# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIS</td>
<td>Agriculture Information System</td>
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<tr>
<td>AFSARD</td>
<td>Agency for Financial Support of Agriculture and Rural Development</td>
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<tr>
<td>BC</td>
<td>Beneficiary Country</td>
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<tr>
<td>CFCD</td>
<td>Central Financing and Contracting Department</td>
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<tr>
<td>CV</td>
<td>Curriculum Vitae</td>
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<tr>
<td>DG-AGRI</td>
<td>Directorate-General for Agriculture and Rural Development</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>EUD</td>
<td>Delegation of the European Union</td>
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<td>EUR</td>
<td>Euro</td>
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<tr>
<td>FADN</td>
<td>Farm Accountancy Data Network</td>
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<td>FMS</td>
<td>Farm Monitoring System</td>
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<td>FR</td>
<td>Farm Register</td>
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<td>FSS</td>
<td>Farm Structure Survey</td>
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<td>IACS</td>
<td>Integrated Administration and Control System</td>
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<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>IPA</td>
<td>Instrument for Pre-accession Assistance</td>
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<td>IPA TAIB</td>
<td>Instrument for Pre-accession Assistance Transition Assistance and Institution Building</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>LPIS</td>
<td>Land Parcel Identification System</td>
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<td>MAFWE</td>
<td>Ministry of Agriculture, Forestry and Water Economy</td>
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<td>MS</td>
<td>Member State</td>
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<td>NEA</td>
<td>National Extension Agency</td>
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<td>NPAA</td>
<td>National Programme for the Adoption of the EU acquis</td>
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<td>PAO</td>
<td>Programme Authorising Officer</td>
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<td>PL</td>
<td>Project Leader</td>
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<td>PSC</td>
<td>Project Steering Committee</td>
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<td>RICA</td>
<td>Réseau d'Information Comptable Agricol</td>
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<td>RTA</td>
<td>Resident Twinning Advisor</td>
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<td>SAA</td>
<td>Stabilization and Association Agreement</td>
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<td>SC</td>
<td>Steering Committee</td>
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<td>SO</td>
<td>Standard Output</td>
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<td>SPO</td>
<td>Senior Programme Officer</td>
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<td>SSO</td>
<td>State Statistical Office</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>WB</td>
<td>World Bank</td>
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STANDARD TWINNING PROJECT FICHE

1. Basic information

1.1 Publication reference: EuropeAid/ 138-680/IH/ACT/MK

1.2 Programme: Instrument for Pre-accession Assistance (IPA) - National Programme for 2013 under the IPA Transition Assistance and Institution Building Component (IPA TAIB); (Indirect management mode); Financing Decision 2013/024-109

1.3 Twining Number: MK 13 IPA AG 01 17

1.4 Title: Finalization of the Farm Accountancy Data Network (FADN)

1.5 Sector: (Agriculture and Rural Development)

1.6 Beneficiary country: The Beneficiary country (BC)\(^1\)

2. Objectives

2.1 Overall Objective

The overall objective of the project is to contribute for further upgrading of the Farm Accountancy Data Network (FADN) system according to the new EU Regulation for FADN and further improving the system of data quality check.

2.2 Project purpose

The purpose of the project is to strengthen the capacity of the FADN Unit within the Ministry of Agriculture, Forestry and Water Economy (MAFWE) and National Extension Agency collectors (NEA) in order to improve compliance with EU Regulation for FADN system with a focus on Farm Return, Standard Results, quality system and using the FADN data.

2.3 Contribution to National Development Plan/Cooperation Agreement/Association Agreement/Action Plan

The project will contribute towards the implementation of the Stabilization and Association Agreement (SAA) Articles 1 and Article 68 on approximation of legislation to that of the EU, and Article 100 (Agriculture, and the agro-industrial sector) on modernization and restructuring of agriculture, the agro-industrial sector and rural development.

The project will contribute to address the following Accession Partnership 2008 short term priority in Chapter 11“Agro and rural development”: "Ensure collection and processing of sound and reliable agricultural data.” In addition, the project will reflect on the medium-term priority: "to upgrade the capacity of the agricultural administration and complete preparations for enforcement and practical application of the management mechanisms of the common agricultural policy”. These priorities have been accordingly translated into the National Programme for the Adoption of the Acquis (NPPA) 2015.

Following the EC Progress Report 2015, the project will contribute to the efforts needed to use Farm Accountancy Data Network.

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\(^1\) As per Financing Agreement concerning the National Programme Transition Assistance and Institution Building – TAIB 2013 from the Instrument for Pre-Accession Assistance under the Transition Assistance and Institution Building Component –entered into force on 19 December 2014.
Finally, the project directly links to the following key strategies and action plans in the sector:


3 Description

3.1 Background and justification

Institutional set-up

The FADN institutional set-up is organized under the competences of the following institutions: the Ministry of Agriculture, Forestry and Water Economy (MAFWE), National Committee for FADN, FADN Unit in the MAFWE in capacity of Liaison Agency, State Statistical Office (SSO), National Extension Agency (NEA) and farms. In accountancy year 2011, 600 farms are included in the FADN system. Institutional framework organigram is presented in Annex 2.

The FADN system is the only data basis in the country that provides economic and financial data on the farm level. The accountancy data collected from the farms are widely used in identification of annual income of the farms, economic analysis and evaluation of the condition in the agriculture that are needed for creating of national agricultural policy. FADN data are used by MAFWE for the purpose of determining of the annual income of farms and economic analysis of farms as well as for evaluation of the conditions in agriculture and agricultural product markets.

National Committee for FADN has been established via Government Decision in 2009. The National Committee is composed of ten members (MAFWE, Ministry of Finance, FADN Unit, Faculty of Agriculture Science and Food, SSO, NEA, Farmers organizations, and Economic Chamber). The National Committee for FADN is advisory body which gives opinions to MAFWE regarding the collection, processing and usage of the accounting data from the farms. In particular it gives opinion about the selection plan of representative farms, about the report of selected representative farms and on the data collection process.

Tasks of Liaison Agency have been executed by the FADN Unit at MAFWE. There are 3 persons employed in the FADN Unit.

The role of SSO is preparation plan for selection of representative farms (in tables) upon Liaison Agency request, based on the data from the Agriculture Census updated with regular Farm Structure Survey (FSS) and respectively calculated Standard Output (SO) Coefficients. An farm can be a part of the network, if the same meets the following conditions: must be market oriented and have the minimal determined economic size, must present a representative sample on a regional and state level and the farm holder must keep accounting records or to be fit to start keeping accounting records and to make them available for the needs of the network. No payment is done to the farms for provision of farm accounting data.

The collection of farm accounting data is done by NEA. Data collection is based on prior agreements/statements between NEA and the agriculture holdings for collection of accounting data for the FADN purposes. Participating holdings in the FADN system do not receive financial payments. First collection of data started in 2010, with collecting, processing and controlling of FADN data from representative sample of 300 farms defined according to economic size and type of production. Since 2011 the survey sample is expanded to 600 agricultural holdings.

Consequently, the capacities of the existing FADN system and institutional framework should be assessed and methodological improvements for all phases of the FADN system should be suggested.

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2 Official Gazette No. 143/09
**Legislation**

The FADN system is established and functioning in accordance to the “Law on establishing of network for collection of farm accounting data” (Official Gazette No. 110/07 and amendments in Official Gazette No. 53/11).

Current Law on FADN is based on the EU Regulations for FADN, Council Regulation No 79/65/EEC (amended by Council Regulation (EC) No 1217/2009) and Commission Regulation 868/08 (Farm Return), Commission Regulation 1242/08 (Farm Typology) and Commission Regulation 1291/09 (Selection of holdings). It should be taken into account that the newly enforced EU legislation for FADN system (applied from 2014 accounting year) needs to be implemented in national FADN system. The national FADN system (legislation, methodology, software) is still not updated according to the changes in the farm return regulation which is implemented in all MS from 1st of January 2014.

The basic Law for FADN has been substantiated by implementing rules “Rulebook on the scope and manner of collecting accountancy data from agricultural holdings, as well as the content of the farm return” (Official Gazette No. 173/11).

The Farm Return Methodology and its procedures are prepared in accordance with “Commission Regulation (EC) No 868/2008 of 3 September 2008 on the farm return to be used for determining the incomes of agricultural holdings and analysing the business operation of such holdings”. The FADN data are regularly checked against EU quality requirements by European FADN RICA/1 system. The first tested data set was the FADN data set for 2011. In 2012, FADN Unit received training password for RICA/1 testing system. RICA/1testing encountered many errors in the FADN data sets in the last four years (systems and technical errors). Approximately 190 errors were encountered in the sample for accounting year 2014. According to the selection plan for 2014 there were 600 agricultural holdings included in the FADN system.

**Justification**

The main challenges of the national FADN system are connected with the consolidation of the organisation of FADN system in all phases of functioning and the working procedures, especially:

- Development of new software for FADN;
- Further upgrading of the FADN system according to the new EU farm return changes and implementation the new farm return changes;
- Further improving the system of data quality check by upgrading the existing system of test and establishment of new advanced tests for quality control of data in the FADN;
- Further improving using the FADN data and preparing reports for stakeholders.

It is of outmost importance to have fully implemented and functional FADN system with representative sample of agricultural holdings. Representative sample for full (maximum) FADN survey is estimated at 1200 agricultural holdings. Due to low capacities, there was no possibility of upscaling the sample in the last few years. It is planned to progressively increase the size of pilot sample to around 700 agricultural holdings in 2017. Representativeness of the sample needs to be further assessed against the EU requirements. Moreover, SSO staff involved in preparation of the sample and sampling plan needs to be trained for new methodologies. Revisions of the sample and sampling plan should be introduced in the 2018 FADN survey.

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Anticipating the changes in the EU farm return regulation which is implemented as from 1st of January 2014, the implementation of new farm return methodology in accordance to the new EU Regulation is of essence. The process of collecting data from selected agricultural holdings for FADN purposes and properly entering of the necessary changes from the new farm return regulation in the FADN software has significant impact on obtaining proper data quality. The other very important element of the FADN is the validation system. Data collected for FADN purposes have to be checked in order to obtain reliable data as well as to meet the quality requirements of European FADN (RICA system). Before FADN Farm Return is send to RICA they have to be very carefully tested on the level on data processing by NEA and on the level of FADN Liaison Agency. Therefore, of particular importance is technical support for improving the system of data quality check by improving the existing testing procedures and introducing new tests which will be incorporated in FADN software in adequate needed format.

Technical resources (IT solutions) for undertaking the surveys are available through the Farm Monitoring System at NEA. However storage of collected data, processing, tools for quality control and reporting need to be supported. Improvements are also needed for application of revised methods and enlargement of the sample. Upgrading of the current IT system (database, processing tools for data collected and reporting tools) is in process: technical specification is prepared (financed through the IPA 2011 AIS Project) and development of the IT system is proposed for financing through the IPA 2012 project which started in November, 2016. This new IT-software would enable continuous, on-line input of FADN data directly by NEA in the new developed software which would enhance quality of collected data. The results of this project should contribute in the design of the FADN software and its respective tools.

So far, use of FADN data has been solely for the purpose of agriculture policy decision making at MAFWE. Referring to this, in terms of FADN issues, the on-going IPA 2011 AIS Project is concentrated on improving the quality of the current FADN data set. In April 2016 first set of FADN Standard Results for accountancy year 2014 is published, which is available on the web page of the MAFWE. Further support is needed for regular reporting of aggregated FADN data and sector reports. Procedures for provision of FADN data for wider use needs to be established as currently FADN data are solely used by MAFWE and cannot be shared.

FADN employees and NEA collectors need further training to be capable to adapt to the modified procedures and for increasing their skills in data collection and processing, and data analysis and reporting.

Promotion of FADN system among farmers, agricultural companies and farmers organization is very important element of the FADN system for the purposes of recruitment of farmers regarding realization of the selection plan. Methods and provision of feedback to farmers based on FADN needs to be strengthened.

Taking into account that FADN is a complex system that requires consistent efforts in order to operate correctly, this twinning project will initially have to assess the overall (national) system (including applied methods, processes and IT-system) and identify gaps in relation to functional EU compatible system. The assessment should also cover the implementation of the processes and methods during survey campaign 2017. If needed, data of previous annual surveys will be assessed as well. Following the recommendations and indications for changes in the Rulebook for FADN and required methodology changes given within on-going IPA 2011 AIS Project (Result 5.1: “Analysis report of compliance of the national provisions with the EU requirements for Farm Return”), this twinning

The project will contribute to the finalization of the process of implementation of new farm return changes in the national FADN system. Thus, a set of legal proposals need to be prepared and adopted to enable implementation of the modified/new methods. Gap Analysis report prepared within on-going IPA 2011 AIS Project is performed in order to clarify the required business processes for the purposes of the preparation of technical specification for the new FADN software. Initial proposals for alignment of the existing legislation and methodology to the New Farm return Regulation are given within Gap Analysis report.

Based on all information gathered, the experts will have to prepare written procedures for improvements taking into account the New Farm Return Regulation (EC Regulation 1217/2009 amended by 1318/2013 – basic act, Commission Delegated Regulation 1198/2014, Commission Implementing Regulation 220/2015 and other relevant Manuals), which should be considered and implemented in the annual FADN survey in 2018 and onwards.

It is of utmost importance to have fully implemented and functional FADN system with representative sample of returning holdings, in order to be able to submit FADN data to the DG AGRI comparable with the MS. In addition, the use of FADN data in agriculture policy decision making is of underlying importance especially to improve the system to be able to present the main features of country’s farms (income level, financial situation, production and structural characteristics of farms for various agricultural sectors, comparison at EU level, distribution of direct payments, etc.) and to provide other specific analyses for an example for the purpose of management of agricultural markets, rural development, the evaluation of direct payments and policy design.

Hence, there is a need for transferring best practice from Liaison Agencies in other EU Member States. The project has to support the consolidation of the national FADN organisation and improve procedures in the collection, validation, processing and reporting of data through benchmarking and sharing of good practice from other EU Liaison Agencies.

All project activities shall complement to the activities implemented under the IPA 2011 "Agriculture Information System upgrade and establishment of data exchange systems between MAFWE and other relevant institutions" (AIS Project) which is closing in August, 2018. All outputs of the IPA 2011 AIS Project shall be taken into account during the preparation of the work plan for this project.

3.2 Linked activities

The below listed projects are complementing and not overlapping with the activities programmed under this twinning fiche:

**Project title:** TA for Farm Accountancy Data Network (FADN)

**Donor:** World Bank funded Project (WB loan IBRD)

**Contract amount:** 257,880 EUR

**Duration:** June 2009 - September 2011

**Description:** The overall objective of the project was to establish the foundations for development of a sustainable National FADN system, in accordance with EU requirements and National Law on FADN. This objective can be considered as achieved as well as the following sub-objectives:

- advice on FADN organization and management given
- annual trainings plan prepared;
- study visits to EU member states organized;
- support in SO calculation, farm typology and sampling, farm return content and data collection given;
FADN seminars for governmental officials and for agricultural producers and producer organizations conducted;

relevant FADN legislation translated;

assistance in FADN organization and management and functional analysis of the IT system handling the national FADN.

**Project title:** Agriculture Information System upgrade and establishment of data exchange systems between MAFWE and other relevant institutions  
(EuropeAid/135116/IH/SER/MK, Contract number 12-8656/1)

**Donor:** Project funded by the European Union - IPA-TAIB 2011

**Contract amount:** 668,500 EUR

**Duration:** 01.02.2016 – 01.08.2017

**Description:** The purpose of the project is to provide technical assistance to the Ministry of Agriculture, Forestry and Water Economy and other relevant institutional structures to further upgrade the Agriculture Information System and strengthen the national capabilities in generation of better quality administrative and statistical data, improve their exchange, access and analysis for the purposes of operative decision making and strategic planning of agricultural and rural development policies as well as for the needs of other non-governmental beneficiaries. The following project activities are related to FADN:

**Project title:** Production of orthophoto maps and digitalization of agriculture land use and IT software development for FR and FADN system and LPIS software upgrade

**Donor:** Project funded by the European Union - IPA-TAIB 2012

**Contractor:** MGGP S.A, Kaczkowskiego 6, 333-100 Tarnow, Poland

**Contract amount:** 879,000 EUR

**Duration:** indicative timing January 2017 – June 2018

**Description:** The purpose of this contract is delivery of an updated and homogeneous database for the whole country to be used as the basic source material or graphical infrastructure for LPIS update, further implementation of IACS and as background data for other related measures. Assistance shall be provided for preparation of new FADN software including data base and users of the new software will be trained.

3.3 Results

The following mandatory results, which should be jointly achieved by the MS and BC Twinning Partners, will directly support the achievement of the project’s purpose:

**Mandatory Result 1:** National FADN system is assessed.

**Result 1.1.:** Institutional framework of FADN system and legal environment including IT and Human capacities in terms of EU compatibility and functionality is assessed.

**Result 1.2.:** Existing (conducted) processes and methods for collection, transmission and verification of FADN data is assessed.
The measurable indicators for Result 1:

- Assessment report of institutional framework of FADN system and legal environment including IT and Human capacities in terms of EU compatibility and functionality, including findings and recommendations is prepared;
- Main problems for the data collected during 2017 campaign (and previous campaigns) identified and solutions for mitigating these problems are proposed;
- Existing data recording methods, questionnaires, data collection manuals and supporting forms evaluated and improvements are proposed;
- Existing processes and methods for FADN data processing and reporting evaluated.

Mandatory Result 2: Processes and methods of collection, quality control, processing and reporting of FADN data are strengthened.

Result 2.1.: Processes and methods for collection, transmission and verification of FADN data during annual 2017 and 2018 FADN survey are monitored;

Result 2.2.: Written procedures for collection, quality control, processing and reporting of FADN data in accordance with the EU Farm Return Regulation are prepared.

The measurable indicators for Result 2:

- Monitoring report is prepared and recommendations for improvements are proposed;
- The written methodology and procedures for FADN data collection, processing and quality control are prepared;
- Limits (estimation) table as part of control procedure are proposed;
- National tests for quality control of data set are proposed;
- Procedures for reporting and dissemination of FADN results and information (individual and national reports), access to database, feedback to farmers and other stakeholders involved in the FADN system are established.

Mandatory Result 3: Use of FADN data in policy analysis is improved.

Result 3.1.: Quality of the existing FADN sampling process is improved.

Result 3.2.: Statistical analysis on FADN data, use of FADN data for policy analysis purposes is improved.

The measurable indicators for Result 3:

- Existing sample for FADN needs is assessed;
- Sampling revisions are proposed and included in the sampling plan for 2019; Main gaps in the existing statistical analysis of FADN data are identified and different solutions to overcome them are proposed;
- Improved methods, by which the results of the FADN are reported/communicated (e.g. factsheets, reports, study, etc.), are proposed;
- Assessment to what extent FADN statistical analysis is used to evaluate the impact of policies (i.e. direct payments, market measures) on farm income is conducted, improved or new methodology for use FADN data with focus on evaluating the effects of direct payments on farm income is proposed;
- Procedure requesting use of FADN farm level data for research projects, as well as methods for evaluation of the request and data transfer (external and internal) are established;
- Examples of national report on economic situation and type of farming in the beneficiary country and sector-specific factsheets are prepared;
- Analysis for evaluation the impact of direct payments on farm incomes in the Beneficiary country based on statistical FADN data and AFSARD data and in comparison to the EU farms for a given period of years (upon data availability) is prepared;

**Mandatory Result 4: Capacity for efficient implementation of the FADN system is strengthened.**

**Result 4.1.:** Training strategy for different target groups within the FADN system is elaborated.

Trainings will be delivered throughout the duration of this project and with relevance to the results 1, 2 and 3 findings and recommendations. List of trainings and courses to be delivered shall be detailed in a training plan. Trainings should include all relevant staff engaged in the FADN system.

**The measurable indicator for Result 4:**

- Approximately 3 SSO staff and 3 FADN Unit staff trained in sampling methodology;
- Approximately 80 data collectors (in current system these are employees of the NEA) trained in data collecting practices in EU, quality control and testing and providing return information to farmers on testing results;
- Approximately 15 staff from MAFWE Departments for agriculture, rural development and wine and orchards, FADN Unit and Policy Analysis Unit and AFSARD trained in statistical analysis and reporting of FADN data as well as for the methods and further use of the FADN data in policy analysis. This training may be extended to include the education and research community.

**Mandatory Result 5: FADN system promoted and public campaign conducted for 2019 FADN survey.**

Communication and visibility plan shall be prepared identifying the target groups, information channels and dissemination methods to be used for better outreach (trainings, promo-events, newsletters, internet-based information boards, establishing a web page, leaflets, brochures, etc.).

**The measurable indicators for Result 5:**

- Approximately 300 farmers providing accountancy data are informed about functioning and use of FADN system (purposes, use of data, benefits for farmers, etc.);
- Public campaign for 2019 FADN survey is conducted;
- 6 regional events in the 6 regional centers of NEA (RC: Bitola, Kumanovo, Skopje, Stip, Tetovo and Strumica) to promote the FADN system are organized;
- One National Conference to promote FADN Standard Results is organized.

**3.4 Activities**

The proposal made by the MS should include the activities they propose to achieve the results listed in the fiche.

The Twinning project should not be a one-way technical assistance from a Member State to a Beneficiary Country. It must help to introduce and share EU wide best practices in connection with EU legislation and specific needs of the Beneficiary Country in the field of further strengthening administrative capacity of FADN Unit and NEA data collectors.
The Twinning assistance will be provided in the form of know-how transfer, and will be delivered through:

- **Legal acts, Guidelines, procedures:** During the twinning project the project partners will develop selected legislation/ internal acts. The content of the documents will vary depending on the analysis conducted, specific need of the beneficiary at the time the project will start and the available project resources. The content and format will be discussed and agreed during the phase of preparation of the Work Plan. Experts from the BC and the MS will cooperate in the preparation of the legislation, share their experiences and collaborate to find the most appropriate approaches and solutions. Work will take into account the relevant EU legislation and related documents as well as the experiences of EU member states in the area. BC experts and MS experts will cooperate and will consult with main stakeholders.

- **Advices, coaching sessions:** Coaching and advice activities will be the predominant type of activity. They will help for the fine tuning of the whole process of strengthening and/or reinforcement of the institutional and administrative capacities of the FADN Unit within the MAFWE and NEA data collectors.

- **Tailor made trainings and courses:** This project will include the development and implementation of a tailor-made training plan. The training plan will be based on a training needs assessment of the target group. The training plan will focus on all aspects of functioning of the FADN system according to EU regulations. Specific trainings will be organized for the new farm return methodology, data collecting practices in EU, validation system, quality control and testing, use of FADN data, statistical analysis and reporting of FADN data, and providing return information to farmers on testing results.

- **Seminars, workshops and conferences:** The training plan and communication and visibility plan will involve organization of seminars, workshops, conferences, etc.

- **Manuals, procedures, guidelines, check-lists, etc.:** The Twinning partner should provide advice on improving the existing procedures and manuals as well as develop written procedures and guidelines with respect to sampling, data collection, data processing and verification, quality control and reporting of FADN data. This task will be done in close cooperation and consultation with key staff of the involved institutions.

- **Thematic reports, study, etc.:** The Twinning partner should provide advice on statistical analysis of FADN data and its further use in policies and reporting as well as develop thematic reports and policy analysis study related to direct payments effect on farm income. This task will be done in close cooperation and consultation with key staff of the involved institutions.

- **Study visits:** It is proposed that two (2) study visits will be organized for representatives of the beneficiary institution (maximum eight (8) participants per each study visit, staff from FADN Unit in MAFWE (3 participants), – Department for agricultural policy analysis (2 participants), NEA (2 participants) and SSO (1 participant) to a Member State for exchange of good practices and experience in connection with the implementation and functioning of FADN system in line with the EU Legislation for FADN in terms of procedures and efficiency of data collection, entering of FADN data, procedures for data validation and reporting/dissemination of data. Proper implementation of EU requirements concerning rules and procedures of SO calculation, as well as sampling plan realization is very important element of FADN system. The comparative qualitative and economic advantage of a study visit, compared to the activity taking place in the Beneficiary Country, is crucial for its eligibility.

### 3.5 Means/ Input from the MS Partner Administration
The project will be implemented in the form of a Twinning contract between the Beneficiary country and an EU Member State. The implementation of the project requires one Project Leader with responsibility for the overall coordination of project activities, one Resident Twinning Adviser to manage project activities, and a pool of short-term experts within the limits of the budget. It is essential that the team has sufficiently broad expertise to cover all the areas included in the project description.

The interested Member State institutions shall include in its proposal the CVs of the designated Project Leader and Resident Twinning Adviser. The details of implementation of the Twinning Project will be agreed upon/during the preparation of the work plan.

3.5.1 Profile and tasks of the Project Leader

Qualification and skills of the Project Leader:

- High-ranking official of a Member State administration or equivalent staff;
- At least a University degree preferably in the field of Administration, Economics, Agriculture or similar discipline relevant to the project or equivalent professional experience of 10 years in public administration;
- At least 3 years of relevant experience in the field of management of FADN system;
- Fluent knowledge of spoken and written English.

Tasks:

- Conceive, supervise and coordinate the overall preparation of the project;
- Coordinate and monitor the overall implementation of the project including coordination and direction of the MS TW partner;
- Co-ordinate MS experts’ work and availability;
- Communicate with the beneficiary, CFCD and EUD;
- Ensure the backstopping functions and financial management;
- Guarantee the successful implementation of the Project’s Work Plan;
- Co-chairing the regular Project Steering Committee meeting with the Beneficiary Country Project Leader;
- Prepare and draft operative side letters, interim, quarterly and final report.

Beneficiary Country Project Leader (BC PL)

The BC Project Leader will act as the counterpart of the MS PL and will ensure close cooperation in the overall steering, co-ordination and management of the project from the beneficiary side. He/she will support the Twinning project team in organizational and technical matters and will also coordinate the Project Steering Committee (PSC) on behalf of the BC. The role of the BC PL and the MS PL are complementary.

3.5.2 Profile and tasks of the Resident Twinning Adviser

One Resident Twinning Advisor (RTA) will be appointed, and he/she will be located in the premises of MAFWE in the Beneficiary country.
The secondment of the Resident Twinning Adviser will last 18 months, during which he/she will be responsible for the direct implementation of the project under the overall supervision of the MS Project Leader.

**Qualifications and skills of the Resident Twinning Adviser**

- Be a national of a Member State of the European Union;
- Be a civil servant or equivalent staff seconded to work within departments/units related to FADN in a Member State;
- Have University degree preferably in Administration, Economics, Agriculture, or similar discipline relevant to the project or equivalent professional experience of 10 years in public administration;
- Have minimum 3 years of professional experience in the field of development of FADN system and/or validation of FADN data and/or use of FADN data;
- Previous experience in the management of projects will be considered as an asset;
- Be fluent in written and spoken English.

**Tasks of the Resident Twinning Adviser**

As to the general responsibility of the day-to-day implementation of the Twinning project in the Beneficiary Country, the Resident Twinning Adviser (RTA) tasks will include:

- Coordination of all project activities and experts’ inputs in the country;
- To provide technical advice, support and assist the beneficiary institution in the context of a predetermined work plan;
- Make recommendations on the organizational structure optimization;
- Ensuring day-to-day implementation of the Twinning project in the BC;
- Ensuring smooth correlation between the activities, deadlines and the envisaged results in the Work Plan;
- Ensuring smooth implementation of the different activities delivered;
- To coordinate and organize training activities;
- To provide advice and assistance in drafting legal, application acts, instructions, manuals etc. for implementation of the new legislation and supporting documents;
- Assess continuously the Twinning Project in all stages and provide link to compare it with the specified benchmarks/results and time-frame;
- Prepare the material for regular monitoring and reporting;
- Preparation of side letters;
- Taking corrective actions, if necessary, inside the terms of the signed contract.

3.5.3 **Profile and tasks of the short-term experts**

Specialized staff will be made available by the Twinning Partner to support the implementation of activities. Specific and technical matters not directly covered by the Resident Twinning Adviser can be taken over by a pool of short-term Experts within the limits of the budget. The detailed input of experts shall be established when drawing up the twinning work-plan.
Qualifications and skills:

Short-term Experts will:

- Have a University degree preferably in Administration, Agriculture, Economics, IT engineering or similar discipline relevant to the specific assignment or equivalent professional experience of 10 years in public administration;
- Be civil servants or equivalent staff seconded to work within departments/units related to FADN system in a Member State;
- Have at least 3 years relevant professional experience in development of FADN system and/or management of FADN system and/or legislation for FADN and/or data collection and/or quality check of FADN data and/or use of FADN data or other expertise relevant to the assignment.
- Be fluent in English, both oral and written.

Tasks:

More specifically, the Short-Term experts will:

- Prepare and implement specific tasks based mainly on practical cases and experience in compliance with their mission description and in accordance with project activities;
- Provide practical expertise/advises to relevant staff for execution of different tasks related to the project;
- Assist in key tasks, e.g. but not limited to the field of methodology, quality, use of FADN data, drafting and amending legislation, administrative capacity building related to FADN, conducting trainings, etc.;
- Address cross-cutting issues.

3.5.4 Profile and tasks of the RTA assistants

3.5.4.1 RTA Assistant:

The RTA will be provided with a full-time RTA assistant acting as an assistant for technical and organizational support. The assistant will be contracted according to Twinning rules and paid from the Twinning budget. The assistant will be selected through an open call. The role of RTA Assistant is to support the RTA in the project management. In addition, the assistant will be responsible for organization of meetings, seminars etc. and their logistics. The RTA assistant will also act as translator/interpreter, when necessary.

3.5.4.2 Full-time translator / interpreter:

A full-time translator / interpreter will be selected through an open call and will be contracted according to the Twinning rules and paid from the Twinning budget. The full-time translator / interpreter will be involved in all necessary project activities (training sessions, translation of project documents/reports and materials, organizational activities, etc.). The role of the translator / interpreter will be to provide translation and editing as well as interpretation services to the Twinning project in general.

4. Institutional framework

The Contracting Authority for this Twinning project is Central Financing and Contracting Department within the Ministry of Finance.
4.1 Beneficiary institutions

Main beneficiary and coordinator of the project will be MAFWE.

According to Article 5 of the Law for FADN, MAFWE is the only state body which has the authority to establish and implement the FADN, and the data from FADN will be used only for the purposes of MAFWE. Bodies which are included in the national FADN network are: MAFWE, National Committee for FADN, State Statistical Office, and farms.

FADN Unit acting as FADN Liaison Agency is established in 2009 within MAFWE. According to the Law for FADN, National Extension Agency has a role of data collecting authority. Tasks have been executed by the FADN Unit (3 persons employed) which has a crucial role in the part of organization and implementation of the FADN system. FADN Unit performs the following tasks: determine the geographical region for FADN purposes, prepare Standard Output (SO) coefficients and send them to the SSO for the purpose of typology of agricultural holdings, prepare plan for selection of representative agricultural holdings, prepare report for the realization of the selection plan, approves the list of agricultural holdings prepared by NEA, informs the National Committee for the realization of FADN activities, every year submits an agreement concluded with the NEA to the National Committee for opinion, verifies the data collected from Farm Return, prepares and publishes the processed collective accounting data.

According to the Law for FADN, National Extension Agency (NEA) has a role of data collecting authority. For the needs of FADN, NEA performs the following tasks: signed statements with farm holders from which accounting data will be collected, collects and enters in electronic form, the accounting data from the farms, delivers the accounting data to the FADN Unit in size and form according to the Law on FADN.

4.2 Co-ordination mechanisms between institutions

A project Steering Committee (SC) will be established at the beginning of the project comprising senior representatives of the Beneficiary Institution, the Delegation of the European Union, the Secretariat for European affairs and the Central Financing and Contracting Department within the Ministry of Finance, and will be co-chaired by the MS PL and BC PL.

The SC will monitor, supervise and co-ordinate the overall progress and implementation of the project. The SC will provide guidance for the different components of the project, will define priorities, approve and monitor budgets and approve the results.

4.3 Reporting requirements as per Art 6.4 of the Twinning Manual

Reports will follow the templates of Annex C4 of the Common Twinning Manual. In addition to formal reporting stages, the twinning partners are obliged to inform in writing the Contracting Authority as well as the final beneficiary of the action of any critical aspects or conditions of project implementation, or any amendments/modifications necessary within the budget.

All reports must be produced in the English in electronic and hard copy. These reports shall be signed by both Project Leaders. Each report must be presented in electronic format one week prior to the Steering Committee meetings and in two hard copies to the following addresses:

*Central Financing and Contracting Department*

*Ministry of Finance*

*Dame Gruev 12, 1000 Skopje*

The final versions should incorporate any comments and discussions during the Steering Committee meetings and be approved by the Steering Committee.
5. Budget

The project will be implemented through a Twinning Contract estimated at a maximum of EUR 800,000 EUR (out of which 95% IPA funds and 5% National co-financing).

<table>
<thead>
<tr>
<th>Twinning Contract</th>
<th>Total (EUR)</th>
<th>IPA EU contribution</th>
<th>National Public contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR%</td>
<td>EUR%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>800,000</td>
<td>760,000 95</td>
<td>40,000 5</td>
</tr>
</tbody>
</table>

The co-financing requirement foreseen under IPA will be considered fulfilled according to the provision of the relevant Financing Agreement.

The budget for the project is based on 18 months twinning partnership.

In addition to the IPA and National co-financing as part of the Twinning Contract amount, as a rule, all twinning contracts must provide additional co-financing on the side of the Beneficiary Institution (MAFW), for the purpose of covering costs not covered under the project budget as per Twinning manual, point 5.13, as follows:

- Direct and indirect cost of the Beneficiary administration, civil servants and national private experts working for the project;
- Travel by the beneficiary officials from their capitals to a MS or between MS;
- Organization of seminars/ workshops/ trainings (incl. hall rental, printing seminar materials and other logistical support);
- Facilities for the Member State experts: adequately equipped office space; telephone; e-mail services; fax; photocopiers; computer; internet access; secretarial support; access to information.

The following expenses shall be covered with the project funds:

- Visibility Cost;
- Audit certificate cost;

The project will be located in the premises of MAFWE. The MAFWE will ensure appropriate facilities and basic equipment for the work of the experts.

The twinning partner (project beneficiary) shall provide all available assistance to solve unforeseen problems that the Member State twinning partner(s) might face.

6. Implementation arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting

The Central Financing and Contracting Department (CFCD) of the Ministry of Finance will be responsible for tendering, contracting, payments, accounting and overall supervision of the implementation of the project. The Central Financing and Contracting Department (CFCD) of the Ministry of Finance will be the Contracting Authority and will be responsible for all administrative and procedural aspects of the tendering process, contracting matters and financial management including payment of project activities. The Head of CFCD will act as the Programme Authorising Officer (PAO) of the project:

Mrs. Radica Koceva (PAO)
Head of Central Financing and Contracting Department
Ministry of Finance
6.2 Main counterpart in the Beneficiary Country including contact person and contact details

The Head of Department for European Union and Senior Programme Officer (SPO) within MAFWE will act as beneficiary contact person:

Ms. Maja Lazareska (SPO)
Head of Department for European Union, MAFWE

The following persons will be counterparts of the key personnel of the MS Partner Administration:

BC Project Leader
Mrs. Daniela Gidalova
Head of FADN Unit, Department for Agricultural Policy Analysis, MAFWE

RTA counterpart:
Mr. Aleksandar Musalevski
Associate of FADN Unit, Department for Agricultural Policy Analysis, MAFWE

6.3 Contract

One (1) Twinning contract is foreseen for the implementation of the above mentioned activities.

7. Implementation schedule (indicative)

The estimated date for the launching of the call for proposals is: January 2017

The estimated date for start of project activities is October 2017

The project implementation period (duration of the work plan) is 18 months after the commencement date of the Project.

The overall execution period of this Twinning contract is 21 months, with an implementation period of the Action of 18 months (The execution period of the contract shall enter into force upon the date of notification by the Contracting Authority of the contract signed by all parties, whereas it shall end 3 months after the implementation period of the Action).

8. Sustainability

The Beneficiary administration is fully committed to ensuring a long term impact of the activities of this Twinning Project. The expected combined impact of the components of this project will bring about significant improvement in the administrative capacities of FADN Unit, MAFWE and NEA collectors. The project will have impact on improving skills, procedures, practices. An ongoing review of key issues impacting on sustainability will start from the beginning of project implementation, based on the results and outcomes that should be achieved over time. The objective of this review is to facilitate the sustainable impact of outcomes beyond the end of the project.

The Member State Twinning partners shall transfer their best practices and know-how necessary to achieve the mandatory results to the Beneficiary administration. Staff benefiting from trainings shall transfer knowledge through subsequent training to their colleagues. Moreover, at the end of the
implementation period lessons learnt seminar will be organized by the MS Twinning partner to disseminate the results and the best practices acquired and to foresee future relevant activities.

9. Cross-cutting issues

Cross-cutting issues have to be systematically addressed during the project lifetime. The mainstreaming of the cross cutting issues is regarded on two different levels:
- Ensuring that the internal policies, structure or operating procedures of the beneficiary institution will conform to and promote the relevant principles outlined per section below;
- Ensuring that the products, outputs produced by the beneficiaries (e.g. laws, regulations, policies, and strategies) will conform to and promote the relevant principles outlined per section below.

9.1 Civil Society development and dialogue

Representatives of Agricultural Holdings (farmers associations, etc.) will be involved in the project activity as a target group for promotion of FADN system in order to facilitate the process of recruitment of agricultural holdings for the FADN collection data.

9.2 Environmental considerations

Any ecological friendly initiative which can be taken must be implemented.

9.3 Equal Opportunity and non-discrimination

This principle will have to be reflected in the training activities provided by the project.

9.4 Minority and vulnerable groups

Where the main reference is the Ohrid Framework Agreement, in an EU context, the training activities will be taken in consideration.

9.5 Good governance, with particular attention to fight against corruption

Specific action instruments for the good governance, with particular attention to fight against corruption, will be incorporated on a horizontal basis, as part of the training activities. Also, working procedures within FADN Unit, shall include mechanisms to detect and fight against corruption. This principle is particularly sensitive in MAFWE where the staff can be confronted to "corruption opportunities" in the implementation of the different programmes.

9.6 Communication and publicity

All requirements to ensure the visibility of EU financing will be fulfilled in accordance with Regulation (EC). N. 718/20075.

10. Conditionality and sequencing

10.1 Conditionality

The project includes the following conditionalities:
- Appointment of counterpart personnel by the beneficiaries before the launch of the call for proposals;

5 See Article 62 and 63 of Regulation(EC) N. 718/2007
- Allocation of working space and facilities by the beneficiaries for technical assistance before
the launch of the call for proposals;
- Organisation, selection and appointment of members of working groups, steering and
coordination committees, seminars by the beneficiaries as per work plan of the project;

10.2 Sequencing

Keys milestones will be:

1) Circulation of the Twinning Project Fiche to Member State National Contact Points;
2) Completion of the selection of the twinning partner;
3) Signature of the Twinning contract, including the Twinning Work Plan;
4) Commencement of the implementation of the twinning (inter alia, the arrival in the country of
   the Resident Twinning Adviser);
5) End of the implementation period;
6) Submission of the final report;
7) Twinning review mission (6 to 12 months after end of the project).

Annexes to the Twinning fiche

ANNEX 1: Logical framework matrix in standard format
ANNEX 2: Organogram FADN
Annex 1 – Logical framework matrix in standard format

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX</th>
<th>Finalization of the Farm Accountancy Data Network</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total budget: EUR 800.000 IPA budget: EUR 760.000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>The overall objective of the project is to contribute for further upgrading of the Farm Accountancy Data Network (FADN) system according to the new EU Regulation for FADN and further improving the system of data quality check</td>
<td>Upgraded Farm Accountancy Data Network (FADN) system according to the new EU Regulation for FADN and improved quality of FADN data</td>
<td>Final Report EC Reports</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| The purpose of the project is to strengthen the capacity of the FADN Unit within the Ministry of Agriculture, Forestry and Water Economy (MAFWE) and National Extension Agency collectors (NEA) in order to improve compliance with EU Regulation for FADN system with a focus on Farm Return, Standard Results, quality system and using the FADN data | Strengthened capacities at administrative level for implementation of EU Regulation for FADN, improved using the FADN data | Project Reports EC FADN report | - The beneficiary country continuously support the RTA in the implementation of project activities  
- The beneficiary administration appoints the Project Leader and all relevant counterparts and makes available the staff that will be involved during the Twining project implementation |
<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mandatory Result 1:</strong> National FADN system is assessed.</td>
<td>- Assessment report of institutional framework of FADN system and legal environment including IT and Human capacities in terms of EU compatibility and functionality is assessed;</td>
<td>Project Reports</td>
<td>Commitment from national authority in progress</td>
</tr>
<tr>
<td><strong>Result 1.1.:</strong> Institutional framework of FADN system and legal environment including IT and Human capacities in terms of EU compatibility and functionality is assessed.</td>
<td>- Main problems for the data collected during 2017 campaign (and previous campaigns) identified and solutions for mitigating these problems are proposed;</td>
<td>EC FADN report</td>
<td></td>
</tr>
<tr>
<td><strong>Result 1.2.:</strong> Existing (conducted) processes and methods for collection, transmission and verification of FADN data is assessed.</td>
<td>- Existing data recording methods, questionnaires, data collection manuals and supporting forms evaluated and improvements are proposed;</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Monitoring report is prepared and recommendations for improvements are proposed;</td>
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</tr>
<tr>
<td><strong>Mandatory Result 2:</strong> Processes and methods of collection, quality control, processing and reporting of FADN data are strengthened.</td>
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</tbody>
</table>
**Result 2.1.:** Processes and methods for collection, transmission and verification of FADN data during annual 2017 and 2018 FADN survey are monitored;

**Result 2.2.:** Written procedures for collection, quality control, processing and reporting of FADN data in accordance with the EU Farm Return Regulation are prepared.

### Mandatory Result 3:

Use of FADN data in policy analysis is improved.

**Result 3.1.:** Quality of the existing FADN sampling process is improved.

**Result 3.2.:** Statistical analysis on FADN data, use of FADN data for policy analysis purposes is improved

- The written methodology and procedures for FADN data collection, processing and quality control are prepared.
- Limits (estimation) table as part of control procedure are proposed;
- National tests for quality control of data set are proposed;
- Procedures for reporting and dissemination of FADN results and information (individual and national reports), access to database, feedback to farmers and other stakeholders involved in the FADN system are established.
- Existing sample for FADN needs is assessed;
- Sampling revisions are proposed and included in the sampling plan for 2019; Main gaps in the existing statistical analysis of FADN data are identified and different solutions to overcome them are proposed;
- Improved methods by which the results of the FADN are reported/communicated (e.g.
- Assessment to what extent FADN statistical analysis is used to evaluate the impact of policies (i.e. direct payments, market measures) on farm income is conducted, improved or new methodology for use FADN data with focus on evaluating the effects of direct payments on farm income is proposed;
- Procedure requesting use of FADN farm level data for research projects, as well as methods for evaluation of the request and data transfer (external and internal) are established;
- Examples of national report on economic situation and type of farming in the beneficiary country and sector-specific factsheets are prepared;
- Analysis for evaluation the impact of direct payments on farm incomes in the Beneficiary country based on statistical FADN data and AFSARD data and in comparison to the EU farms
**Mandatory Result 4:** Capacity for efficient implementation of the FADN system is strengthened.

**Result 4.1.:** Training strategy for different target groups within the FADN system is elaborated.

- Approximately 3 SSO staff and 3 FADN Unit staff trained in sampling methodology;
- Approximately 80 data collectors (in current system these are employees of the NEA) trained in data collecting practices in EU, quality control and testing and providing return information to farmers on testing results;
- Approximately 15 staff from MAFWE Departments for agriculture, rural development and wine and orchards, FADN Unit and Policy Analysis Unit and AFSARD trained in statistical analysis and reporting of FADN data as well as for the methods and further use of the FADN data in policy analysis. This training may be extended to include the education and research community;
Mandatory Result 5: FADN system promoted and public campaign conducted for 2019 FADN survey.

- Approximately 300 farmers providing accountancy data are informed about functioning and use of FADN system (purposes, use of data, benefits for farmers, etc.);
- Public campaign for 2019 FADN survey is conducted;
- 6 regional events in the 6 regional centers of NEA (RC: Bitola, Kumanovo, Skopje, Stip, Tetovo and Strumica) to promote the FADN system are organized;
- One National Conference to promote FADN Standard Results is organized.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Specification of costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Legal acts, Guidelines, procedures;</td>
<td>• One Twinning contract</td>
<td>• IPA € 760.000 or 95%;</td>
<td></td>
</tr>
<tr>
<td>• Advice and coaching sessions;</td>
<td>• One Member State Project Leader;</td>
<td>• National co-financing € 40.000 or 5 %;</td>
<td></td>
</tr>
<tr>
<td>• Tailor made training programme;</td>
<td>• One Member State Resident Twinning Adviser;</td>
<td>• Total € 800.000.</td>
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<tr>
<td>• Seminars workshops and conferences;</td>
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<td>• Manuals, procedures and check lists;</td>
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<tr>
<td>• Thematic reports, study;</td>
<td></td>
<td></td>
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<tr>
<td>• Study visit.</td>
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</table>
Annex 2 - Organogram FADN