



Munich Personal RePEc Archive

IPARD in Macedonia, a Chance for Farmers and private Consultants

Kovachev, Goran

Macedonian Bank for Development Promotion

7 February 2014

Online at <https://mpra.ub.uni-muenchen.de/53648/>

MPRA Paper No. 53648, posted 16 Feb 2014 01:25 UTC

IPARD IN MACEDONIA –

A CHANCE FOR FARMERS AND PRIVATE CONSULTANTS

Goran Kovachev, PhD

Independent Credit Officer

Macedonian Bank for Development Promotion - Skopje, Macedonia

goran.kovachev@gmail.com

Abstract

European perspective of Macedonian agriculture and rural development became viable on 17th of December 2005, with Macedonia gaining candidate status for European Union (EU) membership. The new outlook allowed the Country access to the Union's Instrument for Pre-Accession Assistance in Rural Development (IPARD). This Instrument is a major chance for Macedonian farmers and private consultants to understand how EU agriculture and rural development works.

Key words: IPARD, Macedonian agriculture, EU, farmers, private consultants.

JEL Codes: G23, H81, Q14

European perspective of Macedonian agriculture and rural development became viable on 17th of December 2005, with Macedonia gaining candidate status for European Union (EU) membership. The new outlook allowed the Country access to the Union's Instrument for Pre-Accession Assistance in Rural Development (IPARD). The objective of IPARD is two-fold:

- a. to provide assistance for the implementation of the *acquis communautaire* concerning the Common Agricultural Policy (CAP) and
- b. to contribute to the sustainable adaptation of the agricultural sector and rural areas in the candidate country.¹

The main general objective of the Macedonia's IPARD Programme is thus to: "Improve the competitiveness of agricultural holdings and the food industry developing them to comply with Community standards, while ensuring sustainable environmental and socio-economic development of rural areas through increased economic activities and employment opportunities." This shall be achieved through following specific objectives of the Programme:

- a. Improving the technological and market infrastructure of commercial agricultural holdings and food processing industry aimed at increased added value of agri-food products and achieved compliance with EU quality, health, food safety and environmental standards and
- b. Improved quality of life of rural population, increased income and creation of new employment opportunities.²

IPARD operation is a co-financing partnership activity equally disbursed between public and private funds. EU through European Fund for Agriculture and Rural Development (EAFRD) participates with 75% in the public funds and Macedonia through Agency for Financial Support in Agriculture and Rural Development (AFSARD) with 25%, creating thereby the first half of the investment. The other half i.e. the private funds are means of the private investors.

According to the Multi-annual Indicative Financial Framework (MIF), EU provided amount of €85.7 million for 2007-2013 allocated into 3 priority axes:

1. Improving market efficiency and implementation of EU standards;
2. Preparatory actions for implementation of measures for protection of agricultural environment (Leader +) and
3. Development of rural economy. The funds can be accumulated and spent in n+3 years of time, where n is the year of approval.

Within these three priority axes, three measures are accredited so far:

- measure 101 - Investments in agricultural holdings to restructure and to upgrade to EU standards;
- measure 103 - Investments in processing and marketing of agricultural and fishery products to restructure and upgrade to EU standards and
- measure 302 - Diversification and development of rural economic activities.

IPARD is the only component of the Instrument for Pre-Accession Assistance directed mainly towards private non-governmental sector. This makes IPARD extremely important for the farmers, private advisors and the national economy in general. Advisory service is the link that connects farmers, companies and entrepreneurs from rural areas and IPARD creating therefore preconditions for market-oriented partnership. Private consultants are encouraged to write investment programmes and business plans for IPARD supported investments and to follow their partners in success or failure. Involvement of private advisory services is of great importance for both farmers and companies. The process of gathering documentation and money claim is often too complicate and requires support from professionals. Although, part of the public administration do not welcome the activities of private consulting enterprises, they

constantly strive to promote IPARD programme to potential beneficiaries and to get close farmers and agro-processors to IPARD.

The mutual cooperation between all stakeholders in the Programme is a key element in improving Macedonia's agriculture and rural development and preparing it for the enlargement and new CAP 2014-2020. As EU Commissioner for Agriculture and Rural Development Dacian Cioloş says: *“For the European agricultural sector, enlargement brings new challenges and increased competition for existing members and new Member States alike. However, it also offers huge new opportunities: more trade, a wider choice of products, better quality and food safety and stronger rural communities. Enlargement in agriculture and rural development can be managed so that both sides end up as winners.”*³

Endnotes:

¹ <http://ec.europa.eu/agriculture/enlargement/assistance/ipard/>

² Republic of Macedonia, Operational Programme under the EU Instrument for Pre-Accession for Rural Development (IPARD), National Plan for Agriculture and Rural Development 2007-2013, Skopje, 2007, p. 16

³ http://ec.europa.eu/agriculture/enlargement/publications/brochure-2012_en.pdf