



Government of Republic of Macedonia

Agency for Financial Support in Agriculture and Rural Development

Pursuant to Article 9 paragraph 1 item b of the Law on Ratification of the Sectorial Agreement between the Government of the Republic of Macedonia and the European Commission on the establishment of provisions for the management and implementation of the EU financial assistance for the Republic of Macedonia under the Instrument for Pre-Accession Assistance in the policy area "Agriculture and Rural Development" (IPARD) ("Official Gazette of the Republic of Macedonia" No. 38/2016), based on Part II Measure Investments in physical assets for agricultural holdings item 11 of the Programme for allocation of funds under Pre-accession Assistance for Rural Development of the European Union (IPARD) for the period 2014-2020 ("Official Gazette of the Republic of Macedonia" No. 177/2016), and pursuant to Article 6 from the Decree on the manner and procedure for allocation of the financial assistance for the rural development measures funded under the IPARD programme 2014-2020 ("Official Gazette of the Republic of Macedonia" No. 64/2016)

Agency for Financial Support in Agriculture and Rural Development

on December 26, 2018, published

PUBLIC CALL No. 02/2018

for submitting application for allocation of funds from the
IPARD Programme 2014-2020 PART I

PART I

1. The Agency for Financial Support of the Agriculture and Rural Development (hereinafter as the Agency), the relevant authority and contractual body for implementing the EU Instrument for Pre-accession Assistance for Rural Development (IPARD) calls all interested natural and legal entities from the Republic of Macedonia to submit application for allocation of funds from the IPARD Programme 2014-2020 for the following measure:

1. Investments in physical assets for agricultural holdings

2. The financial support for this Call is comprised of 75% funds under the EU Instrument for Pre-accession Assistance for Rural Development (IPARD) according to the Financing Agreement 2014-2020 and 25 % of the funds are provided from the Budget of the Republic of Macedonia.

3. **Financial assistance per individual application** will be allocated as non-refundable financial assistance (grant) in the amount of:

3.1 60 % of the amount of total eligible expenditures on investments for measure Investments in physical assets of agricultural holdings. The percentage is increased to 65% for investments in agricultural holdings proposed by young farmers (individuals aged 18 to 40 years old on the day of filing the request for financial support) and 70% for investments in agricultural holdings in mountainous areas.

4. The deadline for submitting the applications is 09 February 2019.

5. Total financial assistance within this public call is EUR 11.883.772,00 or 730.792.598,00 MKD.

Obtaining application forms and guidelines:

The necessary forms from the “Application for allocation of funds from the IPARD Programme 2014-2020”, as well as the “Guideline for Beneficiaries of funds from the IPARD Programme 2014-2020” for each measure separately containing all the information on the criteria, the eligibility requirements for the projects and funding conditions as well as other information necessary for preparation of the application for allocation of funds from the IPARD Program 2014-2020, Guideline for preparation of Business Plan / Technical Proposal Project, Guidelines for issuing the necessary documentation from the relevant institutions and other useful information in electronic form can be downloaded at the web address of the Agency: www.ipardpa.gov.mk.

4. Method of applying:

The applicant should fill out and submit Application for allocation of funds from the IPARD Programme 2014-2020 for the individual measure, Business plan developed according to the Guideline for development of Business Plan and supporting documentation, as specified in this Public Call.

The filled out application for allocation of funds from IPARD Programme 2014-2020 along with the Business Plan and overall necessary documentation shall be submitted in closed envelope, with reference “DO NOT OPEN” – for Public Call IPARD No.01/2018 on the front side of the envelope in the upper left corner, and the applicant shall specify the measure for which the application is submitted. The application can be submitted via post office by registered mail or personally to the Writing Office of the Agency.

Note: Due to performing on-the-spot control by the Agency, the Applicant is required to have copies from the overall documentation submitted to the Agency.

More detailed information can be obtained on the contact telephone (02)3097-460 or at the Agency’s e-mail address: ipardpa.info@ipardpa.gov.mk and the Agency’s web page: www.ipardpa.gov.mk

PART II
INVESTMENTS IN PHYSICAL ASSETS FOR AGRICULTURAL HOLDINGS

1. The financial support for the measure "**Investments in physical assets of agricultural holdings**" is intended for appropriate investments referring to the following priority sectors: crop production, livestock production, on-farm processing and direct marketing of own agricultural production of the agricultural holding, energy production from renewable sources for own consumption.

2. Type of investment

a. Crop production: (1) cereals, (2) industrial crops, (3) vegetables (including potatoes), (4) perennial crops (orchards, including table grapes, olive trees, meliferous trees (for honey production) 5) vineyards;

b. Livestock production (1) bovine (for dairy and fattening), (2) pigs (for reproduction and fattening), (3) sheep and goats (for dairy and fattening), (4) poultry (for laying hens, chicken kept for meat production – broilers);

c. Processing and direct marketing of own agricultural production of the agricultural holding (Direct marketing refers to activities related to agricultural products produced in the agricultural holding, preparation, direct sale and other marketing activities of the agricultural holding, including for processed products of the agricultural holding: (1) milk and dairy products, (2) meat and meat products; (3) fruits and vegetables, including potatoes, mushrooms and leguminous crops; (4) cereals, miller's and starch products, (5) plant and animal oils and fats; (6) grape must, grape juice, wine and vinegar.

d. Production of energy from renewable sources for self-consumption, through processing of plant and animal products from primary and secondary biomass (except biomass from fish products) for production of biogas and / or bio-fuels, use of solar energy, windmills, geothermal energy, etc.

NOTE: AGRIMOTOR PROCUREMENT IS NOT ELIGIBLE COST UNDER THIS PUBLIC CALL!

1. Beneficiaries

The following types of beneficiaries can apply and use support from this measure:

I. Agricultural holdings

II. Co-operatives

I. Agricultural holdings, which are registered in the Single Agricultural Holdings Register (SAHR) in the MAFWE in accordance with the Law on Agriculture and Rural Development.

An agricultural holding can be registered in the SAHR as a family agricultural holding represented by natural person or individual farmer or as agricultural holding represented by a legal entity.

- A natural person is member of family agricultural holding, which is authorized, by all other members of the agricultural holding to represent the agricultural holding before the competent authorities and manage it. The authorized representative and other members of the agricultural holding must live at the same address as the head office of the agricultural holding, regardless of the location of the agricultural property (land and buildings).
 - Individual farmer is a natural person who deals with agriculture for his personal needs as owner of agricultural property or who has the right to use agricultural property obtained through the legal agreement with his owner and is registered in the Register of individual farmers within the Ministry agriculture, forestry and water economy or as individual agricultural producer in the Pension and Disability Insurance Fund. The individual agricultural producer is registered as a family agricultural holding in the SAHR.
 - A legal entity representing the agricultural holding registered in the Central Registry in accordance with the Law on Trade Companies of the Republic of Macedonia.
- II. **Cooperative company** registered in the Central Registry under the Law on Cooperatives, which primarily deals with agricultural activity, processing of agricultural products and / or services directly related to agricultural activities.

The cooperative that is primarily engaged in agricultural production should be registered with the Law on Agricultural Cooperatives ("Official Gazette of the Republic of Macedonia" No. 23/2013, 51/2015, 193/2015 and 39/2016) and be registered in the Register of the Agricultural Cooperatives of the MAFWE.

2. Eligibility criteria

- All applicants applying for investments related to crop production at the time of submission of the application should submit proof the existence of arable agricultural land registered in the Land Parcel Identification System (LPIS) of the minimum size depending on the type of plant production subject to investments as indicated in the table below.
- All applicants applying for investments related to livestock production should demonstrate the existence of a minimum number of livestock units (LUs) registered in the Animal Identification Register maintained by the Food and Veterinary Agency (FVA) before filing a payment request with minimum size depending on the activity of the livestock

production that is subject to investment as indicated in the table below.

- Applicants who start to deal with animal production with the investment or do not meet the minimum capacity of the CU can apply and use support if the realization of the investment meets the minimum capacity in relation to the CU, which should be clearly stated in the Technical Draft Project / Business Plan.

CRITERIA FOR THE PRODUCER'S PRODUCT CAPACITY

PRIORITY SECTOR		Minimum arable area / production capacity registered in LPIS / FVA
VEGETABLE PRODUCTION	Perennials (crops) and greenhouses	Min. 0,3 ha
	Garden production in the open	Min. 0,5 ha
LIVESTOCK PRODUCTION	Bovine	5 Crop Unit (CU)*
	Sheep or/and goats	1,5 Crop Unit (CU)*
	Pigs	8 Crop Unit (CU)*
	Poultry (excluding duck, geese, turkeys, pheasants, ostriches, emus and guinea fowls)	10 Crop Unit (CU)*

* Crop units are calculated according to Annex No. 11 of the IPARD Program 2014-2020.

All applicants planning to invest in agricultural mechanization at the time of application need to show a minimum of 1 ha of arable agricultural land under plant production registered in the Land Parcel Identification System (LPIS).

Applicants, in addition to showing registered production facilities in the LPIS, need to prove ownership or the right to use the land with enclosed property list to the request, as well as lease agreement with a duration not less than 7 years from the date of submission of the request. The lease agreement, the duration, and the area to which the contract relates must be mandatory to be entered in the property list.

The beneficiaries are obliged to register all changes in the production capacities in the Single Farm Register and in the Land Parcel

Identification System and / or the Animal Identification Register, especially those changes that result from the realized investment before submitting a final request for payment.

The responsible person in the legal entity or the agricultural cooperative / holder of the agricultural holding should:

- prove that he has completed a minimum of secondary education or higher education through a diploma / certificate or;
- prove at least 3 years of work experience in the field of agricultural production, processing or services related to agriculture (proven through evidence of professional work experience or through evidence as beneficiary of national support programs in agriculture and rural development or other acceptable written evidence);
- prove that at least one of the managers of the legal entity, who represents the legal entity in the procedure before the Agency, is in regular employment in a legal entity that appears as an applicant for financial support or is contracted for a shorter period than the duration of the contract for financial support concluded with the Agency.

3. Funding level

The minimum value of eligible costs per individual project is EUR 3,000 in MKD.

The maximum value of financial support per beneficiary cannot exceed EUR 1.500.000 in MKD equivalent for the entire period of implementation of the IPARD Program 2014-2020.

Total financial support (75% of EU funds + 25% national co-financing) will not exceed the upper limit of 60% of the total eligible investment costs.

This percentage of co-financing will increase to:

- 65% for investments in agricultural holdings proposed by young farmers (natural persons aged 18 to 40 years on the day of submitting the request for financial support);
- 70% for investments in agricultural holdings in forest areas.

The percentage of co-financing will be increased by 10 percentage points for the part of the investment that refers to:

- Investment in storage and management systems for manure (ex: storage, treatment, further use, etc.);
- Investments to improve the efficiency of the use of nitrogen fertilizers (ex: reduced use, equipment for precise use of fertilizers, etc.);
- Investment in facilities / equipment aimed at improving energy efficiency (ex: use of building materials that reduce heat loss);
- Investments in bio-energy facilities / equipment in the case of processing of products (raw materials) covered by Annex I of the Treaty with the EU (processing of animal or plant primary and secondary biomass);
- Investments in facilities / equipment for energy production from other renewable energy sources to meet their own energy needs for the agricultural economy;
- Investment in wastewater / sewerage treatment facilities / equipment.

Note: The increase in the percentage of financial support by 10 percentage points refers only to the part of the investment for which the increase of the support is made, and not the fully proposed investment.

4. List of necessary documents

The bellow-specified documents submitted supporting to the application for allocation of funds from the IPARD Programme (2014-2020) should be in original or notarized copy, unless otherwise specified in the document. If the documentation is in another language, it must be accompanied by Macedonian translation certified by a certified translator. The documents issued based on public records or established record system should not be older than three months from the date of publication of the Public Call, with the exception of the documents confirming the fulfillment of the liabilities for paid taxes and contributions that should not be older than one month prior the date of publishing the Public call.

- 1. APPLICATION FOR MEASURE INVESTMENTS IN PHYSICAL ASSETS FOR AGRICULTURAL HOLDINGS**
- 2. VALID PERSONAL ID OR PASPORT (COPY)**
- 3. TRANSACTION ACCOUNT OF THE APPLICANT (COPY)**
- 4. PROOF OF COMPLETED EDUCATION (MINIMUM HIGH SCHOOL) FOR THE APPLICANT-NATURAL OR RESPONSIBLE PERSON FOR THE LEGAL ENTITY OR AGRICULTURAL COOPERATIVES, OR PROOF OF TRAINING OF SIGNIFICANCE TO THE INVESTMENT, OR SIGNED STATEMENT THAT THE APPLICANT AGREES TO TAKE PART OF PROFESSIONAL TRAINING OF SIGNIFICANCE TO THE INVESTMENT**
- 5. STATEMENT BY THE APPLICANT THAT THE INVESTMENT WILL BE REGISTERED FOR THE PERFORMANCE OF ADDITIONAL ACTIVITIES (FOR PROCESSING AGRICULTURAL PRODUCTS) OF AGRICULTURAL HOLDING** (This document is mandatory in the case when the applicant is agricultural holding that proposes new investments i.e. the applicant is not registered for performing additional activity at the moment of submitting the request).
- 6. STATEMENT BY THE APPLICANT FOR THAT THE INVESTMENT WILL BE REGISTERED IN THE REGISTRY OF AGRICULTURAL INDUSTRIES** (This document is submitted in case the applicant proposes a new investment in livestock production)
- 7. STATEMENT OF THE APPLICANT THAT HE/SHE IS FAMILIAR WITH THE CONDITIONS PROVIDED IN THE LIST OF SPECIFIC MINIMUM CONDITIONS FOR GOOD AGRICULTURAL PRACTICE AND ENVIRONMENTAL PROTECTION PUBLISHED IN THE "OFFICIAL GAZZETE OF THE REPUBLIC OF MACEDONIA NO. 178/2015" AND THAT THE SAME WILL BE OBEYED AND IMPLEMENT ON THE WHOLE**

AGRICULTURAL HOLDING BEFORE APPLICATION OF PAYMENT IS SUBMITTED.

- 8. STOCKHOLDERS' BOOK AND SUPPORTING LETTER** (These documents are mandatory in case when the applicant is shareholders company and in case when there are no data for the company on the website of the Central Securities Depository of the Republic of Macedonia).
- 9. PROOF THAT AT LEAST ONE RESPONSIBLE PERSON IS REGULARY EMPLOYED IN THE LEGAL ENTITY OR EVIDENCE THAT AT LEAST ONE RESPONSIBLE PERSON IS HIRED WITH CONTRACT, OR PROOF THAT AT LEAST ONE RESPONSIBLE PERSON IS TEMPORARY EMPLOYED IN THE LEGAL ENTITY** (the proof is mandatory in cases the applicant has registered company or in the case of new investment; one of these documents should be submitted to the end of the investment).
- 10. PROOF FOR PAID LIABILITIES ON THE BASIS OF TAX, PENSION AND DISABILITY INSURANCE AND HEALTH INSURANCE.**
- 11. PROOF THEA THE APPLICANT IS NOT IN PROCEDURE OF BANKRUPTCY AND LIQUIDATION** (This document is only required for applicants who are legal entities).
- 12. PROOF THAT THERE IS NO MISDEMEANOR SANCTION, INJUNCTION FOR PERFORMING PROFESSION, ACTIVITY** (This document is compulsory only for applicants who are legal entities).
- 13. DECISION ON THE GRANT ELABORATE ON ENVIRONMENTAL PROTECTION OR DECISION FOR APPROVED ELABORATE ON ENVIRONMENTAL PROTECTION ON APPROVED ACTION PLAN, A OR B INTEGRATED ENVIRONMENTAL PERMIT OR APPROVED REQUEST FOR A OR B INTEGRATED ENVIRONMENTAL PERMIT OR REQUEST FOR ISSUING DECISION FOR ORIGINAL ELABORATE FOR ENVIRONMENTAL PROTECTION OR CONFIRMATION THAT THE AGRICULTURAL HOLDING IS NOT OBLIGED TO PROVIDE THE ELABORATE FOR ENVIRONMENTAL PROTECTION** (The document refers to applicants who have registered or proposed investments in the production of milk, meat, eggs, post-harvest activities and processing of agricultural products in the agricultural economy.)
- 14. DOCUMENTS FOR OWNESHIP AND / OR RIGHT TO USE OF THE LAND / SUBJECT TO THE INVESTMENT**
 - 1. PROPERTY LIST FOR THE SUBJECT AND / OR FOR LAND**
 - 2. LEASE AGREEMENT FOR THE SUBJECT AND / OR LAND**
 - 3. LAND CONCESSION AGREEMENT**

The contract is valid for at least 7 years counted from the date of submission of the request for financial support in case of procurement of machinery / equipment;
- 15. PROOF FOR REGULARLY PAID LIABILITIES BASED ON A LOAN AGREEMENT** (The document is submitted only in case the Bank has lease on the property subject of the investment).

DOCUMENTS FOR CONSTRUCTION WORKS

(THE DOCUMENTS BELOW SHOULD BE IN ACCORDANCE WITH THE PROVISIONS OF THE LAW ON BUILDING)

- 16. CONSTRUCTION PERMIT OR STATEMENT BY THE APPLICANT THAT THE RELEVANT PERMIT WILL BE SUBMITTED BY SIGNING THE AGREEMENT** (The statement is submitted only in case the applicant is unable to obtain the authorization by the date of submitting the request for allocation of funds).
OR STATEMENT BY THE COMPETENT INSTITUTION THAT THE PROPOSED INVESTMENT DOES NOT REQUIRE SUBMISSION OF CONSTRUCTION PERMIT.

- 17. COPIES FROM THE PRIMARY TECHNICAL DRAWINGS AND REVISED BILL OF QUANTITIES FROM THE TECHNICAL DOCUMENTATION (OR ELECTRONIC FORM – CD)** (The project documentation submitted to the Agency for Financial Support of Agriculture and Rural Development must fully comply with the project documentation (the technical number) submitted/ will be submitted to the competent authority as part of submitted application for obtaining building permit). **(The document must be certified by authorized persons for preparation of technical documentation and revisers).**

- 18. INTERIM SITUATION/STATUS FOR ALL COMPLETED CONSTRUCTION WORKS** (interim situation/status shall be submitted in case the applicant has built certain part of the building which is subject to the investment i.e. the completed construction works must be in accordance with the latest approved technical documentation).

- 19. DOCUMENTS PROVING THE ECONOMIC VIABILITY/SUSTAINABILITY**

1. BUSINESS PLAN

(The business plan is mandatory document in the value of the planned investment exceeds EUR 50,000 in MKD equivalent, without VAT).

2. TECHNICAL PROJECT PROPOSAL

(Technical project proposal is mandatory document if the total value of the planned investment exceeds EUR 50,000 in MKD equivalent, without VAT).

- 20. BIDS FOR CONSTRUCTION WORK/EQUIPMENT**

- 1. BIDS FROM SUPPLIER FOR EACH ITEM/GROUP OF ITEMS WHICH DOES NOT EXCEED EUR 10.000 IN MKD**
- 2. THREE BIDS FROM DIFFERENT SUPPLIERS FOR ITEM/GROUP OF ITEMS WHICH DOES NOT EXCEED EUR 10.000 IN MKD**
- 3. STATEMENT BY THE SUPPLIER/S FOR THE COUNTRY OF ORIGIN**

The statement is mandatory document if the quoted amount exceeds EUR 100.000.

(The statement is mandatory document in the event when the quote lacks information for the country of origin and the manufacturer of the machinery/equipment).

- 21. PROOF OF OWNERSHIP STRUCTURE FOR ALL FOREIGN SUPPLIERS**
22. SHAREHOLDERS BOOKS IN ELECTRONIC FORM – CD / HARD COPY AND / COVER LETTER

(The above documents are required in cases where the supplier is a joint stock company).

23. STATEMENT BY THE APPLICANT EXPLAINING THE REASONS FOR CHOOSING A PARTICULAR BID

(The document is mandatory in cases where the purchase exceeds EUR 10.000 in MKD per item / group of items, if selected goods/services do not have the lowest value).

24. BID/INVOICE/CONTRACT FOR GENERAL COSTS (for purchases over EUR 10.000 in MKD it is necessary to submit 3 bids for each item). (THE GENERAL COSTS ARE RECOGNIZED ONLY WHEN INCURRED AFTER 01.01.2014)

The agency reserves the right to request additional documentation to prove the fulfillment of the criteria of the IPARD 2014-2020 Program for allocation of financial support. The agency also has the right to request additional document for the Applicant from other institutions that prove the fulfillment of the relevant criteria of the Program).

**SECTION V
PROCEEDINGS BEFORE THE AGENCY**

The procedure before the Agency from the point of receipt of applications until the signing Contract for use of the funds is comprised of:

1. **Completeness check** of the submitted documents against the required documents per measures and types of investments as follows:
 - Whether the documents are issued by the relevant institutions;
 - Whether the documents have all elements proving their reliability (stamp, signature of the responsible person, date etc.);
 - Whether the documents are within the validity date specified in the *List of documents*;

The applicant should supply additional documents to the incomplete application for allocation of funds based when receiving written notice from the Agency. The deadline for supplementing the incomplete requests is 8 days, counted from the day of receipt of the notice.

2. **Eligibility check** of the application for allocation of funds is done in order to determine if:
 - The submitted documents meet the eligibility criteria and conditions for the proposed investment activities;
 - The proposed investment is economically and financially viable, which can be checked by analyzing the parameters contained in the enclosed business plan / technical project proposal;
 - The proposed investment for which the financial assistance is required is not funded by other public funds (the Budget of R. Macedonia and international donors);
 - The prices of the proposed investments are within the market prices by analyzing the reference prices for the relevant activities.

Assistance can be allocated to the beneficiaries whose investment projects provide financial/economic sustainability. The economic and financial viability will be evaluated based on the business plan and the Technical project proposal. The applicant with the Business plan should present the projection for continuity of operation minimum five years after the implementation of the investment. The investment project will be evaluated based on the following economic indicators:

- Modified internal rate of return >0
- Net present value > 0
- Return period of the investment < 10 years.

In the event of proposed projects with total budget of eligible assets under EUR 50.000, the economic sustainability is demonstrated through the technical proposal which will contain financial indicators in terms of generating sufficient income that will cover the operational costs of agricultural holding (this document does not apply to the measure Investments in physical assets for processing agricultural and fishery products).

In order to determine the authenticity of the technical parameters, economic and financial information, the Agency has the right to request documents and information as a basis for decision-making.

The verification of the reliability of the information in the application for allocation of funds shall be performed with on-the-spot control by authorized persons of the Agency.

The classification is made for all complete and eligible applications for allocations of funds in compliance with the proposed Tables for classification per individual measures.

The financial support will be granted for all complete and eligible applications for allocation of funds within the available budget per measure based on the performed administrative and on-the-spot control.

The incomplete, ineligible applications and the applications for allocation of funds with smaller points in relation to the available funds per measure will be rejected with a Decision.

With the applicant, whose applications for allocation of funds is approved shall be signed the Contract within 30 days from the day of receiving the Decision for approving funds from the IPARD Program

Applicants must not begin the implementation of the investment before signing Agreement for allocation of funds with the Agency, except for the activities related to the general costs (preparation of business plan, technical project proposal, feasibility study, architects, and project documentation).

After completion of the investment, the applicant is obliged to submit to the Agency a request for payment within the deadline set in the Agreement for allocation of funds.

An applicant who signs agreement with the Agency shall be obliged not to estrange the investment that is the subject of the contract, lease it or put it under loan, change the purpose and location thereof for the whole duration of the contract i.e. 5 years from the last payment of the financial assets.

The on-site control and the implementation of supervision of the agreement are performed by authorized persons from the relevant institutions from the Republic of Macedonia and the European Union.