
For investments in the processing and marketing of agricultural and fishery products, until 30th June 2022 a total of four calls were published. The First Call under Measure 3 is closed in regard

to payment and final processing of all submitted applications, with the following result: a total of 26 submitted applications with requested public support in the amount of EUR 4,964,531.4, a total of 15 approved projects with approved public support in the amount of EUR 2,250,708.7 (EU contribution: EUR 1,688,031.5) and a total of 12 paid projects with paid public support in the amount of EUR 1,693,446.6 (EU contribution: EUR 1,270,085.0). Eight decisions on application rejection were adopted (EUR 2,213,022.9 of rejected public support, EUR 1,659,767.2 of EU contribution) and three projects were withdrawn due to the applicant withdrawal (EUR 394,563.5 of public support, EUR 295,922.6 of EU contribution), while three projects were terminated. The execution rate within this Call in relation to submitted applications is 46.2% (for requested support 34.1%) and in relation to the allocated budget within this Call it amounts 22.9%. Ranking procedure of submitted applications was not applied within this Call. The first application within this Call was paid on 15th January 2020 and the last one on 26th December of the same year. The closed First Call under Measure 3 in the total number of submitted applications and estimated requested public support within this Measure achieved a share of 8.3%, i.e. 5.2% respectively, and at the Programme level of 0.8%, i.e. 1.0% respectively.

Within four published calls for Measure 3, the ranking procedure of submitted applications was applied only within the Fourth Call.

For the 313 applications submitted under Measure 3, the total requested expenditures for investment amount to EUR 192.4 m and the estimated public support is EUR 96.2 m. The largest amount of requested expenditures for investment refers to the Fourth Call (EUR 82.0 m), with estimated requested public support in the amount of EUR 41.0 m for 111 submitted applications (Graph 13).

Graph 13: Submitted applications and requested expenditures for investment (EUR m), M3



The number of applications submitted under Measure 3 shows a permanent increasing tendency for each subsequent call: First Call - 26 applications (8.3%); Second Call - 81 applications (25.9%); Third Call - 95 applications (30.4%) and Fourth Call - 111 submitted applications (35.5%). The greatest interest of potential recipients in submitting of applications was expressed within the Fourth Call, which is also the last published call for Measure 3 in the IPARD II Programme implementation period.

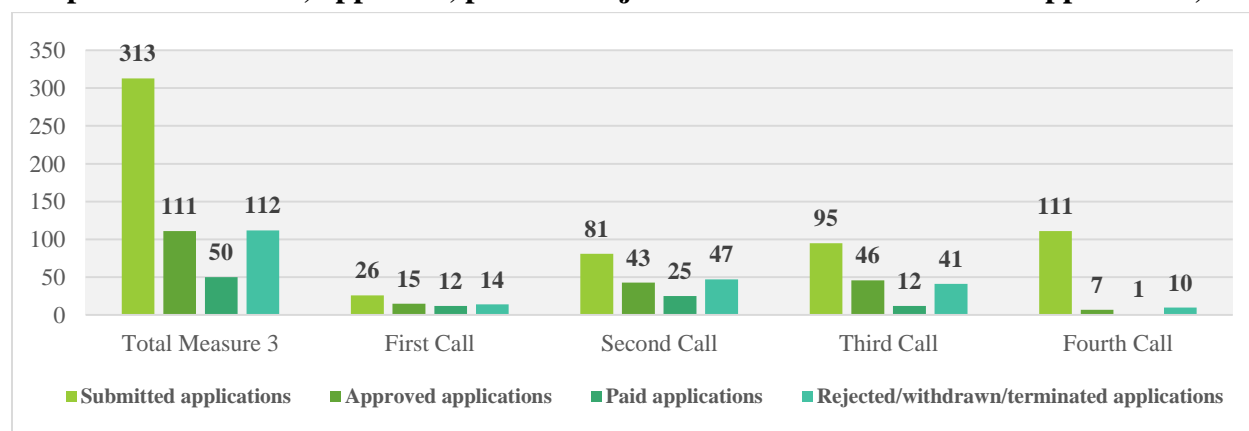
Under Measure 3, 111 applications were approved (with the amount of approved eligible expenditures for investment of EUR 65.5 m and the corresponding approved public support in the amount of EUR 32.3 m), i.e. 35.5% in relation to the number of submitted applications, where the highest percentage of approval, both in terms of applications and eligible expenditures, was

achieved within the Third Call (41.4%, i.e. 43.8%, respectively), and the lowest within the Fourth Call (6.3%, i.e. 6.9%, respectively).

By the end of June 2022, a total of 50 applications were paid for Measure 3 (including advance payments for two applications and the total amount of paid public support of EUR 309,240), with a paid amount of public support of EUR 10.1 m (EU contribution: EUR 7.6 m). For 50 paid applications, the execution rate in relation to the number of submitted applications at the level of Measure 3 is 16.0%, while in relation to the number of approved applications execution rate is 45.0%. Compared to the execution rate of applications, the financial execution in relation to the estimated requested support is at lower level and amounts to 10.5%, i.e. 31.2% in relation to the approved amount of support. The largest number of applications for Measure 3 (25) and at the same time the largest amount of paid public support (EUR 6.4 m) until the end of June 2022 was realized within the Second Call. However, the highest level of execution for all mentioned indicators was achieved under First Call, both from the aspect of paid applications (46.2% paid in relation to submitted applications, i.e. 80.0% paid in relation to approved applications), as well as from the aspect of paid support (34.1% of paid support in relation to the estimated requested support, i.e. 75.2% of paid support in relation to the approved), while the lowest was achieved under the Fourth Call (below 1% in relation to submitted applications and estimated requested public support, i.e. 14.3% in relation to approved applications and 7.4% in relation to the approved amount of public support).

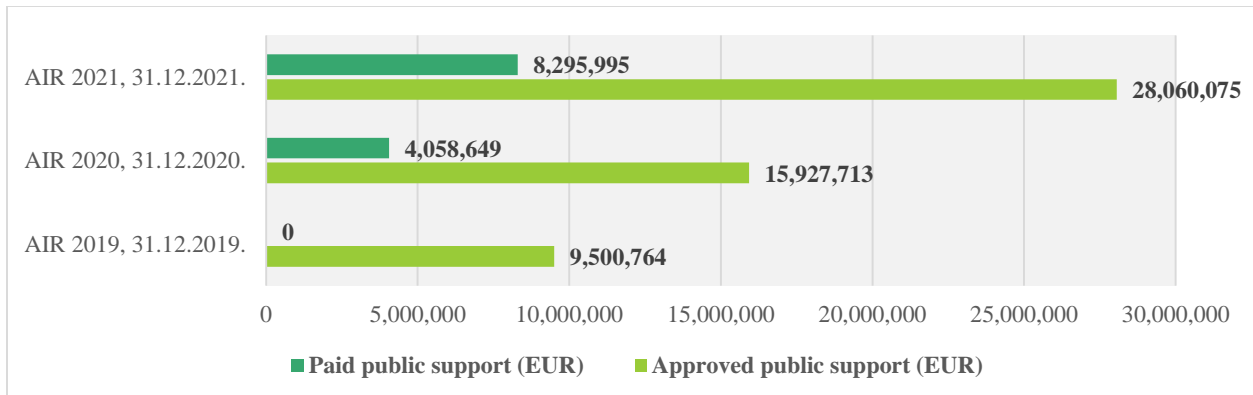
The total number of rejected/withdrawn/terminated applications under Measure 3 by the end of the first half of 2022 was 112, with a total estimated public support in the amount of EUR 23.6 m. Under Measure 3, 78 applications were rejected (EUR 13.9 m of public support), 21 applications were withdrawn (EUR 5.8 m of public support) and 13 applications (EUR 3.9 m of public support) were terminated due to the expiration of the deadline for submitting application for payment approval and rejection of applications for payment approval. The largest number of applications were rejected within the Third and Second Calls (34 and 28 applications, respectively), while the largest number of withdrawn and terminated applications until 30th June 2022 refers to the Second Call (10 and nine applications, respectively). As in the case of Measure 1, the largest number of rejected applications refers to the Fruit and Vegetables Processing Sector (44), while an equal number of applications were rejected within the Wine Sector and the Meat Processing Sector (11). At the same time, the Fruit and Vegetables Processing Sector recorded the largest number of withdrawn and terminated applications by the end of June 2022 (eight and 12 applications, respectively).

Graph 14: Submitted, approved, paid and rejected/withdrawn/terminated applications, M3



Observed on annual basis, the dynamics of approval and payment of public support within Measure 3 indicates a continuous increasing tendency in the amount of approved and paid public support in relation to each previous reporting. The achieved increase in the approved amount of public support for the period 2020 – 2021 (an increase by 76.2%) is higher compared to the mentioned indicator for the period 2019 – 2020 (an increase by 67.6%). When it comes to the annual dynamics of the payment of public support, it can also be noted that this indicator has increase at annual level of approx. EUR 4 m, i.e. an increase of paid public support for the period 2020 – 2021 amounts to EUR 4.2 m, while for the period 2019 – 2020 an increase of the mentioned indicator in the amount of EUR 4.1 m was achieved (Graph 15).

Graph 15: Dynamic of approval and payment of public support at annual level, M3



The percentage of approved applications in relation to submitted applications under Measure 3 in the implementation period by the end of 2021 compared to the period by the end of 2020 has increased from 28.2% in 2020 to 31.9% in 2021, while at the same time, in the mentioned period, the percentage of paid in relation to approved applications recorded a decreasing tendency: from 45.6% in 2020 to 40.0% in 2021. The same indicators record an increasing tendency within the report for the end of 2021 compared to reporting period until 30th June 2022: 35.5% of approved in relation to submitted applications and 45.0% of paid in relation to approved applications within Measure 3.

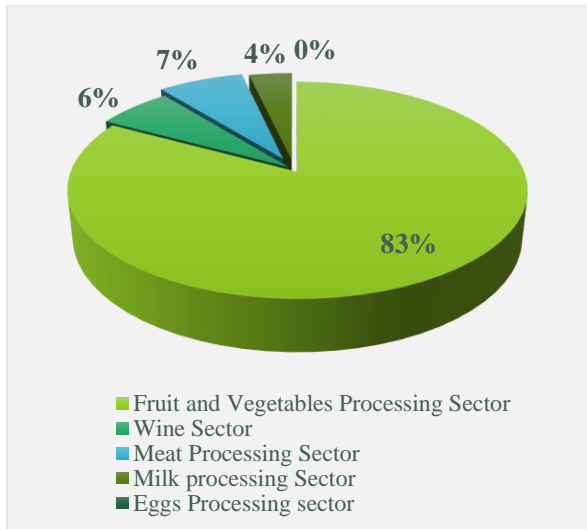
Distribution of applications per sector

Based on the available data under Measure 3, in the total number of submitted applications the Fruit and Vegetables Processing Sector achieves the largest share of 67.4% with 211 submitted applications, followed by the Wine Sector and the Meat Processing Sector with an equal share of 11.2% with 35 submitted applications each. The lowest number of applications was submitted within the Milk Processing Sector (18), while 14 applications were unclassified due to the lack of relevant data.

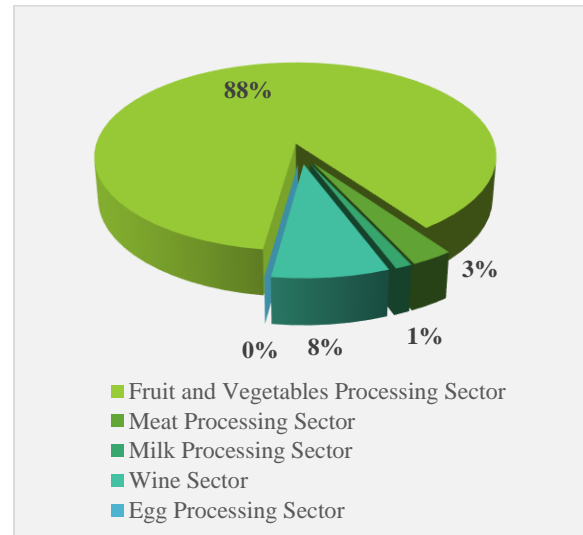
When it comes to the structure of approved applications and approved public support per sector within Measure 3, the most significant position is also achieved by the Fruit and Vegetables Processing Sector with 92 approved applications (82.9% of the total number of approved applications per sector), with the corresponding amount of approved public support of EUR 27.9 m (88.0%). The Wine Sector, with seven approved applications, has a share of 6.3% in the total number of approved applications and with the amount of approved public support of EUR 2.6 m has a share of 8.1% in the total approved public support. Other sectors with approved public support in the amount below EUR 1 m in the total amount of approved public support achieve a significantly lower share (Graph 16.a and 16.b).

Graph 16: Approved applications and public support per sector (%), M3

16.a: Approved applications

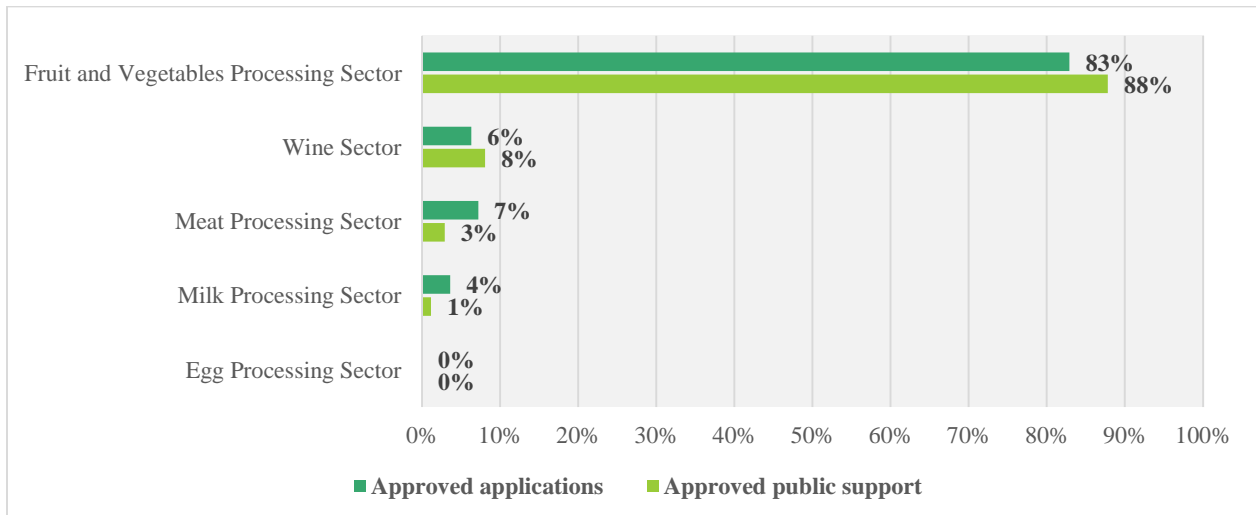


16.b: Approved public support

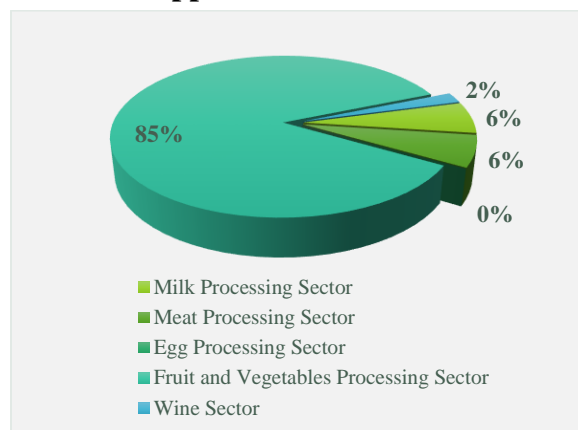
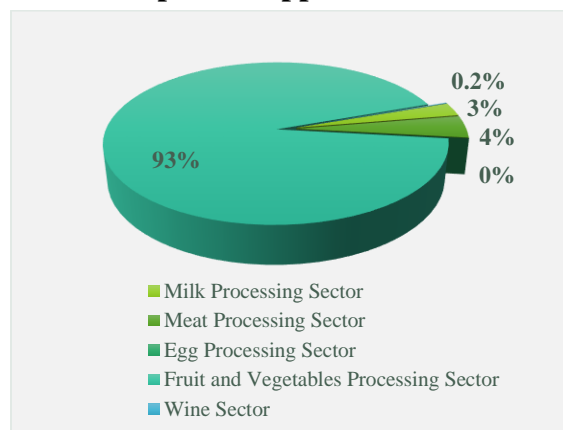


The Meat Processing Sector and the Milk Processing Sector have a higher share in approved applications compared to the share in approved public support, while on the other hand, the Fruit and Vegetables Processing Sector has a higher share in approved public support compared to the share in approved applications, as well as the Wine Sector. Within the Egg Processing Sector there were no submitted nor approved applications (Graph 17).

Graph 17: Share of sectors in approved applications and public support (%), M3



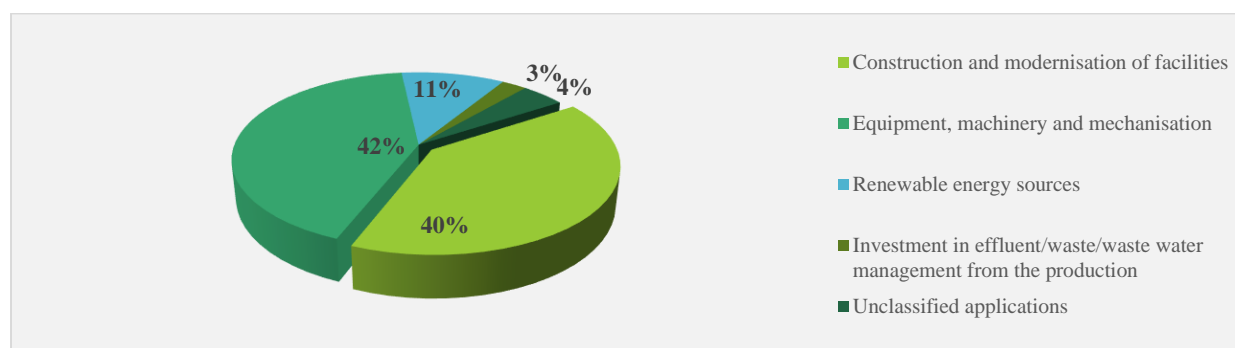
When it comes to paid applications and paid public support per sector, with 41 paid applications (share of 85.4% in the total number of paid applications) and EUR 9.1 m of paid public support (share of 92.8% in the total paid public support), the dominant position is achieved by the Fruit and Vegetables Processing Sector. The Wine Sector with one paid application has a share of 0.2% in the total amount of paid public support, while the Milk Processing Sector and the Meat Processing Sector with three paid applications each in the total number of paid applications participate with 6.3% each. Within the Egg Processing Sector there were no submitted application, and thus there were no paid applications (Graph 18.a and 18.b).

Graph 18: Paid applications and public support per sector (%), M3**18.a: Paid applications****18.b: Paid public support**

The average value of paid public support per completed project under Measure 3 amounts to EUR 203,583 and it is significantly higher compared to Measure 1 excluding tractors (by EUR 103,732). The average value of the paid project for Measure 3 has increased compared to the Semi-Annual Report 2021, when it amounted to EUR 194,865. The above-average paid value per project was achieved by the Fruit and Vegetables Processing Sector (EUR 221,126), which at the same time achieved an increase compared to the previous Semi-Annual Report, while the other sectors by the end of June 2022 achieved a lower average value per paid project: EUR 143,457 within Meat Processing Sector, EUR 86,371 within Milk Processing Sector and EUR 16,303 within Wine Sector for one paid project.

Distribution of applications per type of investment

Out of a total of 313 submitted applications under Measure 3, observed per type of investment, the largest number of applications were submitted for the modernisation of equipment, machinery and mechanisation: 132 applications, i.e. 42.2%, as well as for investments in the construction and modernisation of facilities (primarily for fruit and vegetables processing, as well as for grape processing, i.e. wine production): 126 submitted applications, i.e. 40.2%. Applications submitted exclusively for investments in renewable energy sources achieved a share of 10.6% (33 applications) and for investments in wastewater/waste treatment from production 2.6% (eight applications). Until 30th June 2022, 14 applications were unclassified due to the lack of information/data in the application form, i.e. 4.4% of the total number of applications submitted under Measure 3 (Graph 19).

Graph 19: Share of type of investment in the total number of submitted applications (%), M3

Within investments related to the equipment, machinery and mechanisation, potential recipients under Measure 3 submitted the largest number of applications for investments in the modernisation of processing and packaging equipment within the Fruit and Vegetables Processing Sector (92), then for the modernisation of meat processing equipment (22) under the Meat Processing Sector. When it comes to investments for the construction and equipping of facilities, observed in terms of the number of submitted applications, the Fruit and Vegetables Processing Sector is also dominant (84), followed by the Wine Sector (17), while the lower number of applications were submitted for the construction and equipping of dairies (14) and slaughterhouses (11).

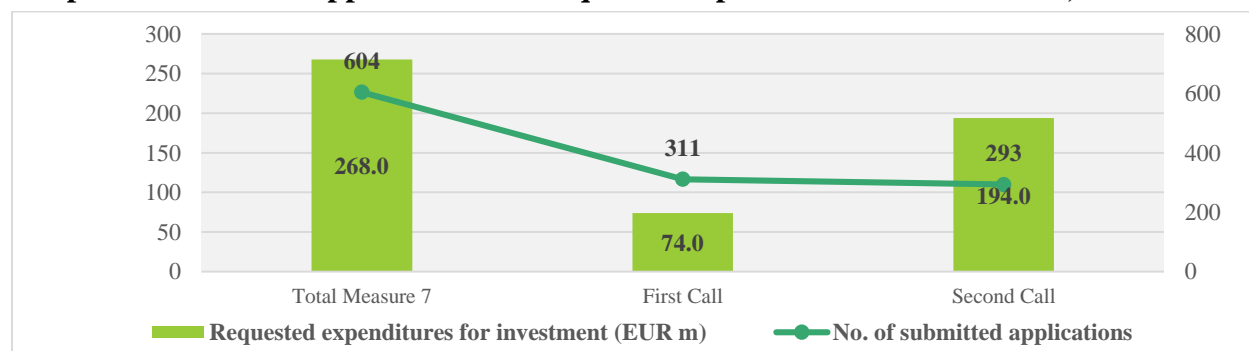
As well as within Measure 1 when it comes to the type of agricultural production, under Measure 3 applications in the field of plant products processing (82.3%) are dominant compared to the number of applications submitted in the field of livestock products processing (17.7%). The Fruit and Vegetables Processing Sector and the Wine Sector, i.e. grape processing significantly contribute to the mentioned structure, with a total of 246 applications submitted (82.3% of the total number of applications submitted, excluding unclassified applications).

3.3. Measure 7 - Farm diversification and business development

Two calls were published for investments in farm diversification and business development, and the ranking procedure of submitted applications was applied within both calls.

The total number of applications submitted under Measure 7 by end of the first half of 2022 was 604, out of which 311 applications (51.5% out of the total number of applications submitted within this Measure) were submitted under the First Call, while 293 applications were submitted under the Second Call. The total requested expenditures for investment for 604 submitted applications under Measure 7 amount to EUR 268.0 m, and are at a significantly higher level within the Second Call (EUR 194.0 m) compared to this indicator for the First Call: EUR 74.0 m (Graph 20). The estimated requested public support for the 604 submitted applications under this Measure amounts to EUR 174.2 m. Although the number of submitted applications is higher in the First Call, the Second Call is characterized by a significantly higher amount of estimated requested public support (EUR 126.1 m) compared to this financial indicator within the First Call (EUR 48.1 m).

Graph 20: Submitted applications and requested expenditures for investment, M7

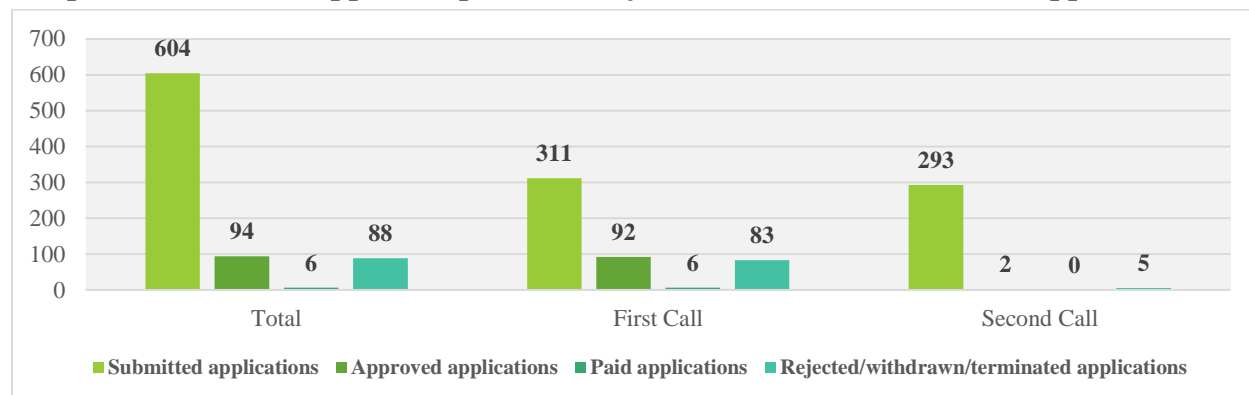


Within Measure 7, a total of 94 applications were approved, with approved eligible expenditures for investment in the amount of EUR 23.0 m and approved public support in the amount of EUR 14.0 m. In terms of approved applications and corresponding expenditures and support, the First Call is dominant compared to the Second Call, which is in line with the dynamics of processing of applications under this Measure: 92 applications were approved in the First Call (97.9% of approved applications under this Measure) with a total amount of eligible expenditures for

investment of EUR 22.6 m and the amount of approved support of EUR 13.8 m, while two applications were approved in the Second Call.

By the end of June 2022, under Measure 7 a total of six applications related to advance payment were paid, with the amount of paid public support of EUR 579,532, while there were no realized projects and therefore there were no fully paid applications. All six projects paid in advance refer to the First Call (Graph 21).

Graph 21: Submitted, approved, paid* and rejected/withdrawn/terminated applications, M7



* All applications are paid in advance. Until 30th June 2022 there were no completely paid applications.

The total number of rejected/withdrawn/terminated applications under Measure 7 by the end of June 2022 was 88, with a total estimated public support in the amount of EUR 15.8 m. Within this Measure, most often due to the unacceptability of investment criteria, 64 applications (EUR 11.7 m of public support) were rejected, with a rejection rate of 10.6% in relation to the submitted applications and 6.7% of requested public support, and 24 applications were withdrawn (EUR 4.1 m of public support). According to all indicators concerning the rejection and withdrawal of applications under Measure 7, absolutely dominates the First Call. All rejected/withdrawn applications refer to the Rural Tourism and Recreational Activities Sector, with the exception of one withdrawn application by the applicant, which was in the field of renewable energy resources. By the end of June 2022, public support in the amount of EUR 14.0 m has been approved, there were no completed projects in terms of payment, however, during the first half of the current year an advance payment was made for six projects within the First Call in the total amount of paid public support of EUR 579,532.

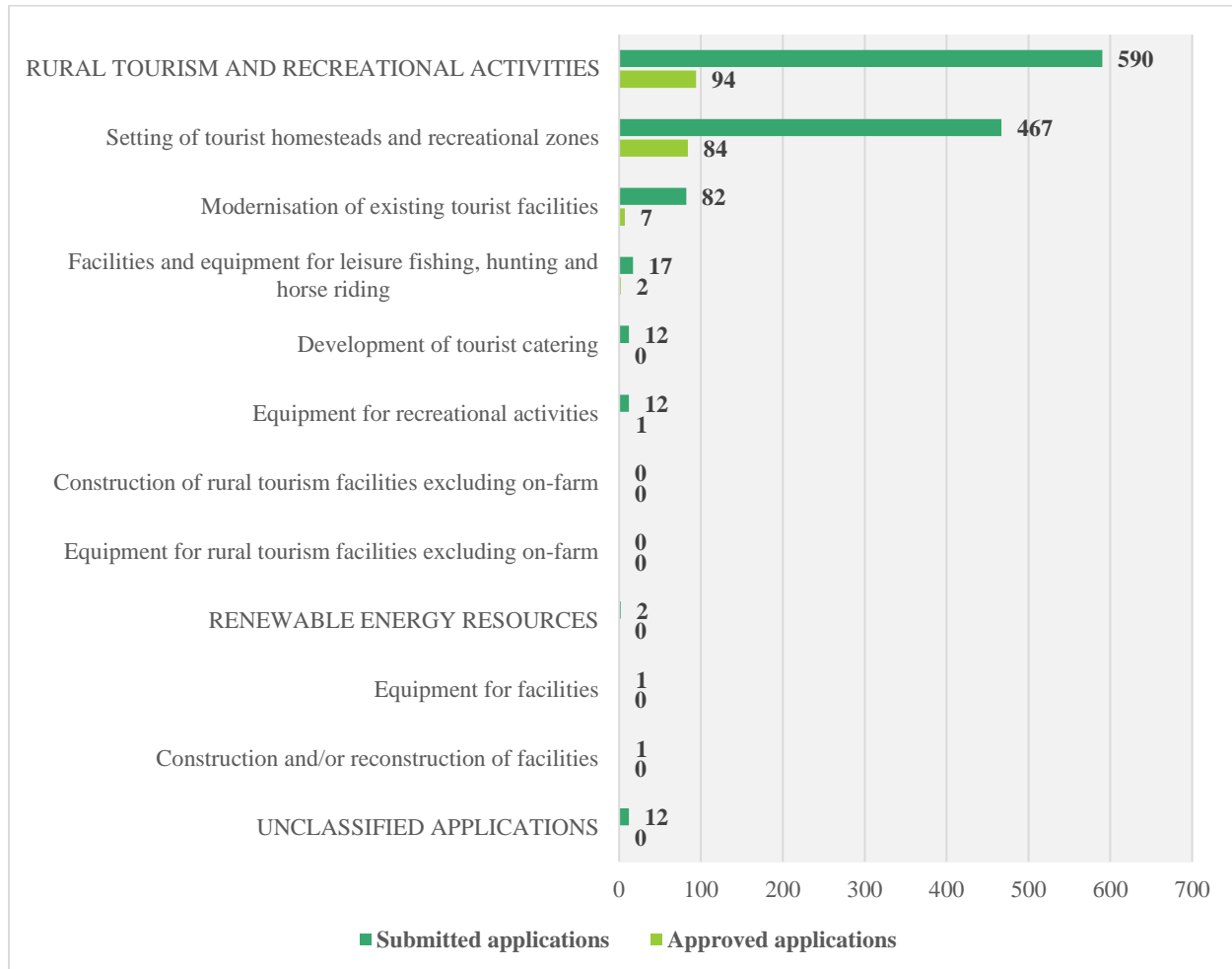
Distribution of applications per sector

Under Measure 7, eligible investments are classified within two sectors: the Rural Tourism and Recreational Activities Sector and the Renewable Energy Resources Sector. On the basis of the available data within Measure 7, with a total of 590 applications submitted and a share of 99.7% (excluding 12 unclassified applications due to incomplete information and/or data until 30th June 2022) the absolute dominant position of the Rural Tourism and Recreational Activities Sector was achieved, while two applications exclusively were submitted for investments within the Renewable Energy Resources Sector under Measure 7.

For investments in the Rural Tourism and Recreational Activities Sector, until the end of the first half of 2022, 94 applications were approved, which makes a share of 15.6% of the total number of submitted applications within Measure 7, with the total amount of approved public support of EUR 13.6 m.

Distribution of applications per type of investment

The dominant type of investment in terms of submitted and approved applications relates to the investments in the field of rural tourism and recreational activities, i.e. to the setting of tourist homesteads and recreational zones, for which 467 applications were submitted and 84 were approved, which represent a share of 78.9% (excluding 12 unclassified applications due to the lack of relevant information/data), i.e. 89.4%, respectively (Graph 22).

Graph 22: Submitted and approved applications per type of investment, M7

Graph 22 illustrates the data on the number of submitted and approved applications per type of investment within Measure 7. In the total number of submitted applications under this Measure, type of investment related to the setting of tourist homesteads and recreational zones has the dominant share, followed by the type of investment “Modernisation of existing tourist facilities” (82 submitted applications and seven approved applications, with a share of 13.9% in the total number of submitted and 7.4% in the total number of approved applications). One application for the construction and/or reconstruction of facilities, and one application for equipping of facility, was submitted within the Renewable Energy Resources Sector.

From the point of approved public support per type of investment, analogous to the number of approved applications, the dominant position is achieved by the type of investment “Setting of tourist homesteads and recreational zones” with EUR 10.4 m of approved public support. A significant amount of approved public support also refers to the type of investment “Modernisation

of existing tourist facilities” (EUR 2.7 m), while below than EUR 1 m of public support was approved for other types of investment by the end of June 2022.

4. Regional distribution of IPARD support

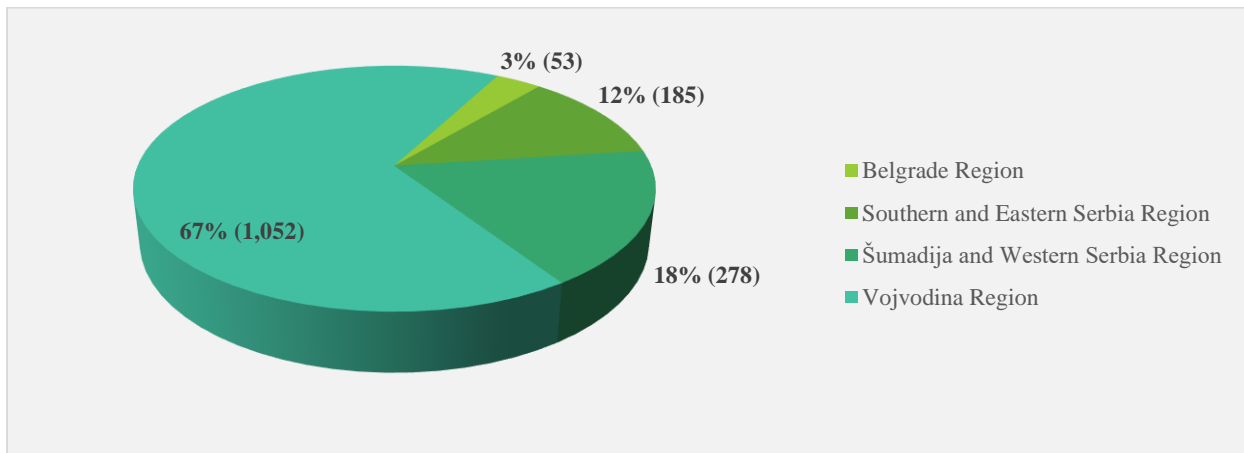
This part of the Report presents data on implementation of Measure 1, Measure 3 and Measure 7 per region.

The analysis relating to regions does not include applications which did not have indicated location of investment in the application form (36 applications within Measure 1, nine applications within Measure 3 and 38 applications within Measure 7). In addition, the analysis does not include applications where requested amounts of support were not indicated (31 applications for Measure 1, 23 applications for Measure 3 and 37 applications for Measure 7).

4.1. Measure 1 - Investment in physical assets of agricultural holdings

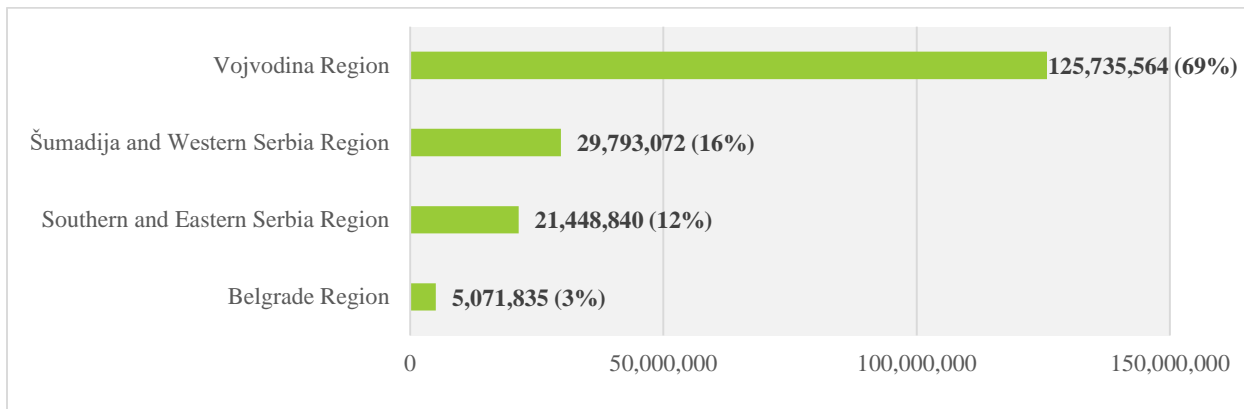
Observed per region, within Measure 1 the Vojvodina Region has the largest share in the total number of submitted applications, as well as in the total amount of requested expenditures for investment. The share of the Vojvodina Region in the total number of applications within Measure 1 is 67.1% (1,052). The Šumadija and Western Serbia Region have a share of 17.7% (278) in the total number of submitted applications, while the Belgrade Region has the lowest share with 3.4% with 53 submitted applications for project approval (Graph 23).

Graph 23: Submitted applications per region, M1 (%)



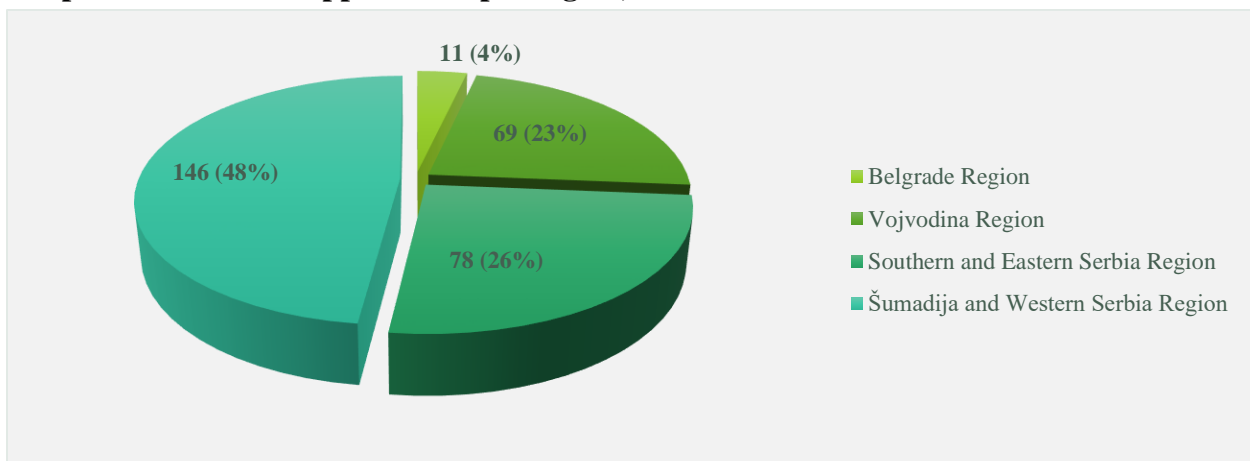
Within Measure 1, the Vojvodina Region has a dominant share in the requested expenditures for investment – 69.1% (EUR 125,735,564), which is about 2.2 higher amount of the requested expenditures for investment compared with the requested expenditures of other regions. The Šumadija and Western Serbia Region achieved a share of 16.4% in the total requested expenditures for investment (EUR 29,793,072).

The Southern and Eastern Serbia Region with the requested expenditures for investment of EUR 21,448,840 have a share of 11.8% in the total requested expenditures for investment, while the Belgrade Region with the requested expenditures of EUR 5,071,835 has a share of 2.8% in the total requested expenditures for Measure 1 (Graph 24).

Graph 24: Requested expenditures for investment per region (EUR), M1

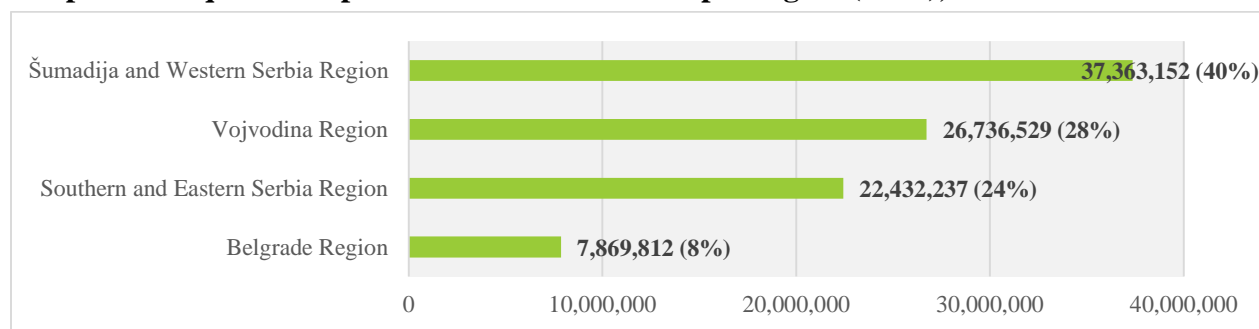
4.2. Measure 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products

Observed per region within Measure 3, the Šumadija and Western Serbia Region has the largest share both in total number of submitted applications (48.0%) and the total amount of requested expenditures for investment of 39.6% (146 applications with requested expenditures of EUR 37,363,152). Compared to Measure 1, where the Vojvodina Region had a dominant share, both in number of submitted applications and in the requested expenditures, within Measure 3 this Region has a share of 22.7% with 69 submitted applications, while in requested expenditures has a share of 28.3% (EUR 26,736,529).

Graph 25: Submitted applications per region, M3

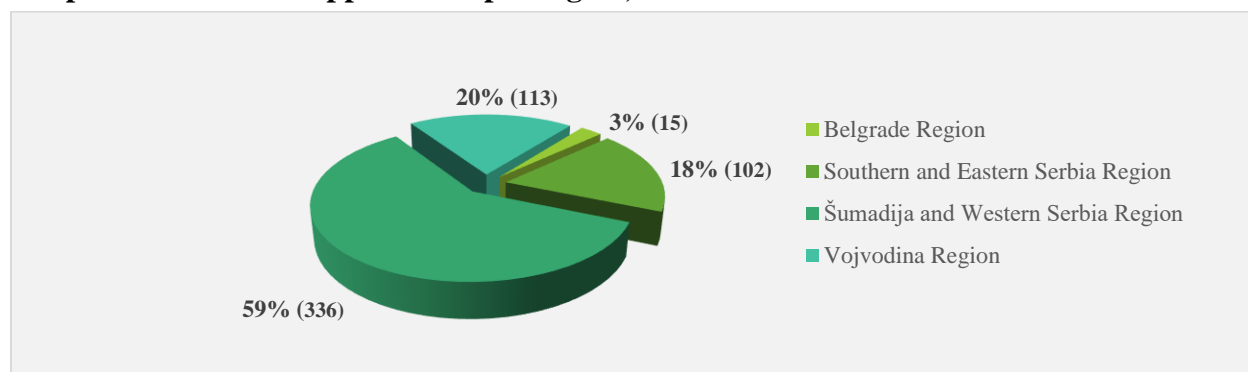
The Southern and Eastern Serbia Region has a share of 25.7% in the total number of submitted applications, while in the total requested expenditures achieves a share of 23.8% (78 applications, i.e. EUR 22,432,237).

The Belgrade Region has the lowest share both in the total number of submitted applications and the total requested expenditures: 3.6% in submitted applications and 8.3% in total requested expenditures (Graphs 25 and 26).

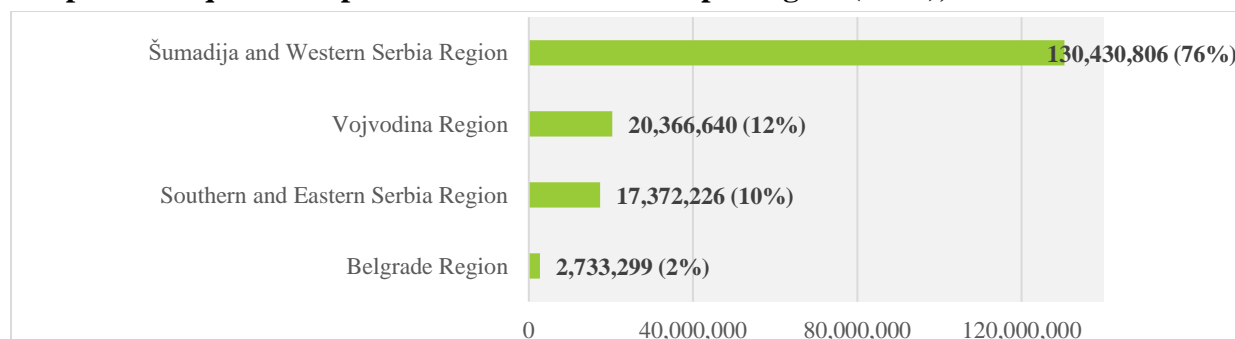
Graph 26: Requested expenditures for investment per region (EUR), M3

4.3. Measure 7 - Farm diversification and business development

Observed per region, within Measure 7, the Šumadija and Western Serbia Region has the highest share in the total number of submitted applications (59.4%) with 336 submitted applications (Graph 27). The Vojvodina Region has a share of 20.0% of the total number of submitted applications, the Southern and Eastern Serbia Region has a share of 18.0%, while the Belgrade Region has the lowest share (2.7%) with 15 submitted applications.

Graph 27: Submitted applications per region, M7

In the total value of requested expenditures for investment within Measure 7, the Šumadija and Western Serbia Region has a dominant share of 76.3% (EUR 130,430,806). The Vojvodina Region has a share of 11.9% in the total requested expenditures (EUR 20,366,640), the Southern and Eastern Serbia Region with requested expenditures of EUR 17,372,226 has a share of 10.2%, while the Belgrade Region with requested expenditures of EUR 2,733,299 has a share of 1.6% in the total requested expenditures for Measure 7 (Graph 28).

Graph 28: Requested expenditures for investment per region (EUR), M7

5. Vulnerable categories and type of recipients of IPARD support

This part of the Report presents results of the implementation of the IPARD II Programme from the aspect of vulnerable categories of IPARD recipients (women and young farmers) and type of recipients (individual farmers, entrepreneur, companies and agricultural cooperatives), until 30th June 2022.

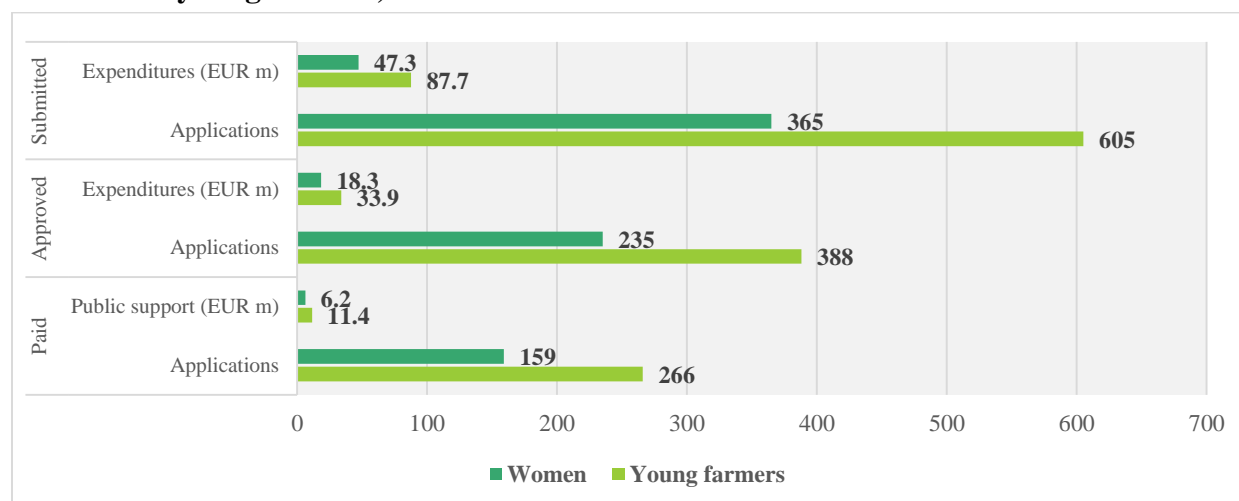
5.1. Vulnerable Categories - Women and Young Farmers

Measure 1

Women – owners of commercial family agricultural holdings submitted a total of 365 applications (16.2%) within Measure 1 with requested expenditures for investment of approx. EUR 47.3 m (13.0% of the total requested expenditures for investment within Measure 1). There were 235 approved applications (64.4% of the total number of applications submitted by women, i.e. 10.4% of the total number of applications submitted within Measure 1) in the amount of approx. EUR 18.3 m (38.7% of the total amount of expenditures for investment requested by women, i.e. 17.1% of the total amount of approved eligible expenditures within Measure 1). In the reporting period, 159 applications were paid in the amount of approx. EUR 6.2 m of public support (23.3% of the total paid public support for Measure 1), where the EU contribution was approx. EUR 4.6 m (Graph 29).

Young farmers submitted a total of 605 applications (26.8%) within Measure 1, with requested expenditures for investment of approx. EUR 87.7 m (24.2% of the total requested expenditures for investment within Measure 1). A total of 388 applications were approved (64.1% of the total number of applications submitted by young farmers, i.e. 17.2% of the total number of applications submitted within Measure 1) in the amount of approx. EUR 33.9 m (38.7% of the total amount of expenditures for investment requested by young farmers, i.e. 31.8% of the total amount of approved eligible expenditures within Measure 1). In the reporting period, 266 applications submitted by young farmers were paid in the amount of approx. EUR 11.4 m of public support (43.0% of the total paid public support for Measure 1), where the EU contribution was approx. EUR 8.5 m (Graph 29).

Graph 29: Submitted, approved and paid applications and expenditures/public support by women and young farmers, M1

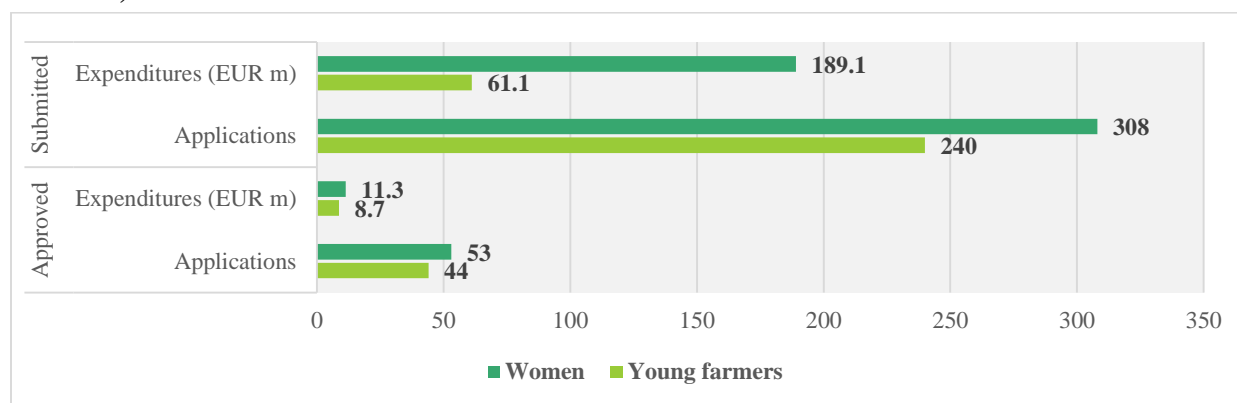


Measure 7

When it comes to Measure 7, **women** submitted a total of 308 applications (51.0%) with requested expenditures for investment of approx. EUR 189.1 m (70.6% of the total requested expenditures for investment within Measure 7). There were 53 approved applications (17.2% of the total number of applications submitted by women, i.e. 8.8% of the total number of applications submitted within Measure 7) in the amount of approx. EUR 11.3 m (6.0% of the total amount of expenditures for investment requested by women, i.e. 49.3% of the total amount of approved eligible expenditures within Measure 7), which is presented in Graph 30.

Under Measure 7, **young farmers** submitted a total of 240 applications (39.7%) with requested expenditures for investment of approx. EUR 61.1 m (22.8% of the total requested expenditures for investment within Measure 7). A total of 44 applications were approved (18.3% of the total number of applications submitted by young farmers, i.e. 7.3% of the total number of applications submitted within Measure 7) in the amount of approx. EUR 8.7 m (14.3% of the total amount of expenditures for investment requested by young farmers, i.e. 38.0% of the total amount of approved eligible expenditures within Measure 7), which is presented in Graph 30.

Graph 30: Submitted and approved applications and expenditures by women and young farmers, M7



5.2. Type of Recipients

Observed per type of recipients, in the total number of submitted applications for Measure 1, Measure 3 and Measure 7, natural persons (individual farmers and entrepreneurs) submitted 1,922 applications and have a share of 76.2% in the total number of submitted applications, while legal entities (companies and agricultural cooperatives) submitted 599 applications and have a share of 23.8% in the total number of submitted applications.

Measure 1

A total of 1,351 applications were submitted by natural persons within Measure 1 (84.2%), while legal entities submitted 253 applications (15.8%). Individual farmers are dominant in the category of natural persons from the point of submitted applications (1,338 applications), while companies are dominant in the category of legal entities with share of 91.7% in the total applications submitted. In regard to approved applications, 707 applications were approved for natural persons, while 85 applications were approved for legal entities. Out of the total number of paid applications, 482 relate to natural persons, where 92.7% of paid applications to natural persons refer to

individual farmers, while 31 paid applications relate to legal entities, out of which 93.5% refers to companies.

In the total requested expenditures for investment within Measure 1, the requested expenditures for investment by natural persons amount to EUR 174.3 m, whereby the requested expenditures for investment by individual farmers achieve a dominant share of 99.2%, while entrepreneurs has a share of 0.8% in the total requested expenditures for investment. The requested expenditures for investment by legal entities amount to EUR 136.0 m, whereby the requested expenditures for investment by companies achieve a dominant share of 94.4%, while agricultural cooperatives have a share of 5.6% in the total requested expenditures for investment by legal entities

In regard to approved eligible expenditures for Measure 1, EUR 63.4 m was approved to natural persons, out of which EUR 62.6 m was approved to individual farmers, while EUR 43.3 m was approved to legal entities, out of which EUR 41.3 m was approved to companies.

Out of the total amount of paid public support within Measure 1, 78.7% (EUR 19.9 m) of paid public support relates to natural persons, while EUR 5.4 m of public support were paid to legal entities: EUR 5.3 m to companies and EUR 55,032 to agricultural cooperatives.

Measure 3

A total of 39 applications (12.5%) were submitted by natural persons within Measure 3, while legal entities submitted 274 applications (87.5%). Companies are dominant in the category of legal entities and have a share of 97.4% in the total number of submitted applications by legal entities. When it comes to the approved applications, 101 applications were approved to legal entities, while 10 applications were approved to entrepreneurs. Out of the total number of paid applications, 46 applications relate to legal entities, while two applications relate to entrepreneurs.

In the total requested expenditures for investment within Measure 3, expenditures requested by natural persons amount to EUR 15.7 m, while expenditures requested by legal entities amount to EUR 176.7 m, where expenditures requested by companies have a dominant share of 98.3%, while agricultural cooperatives have a share of 1.7% in the total amount of expenditures for investment requested by legal entities.

In regard to the approved eligible expenditures for Measure 3, EUR 3.8 m were approved to entrepreneurs, while EUR 61.8 m were approved to legal entities.

Out of the total amount of paid public support within Measure 3, 1.9% (183,845 EUR) of paid public support relate to entrepreneurs, while EUR 9.6 m of public support were paid to legal entities.

Measure 7

Natural persons submitted a total of 532 applications (88.1%) within Measure 7, while legal entities submitted 72 applications (11.9%). Individual farmers are dominant in the category of natural persons from the point of submitted applications (452 applications). In regard to the approved applications, 77 applications were approved to natural persons, while 17 applications were approved to legal entities.

In the total requested expenditures for investment within Measure 7, expenditures requested by natural persons were EUR 241.8 m, where expenditures for investment requested by individual farmers have a dominant share of 88.9%, while entrepreneurs have a share of 11.1% in the total requested expenditures for investment. Expenditures for investment requested by legal entities amount to EUR 26.2 m.

In regard to the approved eligible expenditures within Measure 7, EUR 17.2 m were approved to natural persons, out of which EUR 14.9 m were approved to individual farmers, while EUR 5.8 m were approved to legal entities.

6. Promotional Activities and Visibility

The successful implementation of the IPARD Programme measures and achieving of benefits by potential recipients is in correlation with the quality of submitted projects, the awareness of recipients, as well as involvement of Agricultural Advisory Services and other parties in information chain with the aim to provide support. In the observed period, due to COVID - 19 pandemic, communication and promotional activities were performed in the reduced scope, with an option of online participating.

Promotion of the IPARD II Programme in the first half of 2022 was carried out through 11 information events including one online event for representatives of various interested parties: agricultural cooperatives, farmer's associations, regional development agencies, regional chambers of commerce, local self-government, women's organizations, consultants, etc.

In order to timely inform potential IPARD recipients on eligibility criteria for IPARD support, necessary documentation and national standards, continuous communication and information was provided. Furthermore, it should be considered the IPARD e-mail address for questions ipard.info@minpolj.gov.rs on actual public calls on Measure 1, Measure 3 and Measure 7, as one as communication channel, where in the reporting period 541 response was prepared and delivered to all interested parties. During the mentioned period, it is registered 1,200 calls on IPARD measures through telephone line, which is an average of seven phone calls per day. The frequency of phone calls depended on the number of published calls and media activities. In the period of the publishing of the Seventh Call for Measure 1 for the purchase of tractors, the number of telephone calls was approximately 30 per day. The number of visits to the webpages in the observed period was approximately 75,000, which is 12,500 visits per month.

In order to increase the visibility of results of IPARD II Programme implementation and preparation for the implementation of the IPARD III Programme, the conference "IPARD Programme - Be informed" was held within the 89th International Agricultural Fair in Novi Sad. Representatives of the IPARD Managing Authority and IPARD Agency presented the results so far and shared with interested audience information on how to best use the measures of the European Union support, as well as what new IPARD Programme brings in the next programming period. The recipients of IPARD support under Measure 1, Measure 3 and Measure 7 presented their own experiences in the realization of IPARD projects.

The Guides for Applicants/(Potential) recipients for IPARD Measures 1, 3 and 7 are published on the webpages of the MAFWM and the DAP (<http://www.minpolj.gov.rs/ipard-program-2014-2020/> and <http://uap.gov.rs/ipard-ii-u-srbiji/>). These webpages contain all relevant information for applicants and (potential) recipients.

Bi-monthly newsletter "IPARD in focus", initiated in 2019, has three publications in the reporting period and are regularly disseminated to more than 2,000 e-mail addresses. For the newest information on events, announcements, calls and rules regarding the implementation of the IPARD II Programme and preparation of the IPARD III Programme in Serbia, Instagram (@ipardnadlanu) and Facebook (IPARD na dlanu), IPARD MA accounts have been created for the general public and (potential) recipients.

Agricultural Advisory Services, as the main partner in the activities related to the IPARD II Programme, as well as in direct work with potential and IPARD recipients, were continuously trained since 2016, through various modules of IPARD Programme related topics foreseen in their annual programmes.

Although, in the reporting period for Agriculture Advisory Services, modules on topics related to the IPARD Programme are not planned, they will be organized at the end of the 3rd and the beginning of the 4th quarter of the current year.

As a part of their annual programme of activities, during the reporting period, the advisors informed potential recipients about the IPARD Programme through winter schools, forums, workshops, media and newsletters.

Registration for attending 50 hours of training for recipients of IPARD support in the appropriate sector is enabled through webpage of the Institute for Science Application in Agriculture (<https://www.psss.rs/licenciranje/ipard-50h.html>). In the observed period, seven attendants have successfully completed training “IPARD 50 hours” and received the final certificate with a total of 317 lesson fund.

Activities of AAS in Central Serbia and in AP Vojvodina are presented in the Table 1.

Table 1: Activities of AAS in the period 1.01 – 30.06.2022.

Information tool	AAS Central Serbia		AAS AP of Vojvodina	
	No. of events held	No. of participants	No. of events held	No. of participants
Events (winter schools, forums, lectures, workshops)	102	1,658	38	592
Media (local TV, radio, newspapers, Youtube, DVD ¹)	37	/	8	33
Bulletin/Portal of Advisory Services	13	/	3	/

Individual work - during the observed period, ASS agricultural advisors prepared business plans for IPARD measures for nine agricultural holdings. Also, AAS AP Vojvodina advisors had 40 assistances on agricultural holdings.

¹ Due to epidemiological measures and recommendations of the Government of the Republic of Serbia, the advisors reduced number of lectures and forums held. For these reasons, the planned lectures and workshops were presented via Youtube channels and DVDs.

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