



**AGENCY FOR FINANCIAL SUPPORT OF
AGRICULTURE AND RURAL DEVELOPMENT**



Skopje, March 14, 2012

Agency for Financial Support of Agriculture and Rural Development (AFSARD)

Maja Brajovik
Head of Sector for Internal Audit



**Agency for Financial Support in
Agriculture and Rural Development**

Skopje, March 14, 2012

**Macedonian Paying Agency (AFSARD) is established in July
2007**

Started with preparation for accreditation and implementation of
national schemes immediately.

Parallel implementing:

Program for financial support of agriculture-direct payments

National program for financial support of rural development

IPARD Program 2007-2013

In total for 2012 around 130 mil EUR (national schemes) and 52
mil EUR IPARD funds available.



Skopje, March 14, 2012

Conferral of management rights was obtained in December 2009
(almost two and a half years of preparation, a time consuming process without clear guidelines for accreditation)

Time table of activities for accreditation :

- | | | |
|----|--|----------------|
| 1. | First outline of the RDP: | May 2007 |
| 2. | Approval of the final RDP by the EC: | September 2008 |
| 3. | Pre-accreditation review + National accreditation : | March 2009 |
| 4. | Review of accreditation package + audit mission by the EC + Follow up: | October 2009 |
| 5. | Internal Commission procedure + Conferral Decision by the College | December 2009 |



**AGENCY FOR FINANCIAL SUPPORT OF
AGRICULTURE AND RURAL DEVELOPMENT**



AFSARD-IPARD Agency is accredited for the following measures:

Measure 101 Investments agriculture holdings to restructure and upgrade to Community standards

Measure 103 Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards

Measure 302 Diversification and development of rural economic activities

On going preparation for accreditation of Measure 501 Technical assistance



AGENCY FOR FINANCIAL SUPPORT OF
AGRICULTURE AND RURAL DEVELOPMENT



Skopje, March 14, 2012

Till now 5 Public Calls for submitting an Applications for using a funds from IPARD Program 2007-2013 were published

4 Public Calls are completed and 125 contract were signed :

-Contracted cca 14 mil EUR, public co financing around 7 mil EUR

Paid 1,5 mil EUR – 1,12 EUR European part which represents 2% of the available funds for the period of 2007-2011

Risk of de-commitments in 2012



AGENCY FOR FINANCIAL SUPPORT OF AGRICULTURE AND RURAL DEVELOPMENT



Skopje, March 14, 2012



Main purpose of the Instrument for pre-accession assistance IPA in the area of Rural Development is to prepare the national agriculture sector for future accession to common European market through alignment with European Law (approved budget represents an award – the carrot on the top of the stick)

The main problem on the side of implementation of IPARD Program is the degree of harmonization of national legislation with the European, especially in the field of sound financial management.



**AGENCY FOR FINANCIAL SUPPORT OF
AGRICULTURE AND RURAL DEVELOPMENT**



Skopje, March 14, 2012



Rules of sound financial management are very strict and demanding

Different types of data bases must be created (Referent price data base, data base of suppliers, consultants)

At the beginning of implementation it seemed that there was no clear definition of conflict of interest, i.e. relationship between applicants and suppliers

The rules of sound financial management is an area which must be promptly incorporated into the national legislation, which will provide timely and adequate application of the same rules



AGENCY FOR FINANCIAL SUPPORT OF
AGRICULTURE AND RURAL DEVELOPMENT



Skopje, March 14, 2012

Other problems during the implementation phase – **Technical Bodies**

Implementation of IPARD Program means in general building a completely new system based on European rules and standards.

All problems in the functioning of the system, the reluctance of Technical Bodies, and inadequate regulation reflects the work of the Agency. Inability to confirm the criteria and standards of the IPARD Program leads towards a reduced payment of funds, i.e. lower absorption





AGENCY FOR FINANCIAL SUPPORT OF AGRICULTURE AND RURAL DEVELOPMENT



Skopje, March 14, 2012



Staffing of the Agency - appropriate mix of skills and knowledge that is difficult to be achieved, especially in the public sector

Agency can't compete with private sector (budget constraints- low salaries) and even with public sector due to great overburden – large workload



IPARD post 2013

1. Obtained accreditations to remain valid
2. Simplifying the process of getting the conferral of management rights and shortening the procedure
3. Clear guidelines for accreditation including rules of sound financial management
4. To increase the scope of measures and to expand the number of expenditures in List of eligible expenditures
5. Greater flexibility in the process of the modification of the Program and written working procedures
6. The change that the n+3 rule will no longer be applicable, is a welcome change for the candidate countries.
7. To provide sufficient resources for functioning of IPARD Agency



**AGENCY FOR FINANCIAL SUPPORT OF
AGRICULTURE AND RURAL DEVELOPMENT**



Skopje, March 14, 2012



THANK YOU FOR THE ATTENTION