



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

On the basis of article 14 paragraph 2 (a) from the Law on ratification of the Framework Agreement between the Government of the Republic of Macedonia and the Commission of the European Communities on the Rules for Cooperation concerning the EC Financial Assistance to the Republic of Macedonia and the implementation of the Assistance under component V (IPARD) from the Instrument for Pre-accession Assistance (Official Gazette of RM no.165/2008) and on the basis of Part V paragraph (5) from the Program for allocation of funds from the EU Instrument for Pre-accession Assistance for Rural Development (IPARD) for the period 2007-2013 (Official Gazette no. 83 /2009 and no. 96/2013),

The Agency for Financial Support of the Agriculture and the Rural Development

On 8 of July 2013 hereby announces

Call for Applications No.01/2013

for submitting applications for allocation of funds from the IPARD Program 2007-2013

The Agency for Financial Support of the Agriculture and the 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 and natural persons from the Republic of Macedonia to submit applications for allocation of funds from the IPARD Program 2007-2013 for the following measures.

Measure 101 – Investments in agriculture holdings for their restructuring and upgrading to the Community standards

Measure 103 – Investments in processing and marketing of agriculture and fishery products for their restructuring and upgrading to Community standards, and

Measure 302 – Diversification and development of the rural economic activities



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1. The financial support for this Call for applications is comprised of 75% funds provided from the Fifth Component under the EU Instrument for Pre-Accession Assistance for Rural Development (IPARD) according to the Multi-Annual Financing Agreement 2007-2011 and 25% of the fund are provided from the Budget of the Republic of Macedonia.

2. **Financial assistance per individual application** will be allocated as a non-refundable financial assistance (grant) in the amount of 50% of the total eligible expenditures i.e. 55% per application submitted by a holder of the agriculture holding, not older than 40 years on the day of commencing the realization of the investment for measure 101.

3. **The deadline for submitting the applications is 22 August 2013**

4. Obtaining application forms and guidelines:

The necessary forms from the "Application for allocation of funds from the IPARD Program 2007-2013" as well as the "Guideline for Beneficiaries of funds from the IPARD Programme 2007-2013" which contain all information concerning the criteria, the eligibility requirements and the funding conditions as well as all other relevant information necessary for preparing the application for allocation of funds from the IPARD Program 2007-2013, the Guideline for preparing the 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

The printed forms of the Application for allocation of funds from the IPARD Program 2007-2013 as well as the "Guideline for Beneficiaries of funds from the IPARD Program 2007-2013 can be obtained directly from the Agency, at the following address:

Agency for Financial Support of the Agriculture and the Rural Development

Blvd: "3^{ta} Makedonska Brigada" no.20
(Makedonija Tabak building, blok C)

1000 Skopje

and in the nearest regional centers or work units of the **Agency for Development of the Agriculture**, every working day **from 08.30 until 16.30** (The List of regional centers or work units of the for Agency for Development of the Agriculture with contact information is published on the Agency's web page: www.ipardpa.gov.mk)

5. Method of applying:

The applicant should fill out and submit Application for allocation of funds from the IPARD Programme 2007-2013 for an individual measure; Business Plan produced according the Guideline for development of a Business Plan and supporting documentation as specified in the Application for allocation of funds from the IPARD Program 2007-2013. More detail information for the specific eligibility requirements are defined in the Guideline for Beneficiaries of funds under the IPARD Program 2007-2013.



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The application for allocation of funds from the IPARD Program 2007-2013 and the Business Plan must be in Macedonian language.

The filled out application for allocation of funds under the IPARD Program 2007-2013 along with the Business Plan and overall necessary documentation are to be submitted in a closed envelope. The envelope, on the front side in the upper left corner must have a reference “DO NOT OPEN” for Call for applications IPARD No 01/2013 and the applicant must specify the code of the measure for which the application is submitted. The application can be submitted via the post office by registered mail or personally to the Writing office of the Agency.

Note: The application for allocation of funds from the IPARD Program 2007-2013, the Business Plan with the supporting documentation SHALL NOT BE RETURNED. Due to performing on -the -spot control by the Agency, the applicant is required to have copies from the complete documentation submitted to the Agency. .

More detail information can be obtained at 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.



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**General directions for preparing the application for
Call for applications no. 01/2013**

1.	General objectives of the IPARD Program 2007-2013
	<p>The objective of the IPARD Program 2007-2013 is to provide via adequate measures for support of the agriculture and the rural development, improved competitiveness of the agriculture production and agro-food sector, developing them to comply to the Community standards while ensuring sustainable environmental and socio-economic development of the rural areas through increased economic activities and employment opportunities via the following priorities:</p> <ul style="list-style-type: none"> - Improving the competitiveness of commercial agriculture holdings and agro-food capacities in certain sub-sectors through investments for improving the technological and the market infrastructure for increasing the added value of the agriculture products and achieve compliance with the EU quality, health, food safety, animal welfare and environmental protection standards. - Improved quality of life for the rural population, increased income in the rural areas and creation of new employment opportunities through development and diversification of economic activities of agriculture holdings to decrease the disparity between the regions and the disparity compared to the urban areas.
2.	Priorities for allocation of financial assistance
	<p>In compliance to the objectives from the IPARD Program 2007-2013, the main priorities for financial assistance are the following:</p> <p>a) According to Priority Axis 1 – Improving the market efficiency and implementation of Community standards:</p> <p>Measure 101 - Investments in agricultural holdings to restructure and to upgrade to Community standards Measure 103 - Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards</p> <p>b) According Priority Axis 3 –Development of rural economy:</p> <p>Measure 302 – Diversification and development of rural economic activities</p>
3.	Subject and conditions for allocation of financial assistance for measure 101



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	<p>The financial assistance for measure 101 is allocated for agricultural production in the priority sectors vineyards (1011), orchards (1012), vegetable production (1013) milk production (1014) and meat production (1015)</p> <p>The investments can be implemented on the whole territory of the Republic of Macedonia.</p> <p>The group of investments per priority sectors refer to the following type of investments:</p>
code	<i>Type of investment</i>
10111	Reconstruction and modernization of vineyards
10121	Reconstruction and modernization of orchards
10131	Construction/Reconstruction and modernization of fixed greenhouses (excluding plastic tunnels) and glasshouses)
10132	Modernization of open-field vegetable production
10141	Construction/Reconstruction of farm buildings for dairy animals (cattle, sheep and goats)
10151	Construction/Reconstruction of farm buildings for pig breeding
10152	Setting up of new poultry units for broilers and modernizing the existing ones





3.1.	<p>Applicants for allocation of funds from measure 101 are commercial agriculture holdings, registered in the Farm Register within the Ministry for Agriculture, Forestry and Water Economy according the Law on Agriculture and Rural Development (Official Gazette of RM no.49/10):</p> <ul style="list-style-type: none"> a) Agriculture holding can be registered in the FR as a family holding, represented by natural person or individual farmer or as agriculture holding represented by a legal person. b) Natural person is a member of the family agriculture holding, authorized to represent the agriculture holding, before the institutions by the members of the family agriculture holding. The representative of the family agriculture holding and the members live at the same address, which is the seat of the agriculture holding, independently of the location of the agriculture holding c) Individual Farmer is a natural person who is dealing in agriculture on his/her own account being the owner of a farm or who has the right to use the farm obtained through a legal agreement by the owner and is registered in the Farm Registry and in the Register of Agriculture Producers in MAFWE as Individual Agriculture Producer or in the Pension Fund; d) Natural and legal persons, who propose new investments which refer to agriculture activities in the adequate priority sector, are eligible for support if they meet the specific requirements from the sub-measures 10141, 10151 and 10152 and they will be registered in the Farm Register at the end of the investment. <p>The legal persons can obtain support provided that in their capital have a state capital of less than 25% for the time duration of the project and minimum 5 years after completing the investment activity funded under this Program. These legal persons are eligible for allocation of funds from the IPARD Programme 2007-2013.</p>
	<p>III. PRODUCTION FACILITIES OF THE APPLICANT</p>



Type of production		Size of production capacity of the applicant	
		Insert (planned) capacity	
1) Vineyards (ha) (circle)		a	min 0.3 до 50 ha
		b	over 50 ha
2) Orchards (ha) (circle)		a	min 0.3 до 50 ha
		b	over 50 ha
3) Gardening crops (ha)	Open -field (circle)	a	min 0,2 - 30 ha
	Greenhouses/ Glasshouses (circle)	b	min 0,3 - 30 ha (at the end of the investment)
	Nurseries (circle)	c	min 0,1 ha (at the end of the investment)
4) Milk production (heads)	Dairy cows (circle)	a	min 5 - max 500 крави
		b	Less than 5 cows but not more than max 500 cows
		c	Over max. capacity
	Milking goats (circle)	a	Min. 30 – max 800 goats
		b	Less than 30 goats but not more than max 800 goats
		c	Over max. capacity
	Milking sheep (circle)	a	Min 150 – max. 8000 sheep
		b	Less than 150 sheep but not more than max 8000 sheep
		c	Over max. capacity
5) Meat production (heads)	Fattening pigs (annual) (circle)	a	Min. 100 – max. 30.000 pigs
		b	Less than 100 pigs but not more than 30.000 pigs
		c	Over max. capacity
	Sows (circle)	a	min 10 –max 1500 sows
		b	Less than 10 sows but not more than 1500 sows
		c	Over max. capacity
	Broilers (annual) (circle)	a	min 3000 – max 180.000 broilers
		b	Less than 3000 broilers but not more than 180.000 broilers
		c	Over max. capacity





* *Annual turnover*

3) The responsible person/holder of the agriculture holding:

- Must have minimum secondary education or
- hold Certificate for training issued by relevant training institutions according the Law on occupational education and training (Official Gazette of RM no. 71/06, 117/08, 148/09), supported with the List of training topics related to the proposed investment;
- Proof that one of the managers of the legal entity, representing the legal entity in a procedure before the Agency is permanently employed in the legal entity which is as the applicant for financial support or has signed Contract with duration not shorter than the validity of the Contract for Financial Support signed with the Agency.

²**Note:** The applicants who do not meet the education criteria should make a statement that they are consent to attend training, organized under the Program for financial support of the rural development before applying for the final payment.



3.2	<p>Aid intensity for measure 101</p> <p>The minimum amount of eligible expenditures is 3. 000 Euros (185.055,00 in MKD equivalent)</p> <p>The maximum amount of eligible expenditures can not exceed:</p> <ul style="list-style-type: none"> - 1.500.000 Euros (92.527.500,00 in MKD equivalent) of the total eligible expenditures for investments for sub-measures 10111, 10121 and 10132 which objective is to meet the relevant Community standards related to the proposed investment after the implementation of the investments or - 1.700.000 Euros (104.864.500,00 in MKD equivalent) of the total eligible expenditures for investments for sub-measures 10251 and 10152 aiming at adjusting the overall production of the agriculture holding to the relevant European Union standards after the implementation of the investment. - 2.300.000 Euros (141.875.500,00 in MKD equivalent) of the total eligible expenditures for investments for sub-measure 10131 aiming at adjusting the overall production of the agriculture holding to the relevant European Union standards after the implementation of the investment <p>The maximum amount of eligible costs for co-financing an individual beneficiary must not exceed the above-specified amounts for the individual measures, which can also be used in under one Public Call i.e. in one investment for the financial period of 2007-2013.</p> <p>One applicant can submit several applications for allocation of funds under the IPARD Program 2007-2013 provided that it does not exceed the maximum amount of eligible costs for financing and provided that the previous projects are successfully implemented i.e. the financial support is fully paid.</p>
4.	<p>Subject and conditions for allocation of financial assistance under measure 103</p>
	<p>The financial support for measure 103 is allocated for the agro-food sector in the priority sectors Wine production (1031), Fruits and Vegetables processing (1032), Milk and Dairy products (1033), Meat products (1034).</p> <p>The investments can be implemented on the whole territory of Republic of Macedonia</p> <p>The group of investments per priority sectors refer to the following type of investments:</p>
code	Type of investment
10311	Investments in wine product quality
10321	Setting up and modernization of fruit and vegetable collection centers
10322	Modernization of production technologies in the fruit and vegetable processing establishments
10331	Setting up and modernization of milk collection centers
10332	Investments in modernization and technological upgrade of dairy establishments





10341	Establishment slaughter capacities of poultry		
10342	Modernization and technological upgrading for the existing slaughter establishments for cattle, pig, sheep/lamb and poultry		
10343	Investments for restructuring for meat processing establishments		
4.1.	<p>Applicants for allocation of funds from measure 103 can be economically viable legal entities established in the range of small or medium enterprises which are registered in the Central Registry according to the Company Law (OG of RM no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10), and according the Recommendation 2003/361/EC which are registered VAT payers according the Law on VAT (OG of RM 44/99, 59/99, 86/99, 11/00, 8/01, 21/03, 19/04, 33/06, 101/06, 114/07, 103/08, 114/09, 133/09)</p> <p>What is small and medium enterprise according the Recommendation 2003/361/EC?</p> <table border="1"> <tr> <td> <p>Medium enterprise (Head count < 250 and Annual revenue (turnover) ≤ € 50 million euro or Balance sheet * ≤ € 43 million euro)</p> </td> </tr> <tr> <td> <p>Small enterprise (Head count < 50 and Annual revenue (turnover) ≤ € 10 million euro or Balance sheet * ≤ € million euro)</p> </td> </tr> </table> <p>Applicants for allocation of funds from measure 103, investment type 10321 and 10331 can also be economically viable cooperatives established according the Law on Cooperatives (Official Gazette of RM no. 54/02, 84/05) and which are registered in the Central Registry with main occupation – agriculture according the National classification of activities (Official Gazette of RM no. 147/08)</p> <p>2) The responsible person of the legal entity :</p> <ul style="list-style-type: none"> – One of the responsible person must proof professional education regarding basic knowledge on Food safety. – At least one of the responsible persons of the legal entity must be permanently employed in the legal entity or engaged under contract with duration not shorter that the Contract granting financial support under this Programme. – In case when the legal entity has several responsible persons, the responsible person who is assigned as relevant in the Application for allocation of the funds form the IPARD Program 2007-2013 must be permanently employed in the legal entity– applicant. 	<p>Medium enterprise (Head count < 250 and Annual revenue (turnover) ≤ € 50 million euro or Balance sheet * ≤ € 43 million euro)</p>	<p>Small enterprise (Head count < 50 and Annual revenue (turnover) ≤ € 10 million euro or Balance sheet * ≤ € million euro)</p>
<p>Medium enterprise (Head count < 250 and Annual revenue (turnover) ≤ € 50 million euro or Balance sheet * ≤ € 43 million euro)</p>			
<p>Small enterprise (Head count < 50 and Annual revenue (turnover) ≤ € 10 million euro or Balance sheet * ≤ € million euro)</p>			





4.2.	<p>Aid intensity for measure 103 Minimum total eligible cost of the investment is 10 000 Euros (616.850,00 in MKD equivalent) The maximum total eligible expenditure for the whole period of the Programme implementation is 3.000.000 Euros (185.055,00 in MKD equivalent) per beneficiary under this measure. One applicant can submit several applications for allocation of funds from the IPARD Program 2007-2013 provided that it does not exceed the maximum amount of the eligible costs for financing and if the previous projects were successfully implemented i.e. the financial support is fully paid.</p>
5.	<p>Subject and conditions of financial support for measure 302</p> <p>Financial support for measure 302 is designed for the rural population for investments in priority sectors: support and development of micro and small enterprises in rural areas, food processing, non-food production activities, the establishment of alternative agricultural production systems on farms and providing agricultural services, crafts and rural tourism, investments or location of investments must be implemented in rural areas (listed in Appendix 11: List of rural areas in the Republic of Macedonia Guidelines for users of the funds from the IPARD Program 2007-2013).</p> <p>The group of investments per priority sectors refer to the following types of investments:</p>
шифра	<i>Type of investment</i>
30211	Development of small-scale food processing capacity
30212	Development of non-food production activities
30213	Setting-up and modernization of collection centers for forest products
30214	Promotion of traditional handicrafts
30215	Support for provision of rural services (non-agriculture)
30221	Introduction of alternative agriculture production systems
30231	Investments for setting-up of "Machinery Rings"
30232	Establishment and upgrade of private Veterinary services
30241	Construction/Reconstruction and modernization of rural tourism facilities
30242	Construction/Reconstruction and modernization of outdoor accommodation facilities





5.1.

Applicants for allocation of funds from measure 302 can be:



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a) Investments in the development of small processing capacity -

Agricultural holdings - which are registered in the register of agricultural holdings in MAFWE in accordance with the Law on Agriculture and Rural Development ("Off. Gazette" no. 49/10, 53/11, 126/12, 15/13) with registered office in rural areas (**listed in Appendix 11: List of rural areas in the Republic of Macedonia Guidelines for users of the funds from**



5.2.	<p>Aid intensity for measure 302</p> <p>Minimum amount of eligible expenditures is 3.000 Euros (185.055,00 in MKD equivalent) Maximum amount of eligible expenditures can not exceed 450. 000 Euros (27.758.250,00 in MKD equivalent) i.e. the maximum amount of eligible expenditures may exceed for the following types of investments:</p> <ul style="list-style-type: none"> - 550.000,00 Euros (33.926.750,00 in MKD equivalent) per beneficiary for the type for the type of investment 30212 and 30241 - 750.000,00 Euros (46.263.750,00 in MKD equivalent) per beneficiary for the type of investment 30211, 30221 and 30231 <p>The maximum amount of total eligible costs for co-financing an individual user can not exceed above mentioned amounts for the financial period 2007-2013.</p> <p>One applicant can submit several applications for allocation of funds from the IPARD Program 2007-2013 provided that it does not exceed the maximum amount of total eligible costs for financing and if the previous projects were successfully implemented i.e. the financial support is fully paid.</p>
6.	Total general costs





	<p>The eligible expenditures for co-financing refer to:</p> <ul style="list-style-type: none"> a) construction or reconstruction of objects b) purchase of perennial crops c) procurement of new machinery and equipment including computer software at the amount of the market value of the assets d) general costs related to the eligible costs specified in points a), b) and c) such as architects, engineers and other consultant's fees, feasibility studies, patent rights and licenses at the maximum amount of 12% of the total eligible costs specified in points a), b) and c) and are in compliance with the following conditions: <ul style="list-style-type: none"> - For projects with total eligible costs for investments specified in points a), b) and c) less than 1.000.000,00 euros (61.685.500,00 in MKD equivalent), the costs for production of Business Plan should not exceed 5% of the eligible costs for these investments <p><u>The specific eligible costs per types of investments are elaborated in detail for each individual measure and type of investment in the Guideline for beneficiaries of funds from the IPARD Program 2007-2013</u></p> <p>The co-financed eligible expenditures should be from the EU member countries, EU candidate countries, the potential EU applicant countries and the countries beneficiaries of the European Neighborhood and Partnership Instrument and other countries which have reciprocity approach to the external assistance of the European Community. The List of these countries is specified in the <i>Guideline for the beneficiaries of funds from the IPARD 2007-2013</i>.</p>
7.	Non-eligible expenditures





	<p>The following expenditures are not eligible for co-financing:</p> <ul style="list-style-type: none"> - taxes, including value added taxes; - customs and import duties, or any other charges; - purchase, rent or leasing of land and existing buildings, irrespective of whether the lease results in ownership being transferred to the lessee; - fines, financial penalties and expenses of litigation; - operating costs; - second-hand machinery and equipment; - bank charges, costs of guarantees and similar charges; - conversion costs, charges and exchange rate losses associated with the IPARD euro account, as well as other purely financial expenses; - contributions in kind; - the purchase of agricultural production rights, animals, annual plants and their planting; - any maintenance, depreciation and rental costs; - any cost incurred by public administration in managing and implementing assistance, namely those of the Operating Structure and, in particular, overheads, rentals and salaries of staff employed on activities of management, implementation, monitoring and control.
8.	Calculation of the euro exchange rate
	The amounts in euros will be calculated in macedonian equivalent currency (denars) according to the monthly accounting rate of the euro of the European Central Bank. For July, 2013 the monthly accounting rate of the euro is 61,685,000 denars for 1 euro (www.ec.europa.eu/budget/infoureuro).
9.	Deadline for realization of the investment
	The acceptable deadline for realization of any investment is maximum 24 months from the day of signing the Contract for allocation of funds.
10.	General requirements and conditions for beneficiaries





The applicant should fill out and submit an Application for allocation of funds for the relevant measure as well as: **EU Instrument for pre-accession assistance** 

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1. Business Plan/Technical Project proposal to demonstrate the economic viability and the opportunity for new employments which shall be prepared according the Guidelines for production of Business Plan/ Technical Project proposal;

Documentation for collection of at least three offers from various independent suppliers with Technical Specification for each separate procurement of goods and services, as well as Origin





11.	Procedure for allocation of funds by the Agency
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The Procedure conducted by the Agency from the phase of receiving the applications until the signing of the Contract  for allocation of pre-accession assistance  for rural development 2007-2013



1. Checking the completeness of the submitted documents against the required documents per measures and types of investments such as:
 - Whether the documents are issued by the relevant institutions;
 - Whether the documents have all elements proving their reliability (stamp,



12. Criteria for selection of beneficiaries				
12.1. Criteria for ranking the application for measure 101 The applications which meet the criteria for allocation of funds for financial support for measure 101 shall be ranked by scoring at the following manner:				
	Objectives of the measure	INDICATOR	Score in case of compliance	Maximum points
1		If the investment is proposed by individual agriculture producers which are members of agriculture cooperative or agriculture associations	35	35
		If the investment is proposed by agriculture cooperatives	30	
		If the investment is proposed by legal entities established by the farmers associations	25	
2	Promotion of the environmental protection	If the investment supports establishment of on-farm energy and water savings practices and promotion of the agriculture practices with regards to the environmental protection	25	25
3	Improvement of the gender structure in the rural areas	If the investment is proposed by woman	15	30
		If the investment is proposed by young farmers (between 18 and 40 years)	15	
4	Commercial orientation of the agricultural production	Contractual relationships for deliveries of a raw material produced in the agriculture holding to the food supply chain	10	10
TOTAL				100





12.2.	<p>Criteria for ranking for measure 103</p> <p> EU Instrument for pre-accession assistance </p>			
<p>The applications which for rural development 2007-2013 of funds for financial support for measure 103 shall be ranked by scoring at the following manner</p>				
	Objective of the measure	INDICATOR	Score in case of compliance	Maximum points
		If the investment aims at modernization		



12.3.

Criteria for ranking for measure 302

The applications which meet the criteria for allocation of funds for financial support for measure 302 shall be ranked by rural development 2007-2013 in the following manner:

	Objectives of the measure	INDICATOR	Score in case of compliance	Maximum points
		If the investment is located in		



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