

# IPARD 04

## IN FOCUS

No. 4 - APR/MAY 2020

Monthly news about IPARD in Serbia



Ministry of Agriculture, Forestry  
and Water Management, Serbia



**IPARD**  
EU4Rural Areas

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# **Implementation of the IPARD II Programme: new challenges and activities**

In the light of the coronavirus pandemic and its impact on agriculture and rural development, the Regional Rural Development Standing Working Group in South Eastern Europe (SWG/RRD) has organized a video conference in early May for Heads of Managing Authorities and Directors of the IPARD Agencies of Northern Macedonia, Montenegro, Turkey, Albania and the Republic of Serbia, as well as representatives of the European Commission.

The main topics of the video conference were the progress in the implementation of the IPARD II Programme and introduction of measures for minimizing the negative consequences of the coronavirus pandemic on the implementation of the IPARD II Programme, and the guidelines for programming of the IPARD III Programme for the period 2021-2027 were presented.



The negative impact of the pandemic on the implementation of the IPARD II Programme was reflected in the extension of deadlines for submitting applications within open calls, as well as changing the deadlines for the realization of approved investments. During the state of emergency, the Government of the Republic of Serbia adopted some of European Commission's recommendations, while part of the recommendations was rejected, considering that their introduction, due to the complexity of the procedure, would slow down the application processing even more, so the expected positive results would not be reached.

The European Commission presented the guidelines for the next programming period (2021-2027) to the Managing Authority and announced that there would not be major changes in programming, as well as that an increase in the overall budget for IPA III assistance is expected.

**AN INCREASE IN THE  
OVERALL IPA III  
BUDGET IS EXPECTED**

All countries that are using IPARD support of the European union, were recommended to start updating and drafting new sectoral analyses in order to develop the IPARD III Programme. that the Republic of Serbia has already completed in January this year. After consultations with relevant stakeholders and ongoing evaluation of the IPARD II Programme, the preparation of the First Draft of the IPARD III Programme has started and finalization is expected in the spring of 2021. It is planned to submit the final version of the IPARD III Programme to the European Commission for adoption in early September 2021.

## **First Annual Report on Implementation of the IPARD II Programme has been prepared**



The Managing Authority regularly reports on the implementation of the IPARD II Programme to the European Commission, the Managing Structure, relevant institutions and stakeholders. One of the prescribed reporting methods is the preparation of an annual implementation report of the IPARD II Programme. In the previous period, the Managing Authority prepared the first Annual Implementation Report of the IPARD II Programme, which included the achieved results and goals from the beginning of the Programme implementation until the end of 2019.

Due to the coronavirus pandemic, the IPARD II Monitoring Committee session is postponed and the members will give their approval to the Annual Report in written form, before it is submitted to the European Commission. The results of the Report will be presented at the next IPARD II Monitoring Committee session.

## **Greater involvement of agricultural advisors in the IPARD Programme support**

In order to increase the AAS involvement in supporting the implementation of the IPARD II Programme, the Managing Authority has developed a new educational and advisory module that will be implemented in 2020.

The first training was held at the end of April for over 80 advisors from Central Serbia and Vojvodina. The focus of the training was to present the basics of IPARD Measure 7, as well as materials for the implementation of the advisory module.

This material, prepared in the form of a questionnaire/checklist, will serve as a tool to advisors for identifying potential recipients and providing support in preparation for submitting applications for project approval.



## Welcoming the First Public Call for Measure 7

IPARD Measure 7 aims to encourage non-agricultural activities in countryside and it was entrusted at the end of March 2020. Focus of this measure in the IPARD II Programme is development of rural tourism, as the catering-tourism activity is recognized as an activity with great potential in Serbia.

The Rulebook on IPARD subsidies for farm diversification and business development was adopted at the end of May this year. This Rulebook specifies the recipients, conditions and documentation required to be eligible for IPARD subsidies. The Rulebook can be found [here](#).

The good news is that the First Public Call for IPARD Measure 7 has been announced on 8th June. Applications for project approval can be submitted from 1st July to 1st October 2020, which gives enough time to prepare the necessary documentation and to submit applications timely. Allocated amount is higher than previously planned for this call and the recipients of IPARD Measure 7 have at disposal EUR 20 million of public support (approx. RSD 2.3 billion).

**THE FIRST PUBLIC CALL FOR IPARD MEASURE 7 HAS BEEN PUBLISHED**

**EUR 20 MILLION AT DISPOSAL**

**SUBMISSION OF APPLICATIONS FROM 1<sup>ST</sup> JULY TO 1<sup>ST</sup> OCTOBER**

**65%****FROM EUR 5,000  
TO EUR 300,000**

Caterers aiming to improve their tourist offer or to start with this activity in rural areas of Serbia, will be able to receive support under IPARD Measure 7. Eligible recipients for this measure are natural persons, entrepreneurs and micro and small enterprises.

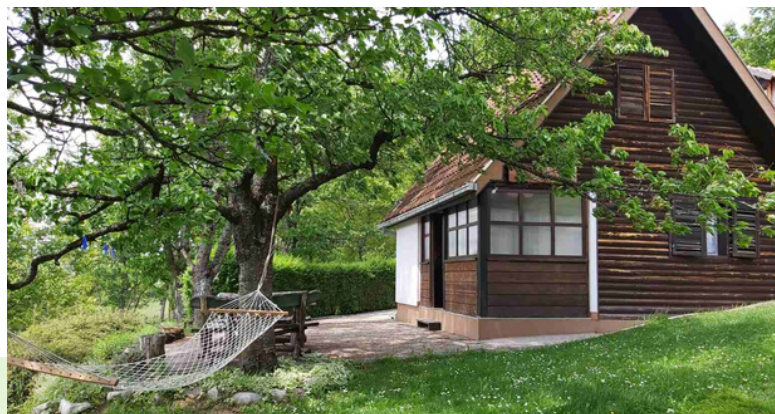
For one project, which can consist of several different investments, the recipients of IPARD Measure 7 may be supported up to 65% of the amount of investment from IPARD fund, and receive between EUR 5,000 and EUR 300,000 per project. Eligible investments are diverse and include construction and reconstruction of accommodation facilities, landscaping, construction of courts for recreation activities, rooms for gustation and selling of food and beverages, procurement of bicycles, development of a website to display the tourist offer, procurement of equipment for energy production from renewable sources, etc.

Guide for recipients of IPARD Measure 7, in electronic and printed form, is in the process of making. This Guide will show to the recipients, in an understandable way, the steps they need to take towards the IPARD subsidies for Measure 7 and enable them to prepare better for the submission of applications.

Also, in several terms in the coming period, the workshops on which all stakeholders will be able to get answers from the Managing Authority, IPARD Agency and touristic inspection, in the premises of the Managing Authority will be organized.

**Do you have a question  
regarding the Measure 7?  
Contact us on:**

**[ipard.info@minpolj.gov.rs](mailto:ipard.info@minpolj.gov.rs)**



## Overview of the most common questions and answers for IPARD Measure 7

**Does the place of the recipient's residence/seat have to be in rural area in order to be eligible?**

No, the place of the recipient's residence/seat doesn't have to be in rural area, but he/she can have a residence in any part of the territory of the region of Belgrade, Vojvodina, Šumadija and Western Serbia or Sothern and Eastern Serbia. No matter the residence/seat of recipient, the place of investment must be in rural area.

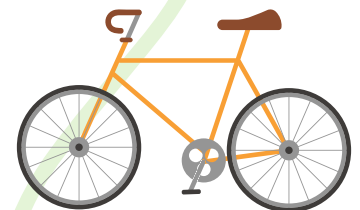


**Does the applicant have to be in the Register of agricultural holdings?**

Yes, the recipient shall be registered in the Register of agricultural holdings as the holder of a holding.

**Does the natural person have to be registered as a legal entity at the end of the investment in order to be paid IPARD funds?**

No, the natural person who submits the application for project approval remains a natural person at the end and he/she is not obliged to register as legal entity. This is enabled by the newest amendment to the Law on Hospitality.



**Does the applicant have to be already engaged in tourism in order to apply?**

No, the applicant does not have to be, but may be, already engaged in providing service of accommodation in catering facility.



### **Does the support for construction or equipping the restaurants as catering facility can be obtained?**

Under IPARD Measure 7, in the sector of rural tourism, only the construction and equipping of catering facility for accommodation and accompanying objects are eligible.



### **Is it possible to invest only in a rural tourism household or it is possible to invest in other types of catering facilities for accommodation also?**

With the IPARD Measure 7 support, it is possible to invest in any type of catering facility for accommodation which is categorized and it is not necessary to have a rural tourism household. Also, it should be kept in mind that there is a limit of the number of beds, where the recipient can have a maximum of 30 individual beds in all categorized catering facilities on the territory of the Republic of Serbia.



## **IPARD supports young farmers**

The latest data from the SORS indicate that the average age of household holders in the Republic of Serbia is 61 year and that every 14th holder is younger than 40, which implies that the agricultural sector of the Republic of Serbia is characterized by a unfavourable age structure of agricultural holders.

In order to keep young people in the countryside, through the IPARD II Programme, special attention is paid to young people up to 40 years old, who can apply for IPARD subsidies under Measure 1, Measure 3, and, for the first time, under Measure 7.

In order to improve their agricultural production, young farmers can apply for various types of investments under Measure 1, related to the procurement of physical assets of agricultural holdings in the sectors of milk, meat, eggs, grapes, fruits and vegetables and other crops production.

For example, young farmer can apply in the Fruit and Vegetable Sector and receive support for raising orchards, which includes the purchase of planting material, land preparation, procurement of irrigation systems, procurement of anti-hail nets, as well as procurement of mechanization. At a later stage, after raising the orchards, young farmer can apply, for example, for the construction of a cold fruit storage.



Under Measure 1, beside support in the amount of 60%, young farmers receive an additional 5% support. Also, they acquire an advantage when scoring and ranking projects, which is very important in cases where the value of the submitted applications is higher than the value of the allocated funds for that Public Call.

Under Measure 3, which relates to support for investments in processing capacities, young farmers who are registered as entrepreneurs or are owners of companies, can receive support in the amount of 50% for investments in the field of milk, meat, fruits and vegetables and eggs processing, as well as in the wine production sector.

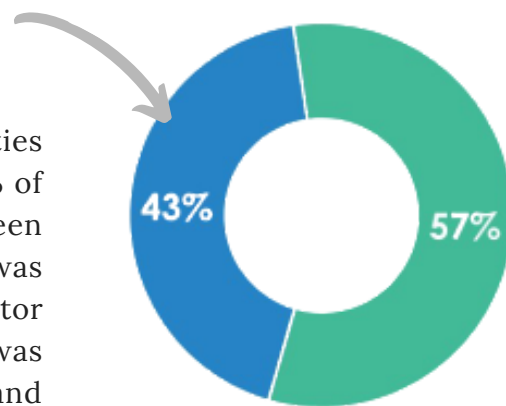


Through the newly entrusted Measure 7, which provides support for the development of rural tourism, young farmers have support for a wide range of investments - from construction, reconstruction and equipping of accommodation facilities, through the procurement of recreation equipment and playgrounds for children to equipment for energy production from renewable sources. In this measure, as well in Measure 1, young people acquire additional points for applications ranking, and, if they are registered as entrepreneurs, they can acquire additional points if their project involves employment. This enables them to be better positioned on the ranking list and eligible for IPARD support.



## Share of young farmers in IPARD II Programme

Young people have recognized their chances and opportunities through the IPARD II Programme, shown by the data that 43% of the total number of applications for project approval have been submitted by young farmers so far. The greatest interest was expressed in investments in the procurement of a new tractor (Measure 1). In the previous period, over EUR 7.8 million was approved to young farmers for the realization of investments and EUR 2.9 million was paid.



### Example of a good project: Procurement of mechanization

A young farmer, Veljko Katanić (23) from the Bačka District, is a recipient of IPARD subsidies. With around EUR 60.000 of IPARD support, under the First Public Call within Measure 1, he procured a new seeder, sprinkler, navigation, reversible plow and mineral fertilizer spreader, which has helped him to further improve and continue the family tradition of agricultural production.

As members of the IPARD II Monitoring Committee, representatives of young people have opportunity to launch ideas and initiatives timely and to participate actively in all decisions related to improving of the IPARD II Programme implementation in the Republic of Serbia.

The Managing Authority is actively working to support the development of rural infrastructure, to diversify income in rural areas and to develop various activities in the next IPARD III programming period. All these measures are aimed at creating better and more attractive living conditions in the countryside, which is certainly a precondition for staying of young people and their business development.

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