



**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 27 of October 2014 hereby announces

**Call for Applications No.02/2014**

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**



EU Instrument for pre-accession assistance  
for rural development 2007-2013





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. The financial support for measure 101 shall be raised up to:

- 55% of the amount of the eligible expenditures for co-financing investments in agriculture holdings made by farmers between 18 to 40 years of age on the day of submitting the application for measure 101.
- 60% of the amount of the eligible expenditures for co-financing investments in agriculture holdings in mountain areas
- 65% of the amount of the eligible expenditures for co-financing investments in agriculture holdings in mountain areas made by farmers between 18 to 40 years of age on the day of submitting the application for measure 101.
- 75% for investment projects carried out in regions where the Commission determines that exceptional natural disasters have occurred or for investments in agricultural holdings to implement the Nitrate Directive concerning the protection of waters against pollution caused by nitrates from agricultural sources subject to existence of National strategy.

3. **The deadline for submitting the applications is 10 December 2014.**

#### 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](http://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

Bldv: "3<sup>ta</sup> 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](http://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 or Technical Project Proposal 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.

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

The filled out application for allocation of funds under the IPARD Program 2007-2013 along with the Business Plan/ Technical Project Proposal 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 02/2014 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 2007-213, the Business Plan/ Technical Project Proposal 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](mailto:ipardpa.info@ipardpa.gov.mk) and the Agency's web page: [www.ipardpa.gov.mk](http://www.ipardpa.gov.mk).





**General directions for preparing the application for  
Call for applications no. 02/2014**

<b>1.</b>	<b>General objectives of the IPARD Program 2007-2013</b>
	<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"> <li>- 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.</li> <li>- 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.</li> </ul>
<b>2.</b>	<b>Priorities for allocation of financial assistance</b>
	<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><b>Measure 101 - Investments in agricultural holdings to restructure and to upgrade to Community standards</b>  <b>Measure 103 - Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards</b></p> <p>b) According Priority Axis 3 –Development of rural economy:</p> <p><b>Measure 302 – Diversification and development of rural economic activities</b></p>
<b>3.</b>	<b>Subject and conditions for allocation of financial assistance for measure 101</b>
	<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>





	The group of investments per priority sectors refer to the following type of investments:
<b>code</b>	<b><i>Type of investment</i></b>
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><b>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):</b></p> <p><b>Agriculture holding</b> 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.</p> <p>a) <b>Natural person</b> 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</p> <p>b) <b>Individual Farmer</b> 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;</p> <p><b>Natural and legal persons</b>, 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> <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</p>





the IPARD Programme 2007-2013.			
III. PRODUCTION FACILITIES OF THE APPLICANT			
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





	<p>* <i>Annual turnover</i></p> <p><b>3) The responsible person/holder of the agriculture holding:</b></p> <ul style="list-style-type: none"> <li>- Must have minimum secondary education or</li> <li>- 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;</li> <li>- 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.</li> </ul> <p><sup>2</sup><b>Note:</b> 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.</p>
3.2	<p><b>Aid intensity for measure 101</b></p> <p><b>The minimum amount</b> of eligible expenditures is 3. 000 Euros (185.055,00 in MKD equivalent)</p> <p><b>The maximum amount</b> of eligible expenditures can not exceed:</p> <ul style="list-style-type: none"> <li>- <b>1.500.000</b> Euros (92.322.600,00 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</li> <li>- <b>1.700.000</b> Euros (104.632.280,00 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.</li> <li>- <b>2.300.000</b> Euros (141.561.320,00 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</li> </ul> <p><b>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.</b></p> <p><b>Applicant can submit multiple applications for different measures for allocation of funds from the IPARD Program 2007-2013, provided they do not exceed the maximum amount of eligible financing costs.</b></p> <p><b>An applicant may submit only one application for the same measure. If the application for a measure is approved, the applicant will need to complete (final payment is received) that project before being able to submit a new application for the same measure ..</b></p>





4.	<b>Subject and conditions for allocation of financial assistance under measure 103</b>		
	<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><b>What is small and medium enterprise according the Recommendation 2003/361/EC?</b></p> <table border="1" data-bbox="310 1314 1403 1541"> <tr> <td data-bbox="310 1314 1403 1430"> <p><b>Medium enterprise</b> (Head count &lt; 250 and Annual revenue (turnover) ≤ € 50 million euro or Balance sheet * ≤ € 43 million euro)</p> </td> </tr> <tr> <td data-bbox="310 1430 1403 1541"> <p><b>Small enterprise</b> (Head count &lt; 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>	<p><b>Medium enterprise</b> (Head count &lt; 250 and Annual revenue (turnover) ≤ € 50 million euro or Balance sheet * ≤ € 43 million euro)</p>	<p><b>Small enterprise</b> (Head count &lt; 50 and Annual revenue (turnover) ≤ € 10 million euro or Balance sheet * ≤ € million euro)</p>
<p><b>Medium enterprise</b> (Head count &lt; 250 and Annual revenue (turnover) ≤ € 50 million euro or Balance sheet * ≤ € 43 million euro)</p>			
<p><b>Small enterprise</b> (Head count &lt; 50 and Annual revenue (turnover) ≤ € 10 million euro or Balance sheet * ≤ € million euro)</p>			







	<ul style="list-style-type: none"> <li>- Must have professional education acquired in accordance with the Rulebook on checking the knowledge and the issuance of certificates of acquired basic knowledge of food hygiene and environmental protection ("Official. Gazette" no. 118/2005)</li> <li>- Responsible person of the legal entity must be permanently employed in the legal entity that applies for financial support. In case when legal entity has more than one representatives, responsible person stated in the application form for the allocation of funds from the IPARD Programme 2007-2013 must be permanently employed in the legal person requesting.</li> </ul>
4.2.	<p><b>Aid intensity for measure 103</b>  <b>Minimum total eligible cost of the investment is 10 000 Euros (615.484,00 in MKD equivalent)</b>  <b>The maximum total eligible expenditure for the whole period of the Programme implementation is 3.000.000 Euros (184.645.200,00 in MKD equivalent) per beneficiary under this measure.</b>  <b>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.</b></p>
5.	<p><b>Subject and conditions of financial support for measure 302</b></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>
<b>шифра</b>	<b><i>Type of investment</i></b>
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.	<p>Applicants for allocation of funds from measure 302 can be:</p> <p>a) <b>Investments in the development of small-scale food processing capacity –</b></p> <p><b>Agricultural holdings</b> - 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 (<b>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</b>).</p> <p><b>Legal entities</b> registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro and small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure, with registered office or official office in a rural areas (<b>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</b>).</p> <p>What is micro and small enterprise according to the Recommendation 2003/361/ES?</p> <p><b>Micro enterprise</b> (Number of employees &lt;10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet * ≤ € 2 million euros)</p> <p><b>Small enterprise</b> (Number of employees &lt;50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet * ≤ € 10 million euros)</p> <p><b>Craft</b> according to the Law on Crafts ("Off. Gazette" no. 62/04, 55/07, 115/10, 36/11, 53/11) and registered with the Chamber of Crafts for performing food production with registered office in rural areas (<b>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</b>).</p> <p><b>Cooperatives</b> established under the Law on Cooperatives ("Off. Gazette" no. 54/02, 84/05) and registered in the Central Register for activities agriculture / food processing, with registered office in rural areas (<b>listed in Annex 11: List of rural areas in the Republic of Macedonia Guidelines for users of the funds from the IPARD Program 2007-2013</b>).</p> <p>Investments must be implemented in accordance with the <b>list of eligible processing</b></p>





activities and production activities listed in Annex 6 of the Guidelines for users of the funds from the IPARD Program 2007-2013.

**b) Investments in the development of non-food production activities**

**Legal entities** registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro and small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure, with registered office or official office in a 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**);

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

Investments must be implemented in accordance with the **list of eligible manufacturing activities listed in Annex 6.1 of the Guidelines for users of the funds from the IPARD Program 2007-2013**.

**c) Setting-up and modernization of collection centers for forest products**

**Legal entities** registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro and small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure, with registered office or official office in a 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**).

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

**Cooperatives** established under the Law on Cooperatives ("Off. Gazette" no. 54/02, 84/05) and registered in the Central Register for activities agriculture / food processing, with registered office in rural areas (**listed in Annex 11: List of rural areas in the Republic of**





**Macedonia Guidelines for users of the funds from the IPARD Program 2007-2013).**

**d) Investments in traditional handicraft activities 5 and providing rural services 6:**

**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 the IPARD Program 2007-2013).**

**Craft** according to the Law on Crafts ("Off. Gazette" no. 62/04, 55/07, 115/10, 36/11, 53/11) and registered with the Chamber of Crafts for performing food production 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 the IPARD Program 2007-2013).**

**Legal entities** registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro and small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure, with registered office or official office in a 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).**

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

**Note 5: The list of traditional craft industries and rural services are listed in Appendix 7 and Appendix 7.1 of the Guidelines for users of the funds from the IPARD Program 2007-2013**

**e) Investments in introduction of alternative agriculture production systems**

**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 the IPARD Program 2007-2013).**

**Legal entities** registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro and small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure, with registered office or official office in a 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**).

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

**Cooperatives** established under the Law on Cooperatives ("Off. Gazette" no. 54/02, 84/05) and registered in the Central Register for activities agriculture / food processing, with registered office in rural areas (**listed in Annex 11: List of rural areas in the Republic of Macedonia Guidelines for users of the funds from the IPARD Program 2007-2013**).

Investments must be implemented in accordance with **the list of eligible alternative agricultural activities listed in Annex 7.2 of the Guidelines for users of the funds from the IPARD Program 2007-2013**

**f) Investments for setting-up of "Machinery Rings"**

**Non – profit organization** established under the Companies Act ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) registered in the Central Registry with no more than 25% state capital in the ownership structure, with registered office or branch in rural areas, and they need to be established on a voluntary basis for protecting the farms from non-economic investments that can farmers produce surplus machinery and equipment and the rational use of existing agricultural machines by providing services to the owner of the machine and agriculture which has specific agricultural purposes, with registered office in rural areas (**listed in Appendix 11: List of rural areas in the Republic Macedonia Guidelines for users of the funds from the IPARD Program 2007-2013**)

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance





sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

**Cooperatives** established under the Law on Cooperatives ("Off. Gazette" no. 54/02, 84/05) and registered in the Central Register for activities agriculture / food processing, with registered office in rural areas (**listed in Annex 11: List of rural areas in the Republic of Macedonia Guidelines for users of the funds from the IPARD Program 2007-2013**).

**g) Investments in establishment and upgrade of private Veterinary services**

**Legal entities** registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/10 24/11 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro and small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure, with registered office or official office in a 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**).

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

**h) Investments in rural tourism facilities and indoor accommodation**

- **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. 134/2007, 49/1053/11, 126/12, 15 / 13)

- Investment in wine tourism applicant should provide proof that the minimum annual production capacity of the establishment is 20hl and maximum 400hl

- The proposed investment in indoor accommodation on agriculture holding should not be more than 10 rooms (including flats) to accommodate maximum 30 persons (excluding extra beds for children)

- The capacity proposed for catering service / tasting facilities must be organized for serving food for maximum 60 guests





- **Legal entities** - that are registered under the Law on trade companies ("Off. Gazette" no. 28/04, 84/05, 25/07, 87/08, 42/10 48/1024/11, 166 / 12) and is registered in the central register as a sole trader or a company in the range of micro of small enterprise in accordance with Recommendation 2003/361/ES with no more than 25% state capital in the ownership structure; registered for business tourism, hospitality, agriculture, forestry and hunting, fishing and aquaculture, or wine-based rural area where the investment is located,

What is micro and small enterprise according to the Recommendation 2003/361/ES?

**Micro enterprise**

(Number of employees <10 and Annual revenue (turnover) ≤ € 2 million euros or balance sheet \* ≤ € 2 million euros)

**Small enterprise**

(Number of employees <50 and Annual revenue (turnover) ≤ € 10 million euros or balance sheet \* ≤ € 10 million euros)

- In case the applicant is wine production company, it must be registered in the Register of wine producers in MAFWE when applying for support

- In case the applicant is engaged in fisheries and aquaculture, it should be registered in the register of aquaculture – MAFWE proposed capacity for indoor accommodation must not be more than 30 rooms to accommodate up to 50 persons (excluding extra beds for children) or capacity proposed for outdoor accommodation should not be more than 30 units to accommodate maximum 90 people

- The capacity proposed for catering service / tasting facilities must be organized for serving food in maximum capacity of 70 guests,

- **Natural persons** registered permanent residence in a rural area where the land / facility is located where investment plans and is privately owned by an individual applicant.

- The capacity proposed for indoor housing must not be more than 10 rooms to accommodate up to 20 persons (excluding extra beds for children) or capacity proposed for outdoor accommodation should not be more than 10 units to accommodate a maximum of 30 people

- The capacity proposed for catering services / facilities for tasting must be organized to award the food in a maximum capacity of 50 guests. Facilities for catering services / facilities for tasting should be accompanied with facilities for rural housing

Facilities that are subject to investment at the end of the investment should meet standards for categorization in accordance with Law on catering ("Off. Gazette" 62/04, 89/08, 115/10, 53/11, the 141/12) and the level of comfort and quality of service must comply





	<p>with the tables for minimum quality standards, derived from the division of EUROGITIS for rural housing - 2005 defined in Annex 8 of the Guidelines for users of the funds from the IPARD Programme 2007 -2013</p> <p><b>Applicants agriculture holdings or person in charge shall demonstrate a minimum completed secondary education or higher education</b></p> <p><b>Applicants for investments in rural tourism, food processing and craft should prove adequate degree of completion of professional education such as:</b></p> <ul style="list-style-type: none"> <li>- In accordance with the Rules on checking knowledge and issuing certificates acquired basic knowledge of food hygiene and environmental protection ("Off. Gazette" no. 118/2005);</li> <li>- In accordance with the Law on Vocational Education and Training ("Off. Gazette" no. 71/2006, 117/2008 and 148/09), the certificate can be obtained in institutions of vocational education and training (VET schools and vocational training centers);</li> <li>- In accordance with the Law on Higher Education ("Off. Gazette" no. 103/08, 26/09, 83/09, 99/09, 115/10, 17/11, 51/11 123/12 , 15/13, 24/13)</li> <li>- Proof that at least one of the managers of the legal entity representing a legal person in proceedings before the Agency is in full time employment in the legal entity is as requesting financial support or engaged by contract for a period not shorter than the duration of the contract for financial support signed by the Agency.</li> </ul>
5.2.	<p><b>Aid intensity for measure 302</b></p> <p><b>Minimum amount</b> of eligible expenditures is 3.000 Euros (185.055,00 in MKD equivalent)  <b>Maximum amount</b> of eligible expenditures can not exceed 450. 000 Euros (27.758.250,00 in MKD equivalent) i.e. the <b>maximum amount of eligible expenditures may exceed for the following types of investments:</b></p> <ul style="list-style-type: none"> <li>- 550.000,00 Euros (33.926.750,00 in MKD equivalent) per beneficiary for the type for the type of investment 30212 and 30241</li> <li>- 750.000,00 Euros (46.263.750,00 in MKD equivalent) per beneficiary for the type of investment 30211, 30221 and 30231</li> </ul> <p><b>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.</b></p> <p><b>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</b></p>







	<b>financial support is fully paid.</b>
<b>6.</b>	<b>Total general costs</b>
	<p>The eligible expenditures for co-financing refer to:</p> <ul style="list-style-type: none"> <li>a) construction or reconstruction of objects</li> <li>b) purchase of perennial crops</li> <li>c) procurement of new machinery and equipment including computer software at the amount of the market value of the assets</li> <li>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"> <li>- 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) and no more than 3.000.000,00 euros (185.055.000,00 in MKD equivalent) the business plan preparation costs cannot be greater the 4% of the eligible costs for these investments</li> <li>- 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</li> </ul> </li> </ul> <p><b><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></b></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>
<b>7.</b>	<b>Non-eligible expenditures</b>
	<p>The following expenditures are not eligible for co-financing:</p> <ul style="list-style-type: none"> <li>- taxes, including value added taxes;</li> <li>- customs and import duties, or any other charges;</li> <li>- purchase, rent or leasing of land and existing buildings, irrespective of whether the lease results in ownership being transferred to the lessee;</li> <li>- fines, financial penalties and expenses of litigation;</li> </ul>





	<ul style="list-style-type: none"> <li>- operating costs;</li> <li>- second-hand machinery and equipment;</li> <li>- bank charges, costs of guarantees and similar charges;</li> <li>- conversion costs, charges and exchange rate losses associated with the IPARD euro account, as well as other purely financial expenses;</li> <li>- contributions in kind;</li> <li>- the purchase of agricultural production rights, animals, annual plants and their planting;</li> <li>- any maintenance, depreciation and rental costs;</li> <li>- 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.</li> </ul>
<b>8.</b>	<b>Calculation of the euro exchange rate</b>
	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 February, 2014 the monthly accounting rate of the euro is <b>61,685000 denars for 1 euro</b> ( <a href="http://www.ec.europa.eu/budget/inforeuro">www.ec.europa.eu/budget/inforeuro</a> ).
<b>9.</b>	<b>Deadline for realization of the investment</b>
	The acceptable deadline for realization of any investment is maximum 24 months from the day of signing the Contract for allocation of funds.
<b>10.</b>	<b>General requirements and conditions for beneficiaries</b>
	<p>The applicant should fill out and submit an Application for allocation of funds for the relevant measure as well as:</p> <ol style="list-style-type: none"> <li>1. Business Plan/Technical Project proposal to demonstrate the economic viability and the opportunity for new employments which shall be prepared according to the Guidelines for production of Business Plan/ Technical Project proposal;</li> </ol> <p>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 Certificate for the previously mentioned, provided that the price of the separate item exceeds the amount of 10.000 EURO (616.850,00 Denars) i.e. one offer by an independent supplier supported with Technical Specification for each separate procurement of goods and services as well as Origin Certificate if the price does not exceed 10.000 EURO (616.850,00 Denars). The offers should be obtained from persons who between themselves and as well as with the applicant are not in any capital, family and employment relations;</p> <ol style="list-style-type: none"> <li>2. Applicant should not have outstanding liabilities on the grounds of taxes and contributions for health, pension and social insurance; The Agency will check this criteria according to certificate for paid taxes and contributions from Public Revenue</li> </ol>





Office, required by Agency ex officio.

3. Evidence that the Applicant does not have outstanding liabilities toward the Ministry for Agriculture, Forestry and Water Economy on the grounds of signed contract;
4. Evidence of ownership or rent or concession contract for agriculture land for minimum of 5 years i.e. 10 years in case the investment refers to renewing of the perennial crops or improvement of the irrigation system
5. Evidence of ownership or lease or concession contract for the building for minimum of 5 years i.e. 10 years in case of investments which refer to construction works. In case of construction of new building, the applicant should prove the ownership of the construction land;
6. Develop and submit revised project documentation supported with the construction/reconstruction plans if the subject of the investment includes civil works and evidence that the project meets the construction standards of the Municipality and any other standards according the urban and spatial plans;
7. Evidence for incurred general costs and costs for preparation of a Business Plan/Technical Project Proposal, incurred after 01.01.2007;
8. Evidence for compliance of the Investment with the Local Development Strategy of the municipality where the investment is located. If the municipality has not yet adopted the Local Development Strategy by the time of submitting application for the financial support, the applicant shall include in the Business Plan/Technical Project Proposal an analysis for the prospects of the investment for the local development of the concerned municipality where the investment is located;
9. Opinion by the relevant specific body on the meeting the norms/standards prescribed in the relevant national legislation and the relevant Community standards related to the investment;

The investments must comply with the minimum national environmental standards, the public health, the animal and plant health, the animal welfare and the occupational safety at the time when the Decision for allocation of funds was reached.

In case when the minimum national standards, based on the Community standards have been newly introduced at the time when the application for allocation of funds has been received, the assistance may be granted regardless of non-compliance with those standards on the condition that the establishment meets the new standards by the end of the realization of the investment.

**The documents which are issued on the basis of the public registers or an established record system must not be older than three months from the day of issuing the Call for applications.**

**In compliance to the *Decree on the manner and the procedure for using financial support***





	<p><i>for the rural development measures financed under component V – IPARD from the Instrument for Pre-accession Assistance (IPA) (“Official Gazette of Republic of Macedonia“No.33/2012), the documents which will be delivered enclosed to the Application for allocation of funds must be original in Macedonian language or a copy verified by a notary, if not otherwise stated. If the documentation is in another language, it must be supported with translation in Macedonian language verified by an authorized translator and if the document is from another state, the document must be verified with an apostil.</i></p> <p><i>More detail information for the specific eligibility requirements are specified in the Guideline for the beneficiaries of the funds from the IPARD Program 2007-2013.</i></p>
11.	<p><b>Procedure for allocation of funds by the Agency</b></p>
	<p>The Procedure conducted by the Agency from the phase of receiving the applications until the signing of the Contract for allocation of funds is comprised of:</p> <ol style="list-style-type: none"> <li>1. Checking the completeness of the submitted documents against the required documents per measures and types of investments such as: <ul style="list-style-type: none"> <li>• Whether the documents are issued by the relevant institutions;</li> <li>• Whether the documents have all elements proving their reliability (stamp, signature of the responsible person, date, etc.)</li> <li>• Whether the documents are valid according the date of validity specified in the <i>Application for allocation of funds</i>;</li> </ul> <p>The applicant should complete the incomplete applications for allocation of funds on the basis of the received Notification in writing by the Agency. The deadline for completion of the incomplete applications must not be shorter than 8 days.</p> </li> <li>2. Checking the eligibility of the Application for allocation of funds is performed with the purpose of identifying whether: <ul style="list-style-type: none"> <li>• The delivered documents meet the eligibility criteria and conditions for the proposed investment activities;</li> <li>• The proposed investment is economically and financially viable, which can be checked by analyzing the parameters in the delivered Business Plan/Technical Project Proposal;</li> <li>• The proposed investment for which the financial assistance is required is not funded by other public financial sources (Budget of the Republic of Macedonia and international donors);</li> <li>• The prices of the proposed investments are within the market prices by analyzing the reference prices for the relevant activities.</li> </ul> <p>With the purpose of identifying the authenticity of the technical parameters, the economic and financial data, the Agency has the right to request additional documents and information as a</p> </li> </ol>





	<p>basis for reaching a decision.</p> <p>Validation of the data reliability included in the Application for allocation of funds shall be performed by authorized persons from the Agency by performing on-the-spot control.</p> <p>The ranking shall be performed for all complete and eligible Applications for allocation of funds according the specified Tables for ranking by separate measures.</p> <p>The financial support will be approved for all complete and eligible applications for allocation of funds within the framework of available funds per measure, on the basis of the performed administrative and on-the-spot controls.</p> <p>The incomplete, ineligible applications as well as the applications for allocation of funds with less scores in regard to the available funds per measure will be rejected with a Decision.</p> <p>The applicant whose application has been approved shall sign a Contract for allocation of funds Agency with the within 30 days from the date of obtaining the Decision for approval of funds from the IPARD Program.</p> <p>The applicants must not begin with realization of the investment prior signing the Contract for allocation of funds with the Agency, with the exception of the activities related to the general costs (preparation of Business Plan/Technical Project Proposal, Feasibility Study, architects, project documentation).</p> <p>After the realization of the investment, the applicant is obliged to deliver to the Agency claim for payment within a deadline stipulated in the Contract for allocation of funds.</p> <p>The applicant which will sign Contract with the Agency must not alienate, lease or lend the investment subject to the Contract, must not change the purpose and the location of the investment during the whole time of validity of the Contracts i.e. 5 years from the day of the payment.</p> <p>On-the-spot control and supervision over the Contract implementation shall perform authorized persons from the relevant institutions from the Republic of Macedonia and the European Union.</p> <p>In compliance to the Law on establishment of Agency for financial support of the agriculture and the rural development (OG 72/07, 5/09), the Agency shall decide on the submitted application for allocation of funds i.e. claim for payment not later than three months from the expiry of the deadline for submission of applications for allocation of funds i.e. the Call for submission of applications for allocation of funds and three months from receiving the claim for payment.</p> <p><b><u>The applications for allocation of funds as well as the supporting documents will not be returned.</u></b></p>
12.	<b>Criteria for selection of beneficiaries</b>





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
			<b>TOTAL</b>	<b>100</b>





12.2.

**Criteria for ranking for measure 103**

The applications which meet the criteria for allocation of funds for financial support for measure 103 shall be ranked by scoring at the following manner

	Objective of the measure	INDICATOR	Score in case of compliance	Maximum points
1	Project objective	If the investment aims at modernization and technological upgrade of the existing capacities while closing down the obsolete capacities	30	30
		If the investments are aimed at setting-up collection centers for fresh fruit and vegetable or raw milk or poultry slaughter houses	25	
		If the investments aim at modernization and technological upgrade of the existing capacities in terms of increasing the product quality	20	
2	Environmental protection	If the investments aim at decreasing the negative environmental impact through water purification stations	15	30
		If the investments aim at waste treatment and recycling while valorization of by-products	15	





3	Improved quality control of the product	If the investments aim at setting-up laboratories or modernization of the existing ones	15	25
		Investments in equipment for quality monitoring, control and traceability systems	10	
4	Contractual arrangements with individual agriculture producers	For modernization of the existing establishments: own supplies and contractual relationships with producers (at least annual contracts) covering at least 50% of the supplies	15	15
		For new investments: own supplies and contractual relationships with individual producers covering at least 50% of the supplies of raw materials at least one year after the project finalization	10	
5	TOTAL			100

Ranking criteria for applications per investment type 10343, investments in slaughtering capacities and meat processing establishments for environmental protection.

The applications which meet the criteria for using financial support for investment type 10343 are ranked with points on the following manner:

	Objective of the measure	INDICATOR	Score in case of compliance	Maximum points
1	Project objective	If the Beneficiary is a meat processing company	40	40







		If the Beneficiary is a slaughter house	30	
2	Environmental protection	If the Beneficiary is connected to public sewerage	30	30
		If the Beneficiary is using septic tank for sewerage	20	
3	Support to women and young economic operators	If the investment is proposed by woman	15	30
		If the investment is proposed by young economic operators between 18 and 40 years	15	
4	TOTAL			100

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 scoring at the following manner:

	Objectives of the measure	INDICATOR	Score in case of compliance	Maximum points
1	Project location	If the investment is located in municipalities with rural centers, hilly and mountainous settlements, border settlements, economic underdeveloped or specific regions	15	35





			If the investment is located in a municipality adjacent to a natural protected zones in compliance to the Law on Natural Protected Zones ("Official Gazette of the Republic of Macedonia" no.67/04, 14/06, 84/07, 35/10, 47/11,148/11)	10	
			If the investment is located in a municipality adjacent to cultural heritage or archeological site designated according the Law on Cultural Heritage Protection ("Official Gazette of the Republic of Macedonia" no.20/04,115/07, 18/11, 148/11)	10	
	2	Creation of employment opportunities	If the investment provides opportunity for at least 5 to maximum10 new employments	15	15
			If the investment provides opportunity for at least 3 new employments	10	
			If the investment provides opportunity for at least 1 new employment	5	





	3	Preservation of traditions and heritage	If the investments respect the traditional features of the rural areas where located (traditional exterior and interior designs of the buildings, traditional recipes, cuisine, handicrafts, etc)	20	20
	4	Promoting partnership actions	Joint projects involving private partnership between different rural economic agents	10	10
	5	Improvement of the gender and age structure in the rural areas	Investments promoted by women	10	20
			Investments promoted by youth (between 18 and 40)	10	
					TOTAL

