



Government of the Republic of Macedonia
Agency for Financial Support of the Agriculture and Rural Development

On the basis of Article 9, Paragraph 1, Item b from the Law on ratification of the Agreement between the Government of the Republic of Macedonia and the Commission of the European Communities for the rules for cooperation regarding the financial assistance from the EC of the Republic of Macedonia and implementation of the assistance according to component V (IPARD) from the Instrument for Pre-accession Assistance (“Official Gazette of the Republic of Macedonia” No. 38/2016), on the basis of Part II Measure Investments in physical assets for processing agricultural and fish products, Item 11 from the Programme for allocation of funds under the Instrument for 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 on the basis of Article 6 from the Decree on the manner and the 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)

The Agency for Financial Support of the Agriculture and Rural Development

on 30 November 2018 announces

PUBLIC CALL No.1/2018

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

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 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 processing and marketing of agricultural and fish products

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 funds per individual application will be allocated as a non-refundable financial assistance (grant) in the amount of:

3.1 50 % of the amount of total eligible expenditures on investments for measure Investments in physical assets for processing and marketing of agricultural and fish products.

4. The deadline for submitting the applications is 14 January 2019.

5. Total financial assistance within this public call is 13,178,668.00 euros or 810,422,183.74 denars.

6. 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 individual measure which contain all information concerning the criteria, the eligibility requirements for the projects and the funding conditions as well as other relevant information necessary for preparing Business Plan, the Guidelines for issuing the necessary documentation from the relevant institutions and other useful information in electronic form can be downloaded from the Agency’s web page: www.ipardpa.gov.mk

7. 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 a 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 PROCESSING AND MARKETING OF AGRICULTURAL AND FISH PRODUCTS

1. Eligible sectors

- Milk and dairy products;
- Meat and meat products (including eggs and poultry);
- Fruit and vegetable (including potatoes, mushrooms and leguminous crops);
- Cereals, milliner's products and starch;
- Plant products and animal oils and fats;
- Grape must, vine and vinegar and
- Production of energy via facilities for processing and animal products from primary and secondary biomass with an exception of fish biomass.

2. Beneficiaries

- Legal

entities registered in the Central Register according to the Company Law with staff less than 250 employees and annual turnover of 50 million euros and/or annual balance sheet that does not exceed 43 million euros, which matches the present definition for small and medium enterprises (SME) included in the Commission Recommendation 2003/361/EC.
- Enterprises which are not included in the SME definition, but have less than 750 employees and annual turnover of less than 200 million euros can also be eligible, but in this case, the support can be allocated for investments intended to reorganize the company according to all relevant EU standards. The assessment of the beneficiary's size is made by the Agency.
- Cooperatives registered in the Central Register in compliance with the Cooperatives Law, whose primary business activity is agriculture and/or services directly related to the agricultural activities.
- The legal entities classified as micro enterprises are not eligible for support under this measure.
- The startups will be assessed on the basis of expected size, as specified in the Business Plan.
- The necessary information on the basis of which the size of the of the legal entity can be determined are obtained from the document "OVERVIEW OF INFORMATION FROM THE ANNUAL REPORT FOR THE PREVIOUS YEAR" issued by the Central Register of the Republic of Macedonia. Valid document through which the size of the legal entity could be assessed for the adequate call is the one that refers to the previous calendar year, and, if relevant, the total number of shares () based on certificate from the Securities Depository.

3. Eligibility criteria

- The applicant must submit “Application for allocation of funds from the IPARD II Programme” accompanied with the necessary documents;
- The applicant must be registered in the Central Register as a legal entity or an agricultural cooperative;
- The applicants – agriculture cooperatives should be registered in the Register of Agricultural Cooperatives under the Ministry of Agriculture, Forestry and Water Management;
- All beneficiaries need to be registered at the Agency for Food and Veterinary as food operators or recorded due to changes caused by the relevant investments in accordance with the Law on Food Safety at the end of the investment;
- The investment should be implemented on the property of the applicant. In case that investment projects are implemented on property which is not in ownership of the applicant, contract or other supporting documents must be supplied to prove the right of use of the property related to the investments for at least 7 years from the date of submitting the application;
- The applicant for financial support should be registered in the national VAT system according to the Law on Value Added Tax.
- Before submitting the claim for payment, at least one responsible person in the legal entity representing the company must be permanently employed in the legal entity or must be recruited on temporary basis under contract for period not shorter than the duration of the contract for granting financial assistance under this Programme.
- The user is obliged to fulfill the relevant EU standards related to the implementation of the investment before submitting the claim for payment.
- The applicant who proposes investments in the wine sector should be registered in the Register of wine producers within the Ministry of Agriculture, Forestry and Water Management before submitting the claim for payment;
- The applicant who proposes investment in a Center for collection and distribution of vegetables and fruits, cereals and milk, must be registered in the Register of buyers before submitting the claim for payment.
- The assistance can be allocated to beneficiaries with financial/economic sustainability. The economic and financial sustainability will be assessed on the basis of a business plan. The applicant should present the opportunity for continuity of operation for minimum five years from the realization of the investment. The investment project will be evaluated based on these economic indicators:
 - The modified internal rate of return should be higher than 0,
 - The net present value should be higher than 0, and
 - The period of return of the investment should be less than 10 years

4. Funding level

Total financial assistance (75% EU funds + 25% national co-financing) shall not exceed the upper limit of **50% of total eligible expenditures of the investment.**

The financial support for measure Investments in physical assets for processing agricultural and fish products could be increased by 10% for:

- Investment in buildings/equipment whose purpose is to improve energy efficiency (e.g. Use of construction materials to reduce heat loss);
- Investments in buildings/equipment for production of bio-energy in case of processing products (raw material) included in Annex 1 of the Agreement with the EU (processing of primary and secondary biomass of animals and plants);
- Investments in buildings/equipment for energy production from other renewable sources of energy to produce amount equal to its own electricity needs for processing enterprises;
- Investments in buildings/water treatment/waste water equipment

In order to provide support under this measure, the total eligible expenditures of the proposed investment project should be minimum 10,000 euros in mkd denars.

The highest value of the total eligible expenditures per beneficiary for the entire period of implementation of this Programme is 4,500,000 eur in mkd denars.

5. 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 INVESTMENT IN PHYSICAL ASSETS FOR PROCESSING OF AGRICULTURAL AND FISH PRODUCTS

2. PROOF THAT THE APPLICANT IS REGISTERED IN THE VAT SYSTEM

3. CERTIFICATE OF PAID TAXES AND CONTRIBUTIONS

4. COPY OF ID CARD OR PASSPORT

5. EVIDENCE THAT THE APPLICANT IS NOT IN PROCEDURE OF BANKRUPTCY

6. PROOF THAT THE APPLICANT IS NOT IN A PROCEDURE OF LIQUIDATION

7. PROOF THAT THERE IS NO MISDEMEANOR SANCTION, INJUNCTION FOR PERFORMING PROFESSION, ACTIVITY OR DUTY AND A TEMPORARY BAN FOR PERFORMING CERTAIN ACTIVITY

8. DOCUMENTS FOR OWNERSHIP AND/OR RIGHT TO USE LAND/BUILDING SUBJECT TO THE INVESTMENT

1. PROPERTY LIST FOR BUILDING AND/OR LAND

2. LEASE CONTRACT FOR BUILDING AND OR LAND

3. LAND CONCESSION AGREEMENT

The Agreement is valid minimum 7 years from the date of submission of the application for financial support in case of purchase of machinery/equipment;

9. PROOF OF REGULARLY PAID LIABILITIES ON THE BASIS OF LOAN AGREEMENT (The document is presented only when the Bank has mortgage on the property subject of the investment).

10. CONSTRUCTION PERMIT OR STATEMENT BY THE APPLICANT THAT THE RELEVANT PERMIT WILL BE SUBMITTED BY SIGNING THE CONTRACT (The statement is submitted in case the applicant is unable to obtain the permit by the date of submission of the application for allocation of funds).

OR STATEMENT BY THE COMPETENT INSTITUTION THAT THE PROPOSED INVESTMENT DOES NOT REQUIRE PERMIT.

11. COPIES FROM THE BASIC TECHNICAL DRAWINGS AND REVISED BILL OF QUANTITIES –CALCULATION 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 (technical number) submitted/to be submitted to the competent authority as part of submitted application for obtaining construction permit).

(The document must be certified by authorized persons for preparation of technical documentation and revisers)

12. INTERIM SITUATION / STATUS FOR THE OVERALLY COMPLETED CONSTRUCTION WORKS (The interim situation shall be submitted in case that the applicant

has built certain part of the building subject to the investment i.e. the derivative works must be in accordance with the latest approved technical documentation).

13. DECISION FOR CHANGING THE INVESTOR OR STATEMENT BY THE APPLICANT THAT THE RELEVANT DECISION WILL BE SUBMITTED NOT LATER THAN THE DATE OF ADOPTION OF THE DECISION BY AFSARD

14. BUSINESS PLAN

15. BIDS FOR CONSTRUCTION WORKS/EQUIPMENT

- a) BIDS FROM SUPPLIER FOR EACH ITEM / GROUP OF ITEMS WITH AMOUNT WHICH DOES NOT EXCEED 10,000 EUROS IN DENARS
- b) THREE BIDS FROM DIFFERENT SUPPLIERS FOR ITEM/GROUP OF ITEMS WITH AN AMOUNT EXCEEDING 10,000 EUROS IN DENARS
- c) STATEMENT BY THE SUPPLIERS FOR THE COUNTRY OF ORIGIN

The statement is a mandatory document if the bid exceeds 100,000 euros.

(The statement is a mandatory document in the event that the Bid does not provide information for the country of origin and the manufacturer of the machinery/equipment).

16. PROOF OF OWNERSHIP STRUCTURE FOR ALL FOREIGN SUPPLIERS

17. SHAREHOLDERS BOOK IN ELECTRONIC FORM – CD/ HARD COPY AND/OR COVER LETTER

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

18. DECLARATION BY THE APPLICANT EXPLAINING THE REASONS FOR CHOOSING A PARTICULAR BID

(The document is mandatory in case if the purchase exceeds 10,000 euros in denars per item / group of items, if the selected goods/services do not have the lowest value).

19. BID / INVOICE / CONTRACT FOR GENERAL COSTS (for purchase exceeding 10,000 euros in denars, the applicant is required to submit 3 bids for each item)

THE GENERAL COSTS ARE RECOGNIZED ONLY IF THEY ARE INCURRED AFTER 01.01.2014)

20. DECISION FOR APPROVED ENVIRONMENTAL PROTECTION STUDY OR DECISION FOR ENVIRONMENTAL PROTECTION STUDY WITH APPROVED ACTION PLAN, OR A OR B INTEGRATED ENVIRONMENTAL PERMITS OR APPROVED APPLICATION FOR ISSUING A OR B INTEGRATED ENVIRONMENTAL PERMITS OR APPLICATION FOR ISSUING DECISION ON APPROVED ENVIRONMENTAL PROTECTION STUDY.

The Agency reserves the right to require additional documentation to prove the fulfillment of the criteria of the IPARD Programme for allocation of financial support.

PART III

PROCEEDING BEFORE THE AGENCY

The procedure before the Agency from the receipt of applications until 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, such as:
 - Whether the documents are issued by 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 applications for allocation of funds based on received written notice from the Agency. The deadline for completion of incomplete applications is within 8 days from the day of receipt of the written notice.

- 2. Eligibility check** of the application for allocation of funds is done in order to determine if:
 - the delivered documents meet the eligibility criteria and conditions for the proposed investment activities;
 - the proposed investment is economically and financially viable and sustainable, which can be checked by analyzing the parameters contained in the enclosed business plan;

- the proposed investment for which the financial assistance is required is not funded by other public funds (the National Budget 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 Beneficiaries whose investment projects provide financial/economic sustainability. The economic and financial sustainability will be assessed on the basis of the business plan. The applicant should present the opportunity for continuity of operation for minimum five years from the realization of the investment along with the business plan. The investment project will be evaluated based on these economic indicators:
- The modified internal rate of return should be higher than 0,
 - The net present value should be higher than 0, and
 - The period of return of the investment should be less than 10 years

In order to determine the authenticity of the technical parameters and economic and financial information, the Agency has the right to request additional documents and information as a basis of 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 allocation of funds in compliance with the proposed Tables for classification per individual measure.

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

The incomplete, ineligible applications and the applications for allocation of funds with fewer points regarding the available funds per measure will be rejected with a Decision.

A Contract with the applicant whose application for allocation of funds is approved shall be signed within 30 days of receipt of the Decision for allocation of funds under the IPARD Programme 2014-2020.

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

After completion of the investment, the applicant shall submit to the Agency claim for payment within the period determined in the Contract for allocation of funds.

The applicant who will sign a contract with the Agency is obliged not to alienate, lease or loan the investment subject to the agreement, nor to alter the purpose and the location of the investment for the entire duration of the contract, i.e. 5 years from the final disbursement of funds.

On-the-spot control and supervision over the implementation of contract shall be performed by authorized persons from relevant institution of the Republic of Macedonia and the European Union.