



**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),

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

On 29 September 2012 hereby announces

Call for Applications No.02/2012

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

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) at the amount of 50% from the 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 13.11.2012**

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 the Beneficiaries of funds from the IPARD Program 2007-2013" which contain all information concerning the criteria, the projects eligibility criteria 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 or www.pa.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 Agency for Development of the Agriculture with contact information is published on the Agency's web page: www.ipardpa.gov.mk or www.pa.gov.mk)

5. Method of applying:

The applicant should fill out and submit Application for allocation of funds from the IPARD Program 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.

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 02/2012 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



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



control by the Agency, the applicant is required to have copies from the complete documentation submitted to the Agency.

The applicant is obliged to submit correctly and completely filled out application for allocation of funds, signed and sealed (provided it is a legal entity) within the deadline specified in the Public Call. On the contrary, it will be considered that the application was neither performed nor the same will be considered for further processing.

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 or www.pa.gov.mk

**General directions for preparing the application for
Call for applications no. 02/2012**

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 of 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> <ul style="list-style-type: none"> a) According Priority Axis 1 – Improving the market efficiency and implementation of Community standards:



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





	<p>Measure 101 - Investments in agricultural holdings to restructure and to upgrade to Community standards</p> <p>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
	<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 of vineyards
10121	Reconstruction of Orchards
10131	Construction and reconstruction of fixed green houses (excluding plastic tunnels)
10132	Construction and reconstruction of fixed glass houses
10133	Construction and reconstruction of buildings for post-harvest activities of existing greenhouses and glasshouses (excluding plastic tunnels)
10134	Modernization of open-field vegetable production
10141	Construction/reconstruction of farm buildings for dairy animals (cattle, sheep and goats in lactation)
10142	Purchase of specialized equipment for milking, cooling and storage)
10151	Construction/reconstruction of farm buildings for sows and pigs for fattening
10152	Setting up of new poultry production units for broilers and modernizing the existing ones





3.1. 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), Law on amending the Law on Agriculture and Rural Development (Official Gazette of RM no.53/11) such as:

- a) **Individual agriculture producers** - natural persons (holders of a family agriculture holding or persons performing the agriculture activity – individual farmer) dealing with agriculture on its own behalf and for its own account and who are owners of the farm or who have concession right on the farm on the agriculture holding according to a legal basis;
- b) Legal entity established according the Law on Trade companies (OG 28/04, 84/05, 25/07, 87/08, 42/10, 48/10), Law on amending the Company Law (no.24/11) and registered in the Central Registry for agriculture activity [according to the National Classification of Activities (OG 147/08)];
- c) **Cooperatives** established according to the Law on Cooperatives (OG 54/02; 84/05) registered for agriculture activity and which are registered in the Central Registry [according to the National Classification of Activities (OG 147/08)];
- d) **Remaining natural persons and legal entities** which are entering into agriculture activities subject to fulfilling the specific requirements for size of production capacities of the applicants per priority sectors.

2) Size of production facilities of the agriculture holding:

Beneficiaries	Priority sector	Group of Investment	Measure Unit	Size of eligible beneficiary	
				min	max
Individual agriculture producer					
<i>Plant Production</i>	1011 Vineyards				
		10111	ha	0.5	20
	1012 Orchards				
		10121	ha	0.5	15
	1013 Vegetables				
	-greenhouses	10131;10133	ha	0.3	3
	-glasshouses	10132; 10133;	ha	0.1	2.5
-open-field	10134	ha	0.5	15	
<i>Animal production</i>	1014 Milk production				
	- milking cows	10141; 10142	heads	10	100
	- milking goats	10141; 10142	heads	50	500
	- milking ewes	10141; 10142	heads	300	3,000
	1015 Meat production				
	-pigs for fattening	10151	heads*	2,000	8,000
	-sows	10151	heads	40	100
-broilers	10152	heads***	5,000	30,000	





Agriculture cooperatives, legal entities dealing in agriculture or legal entities entering into agriculture activities					
<i>Plant production</i>	1011 Vineyards				
		10111	ha	0.5	
				50	
	1012 Orchards				
		10121	ha	0.5	
				30	
	1013 Vegetables				
	-greenhouses	10131;10133	ha	1	8
-glasshouses	10132; 10133;	ha	1.5	6	
-open-field	10134	ha	0.5	30	
<i>Animal production</i>	1014 Milk production				
	- milking cows	10141; 10142	heads	15	150
	- milking goats	10141; 10142	heads	80	800
	- milking ewes	10141; 10142	heads	500	8,000
	1015 Meat production				
	-pigs for fattening	10151	heads¹	2,000	30,000
	-sows	10151	heads	40	400
	-broilers	10152	heads¹	5,000	60,000

* Annual turnover

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

- Must have minimum High School 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), Law on amending on modifying the Law on vocational education and training (OG of RM no.17/11) supported with List of training topics related to the proposed investment;
- Must not be older than 59 (for men) and 57 (for women) on the day of commencement of the realization of the investment, bearing in mind the retirement age of 64 for men and 62 for women in compliance to the provisions from the Law on pension and social insurance (Official Gazette of RM no. 98/12).
- The responsible person of the legal entity must be permanently employed in the legal entity – applicant. In case when the legal entity has several responsible persons, the responsible person who is assigned as relevant in the Application for allocation of funds form the IPARD Program 2007-2013 must be permanently employed in the legal entity– applicant.

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



3.2.

Aid intensity for measure 101

The minimum amount of eligible expenditures is 5000 Euros (307.500,00 in MKD equivalent)

The maximum amount of eligible expenditures can not exceed:

- **200 000** Euros (12.300.000,00 in MKD equivalent) of the total eligible expenditures for investments which objective is to reach the relevant Community standards related to the proposed investment after the implementation of the investments or
- **400 000** Euros (24.600.000,00 in MKD equivalent) of the total eligible expenditures for investments for adjusting the overall production of the agriculture holding to the relevant European Union standards after the implementation of the investment.

Other financial restrictions which apply to:

a) Reconstruction of perennial crops:

- The eligible costs for investments for purchase of agriculture equipment (excluding the total eligible costs for investments in irrigation system) should not exceed 35% of the total eligible expenditures projected in the project budget;

b) Construction and reconstruction of fixed green houses (excluding plastic tunnels) or fixed glass houses)

- The total eligible costs for investments for purchase of farm equipment (excluding the total eligible costs for improvement in irrigation system) should not exceed 25% of the total eligible costs foreseen within the project budget;

c) Modernization of open-field vegetable production

- The total eligible costs for investments for purchase of agriculture equipment (excluding the total eligible costs for improvement in irrigation system) should not exceed 25% of the total eligible costs projected in the project budget.

d) Construction/Reconstruction of farm buildings for cattle:

- The total eligible costs for investments in equipment for storage of fodder and specialized equipment for production of fodder should not exceed 45% of the total eligible costs (excluding the eligible general costs) foreseen in the project budget if the overall project aims at reconstruction of supporting objects for storage of fodder and barns;
- The total eligible costs for investments in specialized equipment for production of fodder should not exceed 25% of the total eligible costs for the investments (excluding the total eligible general costs) foreseen in the project budget if the project aims at reconstruction of farm buildings for sows and pigs for fattening, including reconstruction of farm buildings for storage of fodder;





	The maximum amount of eligible costs for co-financing an individual beneficiary must not exceed 530 000 euros in the financial period of 2007-2013. 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.
4.	Subject and conditions for allocation of financial assistance under measure 103
	The financial support for measure 103 is allocated for the agro-food sector in the priority sectors wine production (1031), Fruit and Vegetable processing (1032), Milk and Dairy (1033), Meat production (1034). The investments can be implemented on the whole territory of Republic of Macedonia The group of investments per priority sectors refer to the following type of investments:
code	Type of investment
10311	Purchase of equipment for improvement of wine product quality
10321	Construction and reconstruction of buildings for setting up and modernization of fruit and vegetable collection centers
10322	Investments for purchase of equipment for improving and modernization of production technologies in fruit and vegetables processing establishments
10331	Investments for setting up and modernization of milk collection centers
10332	Investments in modernization and technological upgrade of dairy establishments with specialized production
10341	Investments in establishing slaughter capacities for poultry
10342	Modernization and technological upgrade for the existing slaughter establishments for cattle, pig and poultry
10343	Investments for decreasing negative impact on the environment in meat processing establishments and slaughter-houses
4.1.	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 Law on Trade Company (28/04, 84/05, 25/07, 87/08, 42/10, 48/10), the Law on amending the Company Law (OG of RM no. 24/11) without state shares in the ownership structure of the enterprise and 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, 95/10,102/10,24/11,135/11) Note: The legal entities in the range of large enterprises i.e. that employ up to 250 persons and have an annual turnover not exceeding 50 million Euros and/or have annual balance sheet not exceeding 43 million Euros may apply if the investment aims for part of the legal entity and aims at complete compliance to Community standards. 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)

2) Size of production capacities:

Priority sector	Beneficiaries	Group of Investment	Measure unit ⁴ .	Size of eligible beneficiary	
				Min.	Max.
1031 Wine production					
		10311	hl	1,500	55,000
1032 Fruit and vegetable processing					
	-collection center/cooling and storing capacity	10321	tons	500	3,000
	-drying	10322	tons	40	500
	-freezing	10322	tons	500	5,000
	-Preserving/canning	10322	tons	500	5,000
1033 Milk processing and Dairy products					
	-collection center/cooling and storing capacity	10331	lit./day	1,500	30,000
	-processing capacity	10332	lit./day	5,000	100,000
1034 Meat products					
<i>Slaughtering capacity</i>	-poultry	10341; 10342;10343	heads/day	5,500	30,000
	-cattle	10342;10343	heads/day	15	150
	-pigs	10342;10343	heads/day	20	300
	-lamb	10343	heads/day	50	4,000
<i>Meat processing</i>	- processing capacities	10343	tones	2,000	25,000

⁴Installed capacities:

- for wine, in hl wine per year
- for fruit and vegetable, in tons fresh fruit and vegetable, annual collection capacity or in tons ready product from processed fresh fruit and vegetable
- for milk and dairy products, in liters per day collection capacity or liters per day capacity for processing raw milk
- for slaughtering, in heads per day
- for meat processing, in tones per year

3) The responsible person of the agriculture holding:





	<ul style="list-style-type: none"> - Must have professional education acquired according the Book of Rules on checking the knowledge and issuing certificates for acquired basic skills in the area of food hygiene and the environmental protection; - Must not be older than 59 (for men) and 57 (for women) years of age on the date of commencing the realization of the investment, bearing in mind the retirement age of 64 for men and 62 for women in compliance to the provisions from the Law on pension and social insurance Official Gazette of RM no. 98/12). - The responsible person of the legal entity must be permanently employed in the legal entity – applicant. 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.
4.2.	<p>Aid intensity for measure 103</p> <p>Minimum amount of eligible expenditures is 15 000 Euros (922.500,00 in MKD equivalent)</p> <p>The maximum amount of eligible expenditures can not exceed:</p> <ul style="list-style-type: none"> - 400 000 Euros (24.600.000,00 in MKD equivalent) of the total eligible expenditures for investments which objective is to reach the relevant Community standards after the implementation of the investments or - 800 000 Euros (49.200.000,00 in MKD equivalent) of the total eligible expenditures for investments which aim at full compliance of the production facilities to the relevant Community standards related to the proposed investment after the implementation of the investment or - 3. 000.000 Euros (184.500.000,00 in MKD equivalent) of the total eligible expenditures for investments for investments which aim at setting up new slaughter capacities for poultry for full compliance of the production facilities to the Community standards. <p>The maximum amount of total eligible costs for co-financing an individual user can not exceed 1 100 000 Euros for the financial period 2007-2013. 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>The financial support for measure 302 is allocated for the rural population for investments in the priority sectors: support to micro enterprises in the rural areas (3021) and investments for promoting rural tourism activities (3022).</p> <p>The investments must be implemented in the rural areas (specified in Annex 11: List of rural areas of Republic of Macedonia in the Guideline for Beneficiaries of funds from the IPARD Program 2007-2013)</p>





	The group of investments per priority sectors refer to the following types of investments:
Code	Type of investment
30211	Investments in establishing on-farm and off-farm processing capacities
30212	Investments in establishment and modernization of collection centers for mushrooms and medical/oil herbs and spices and facilities for mushroom cultivation
30213	Investments in establishing workshops for traditional handicraft activities and agriculture machinery repair workshops
30221	Investments for reconstruction of on-farm houses for rural tourism purposes complemented with recreational facilities
30222	Investments in construction of catering premises, outdoor accommodation (camping sites) and recreational facilities
5.1.	<p>Applicants for allocation of funds from measure 302 can be:</p> <p>a) Establishment of on-farm processing capacities - agriculture holdings, registered in the Farm Register within MAFWE in accordance with the Law on Agriculture and Rural Development (OG 49/10), the Law on amending the Law on Agriculture and Rural Development (OG of RM 53/11)</p> <p>b) Establishment of off-farm processing capacities – legal entities registered according the Law on Trade Companies (Official Gazette of RM no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10), Law on amending the Company Law (Official Gazette of RM no. 24/11) and registered in the Central Register as sole proprietor or trade company in the range of micro enterprises; or as craftsmen according the Craft Act (OG 62/04, 55/07, 115/10, 36/11, 53/11) and are registered in the Chamber of craftsmen for food processing according the List of processing and production activities in Annex 6 from the Guideline for Beneficiaries of funds from the IPARD Program 2007-2013</p> <p>c) Establishment and modernization of collection centers for mushrooms and medical/oil herbs and spices and facilities for mushroom cultivation registered according the Law on cooperatives (OG no. 54/02, 84/05)) and are registered in the Central Register</p> <p>d) Establishment of workshops for traditional handicrafts activities and agriculture machinery repair workshops</p> <ul style="list-style-type: none"> - agriculture holdings, registered in the Farm Registry established within MAFWE in accordance with the Law on Agriculture and Rural Development (OG 49/10), the Law on amending the Law on Agriculture and Rural Development (OG of RM 53/11) - craftsmen registered according the Craft Act (OG 62/04, 55/07, 115/10,36/11, 53/11) and registered in the Chamber of craftsmen for performing the relevant activity - legal entities registered according the Law on Trade Companies (Official Gazette of RM no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10), Law on amending the Company Law (Official Gazette of RM no. 24/11) and registered in the Central Register as sole proprietor or trade company in the range of micro enterprises for performing the relevant handicraft activity





Note: The List of traditional handicraft activities is specified in Annex 7 from the *Guideline for the beneficiaries of funds from the IPARD 2007-2013*.

e) Rural tourism activities– owners or concessionaries of old traditional on-farm buildings, owners/concessionaries of fish ponds or waters for angling or owners of private forests which are:

- **agriculture holdings** registered in the Farm Registry established within MAFWE in accordance with the Law on Agriculture and Rural Development (OG 49/10), the Law on amending the Law on Agriculture and Rural Development (OG of RM 53/11)
- **legal entities** registered according to the Company Law (Official Gazette of RM no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10), Law on amending the Company Law (Official Gazette of RM no. 24/11) and registered in the Central Register as sole proprietor or trade company in the range of micro enterprises
- **craftsmen** registered according to the Craft Act (OG 62/04, 55/07, 115/10, 36/11, 53/11) and registered in the Chamber of craftsmen

2) Size of the production capacities

The size of the eligible production capacities for investments for establishment of on-farm and off-farm processing capacities :

- Minimum of 0.5 ha of plantations of fruit or vegetables, in the case of fruit and vegetables processing⁶;
- At least 10 dairy cows or 150 sheep or 50 dairy goats in the case of milk processing⁶;
- At least 30 bee hives, in case of production and marketing of honey⁶;
- A minimum of 0.75 ha of land treated with medicinal/oil plants and spices according to the **List of medicinal/oil plants and spices specified in Annex 5 from the Guideline for beneficiaries of funds from the IPARD Program 2007-2013** in case of processing of medicinal/oil plants and spices;
- A minimum of 30sq. meters for mushroom cultivation, in case of processing and marketing of mushrooms⁶;
- A minimum annual production of 20 hl and capacity of maximum annual production of 400hl in case of reconstruction of buildings for rural tourism on vineyard plantation and/or wine cells for rural tourism supplemented with recreational capacities.

Note⁶: If the applicant does not meet the required criteria for size of the production capacities, he/she provide Contracts (for minimum one year) with local producers for raw materials for performing the processing activity.

3) The applicants must prove adequate degree of completed occupational education such as:

- In compliance to the Book of Rules on checking the knowledge and issuing certificates for





	<p>acquired basic skills in the area of food hygiene and environmental protection (OG 118/2005)</p> <ul style="list-style-type: none"> - In compliance to the Law on occupational education and training ("OG 71/2006, 117/2008, 148/09), Law on amending on modifying the Law on vocational education and training (OG of RM no.17/11) the certificate can be obtained in the institutions for occupational education and training (Schools for occupational education and Centres for occupational training); - The craftsmen can perform craft activity if they have relevant occupational education or adequate occupational skills for performance of certain craftwork activities . - The person responsible for the legal entity must not be older than 59 years (for men) and 57 years (for women) taking in consideration the age limit for retirement of 64 years of age (for men) and 62 years of age (for women) in compliance to the provisions of the Law on retirement and invalidity insurance ("OG 98/12) - The responsible person must be permanently employed in the legal person-applicant
5.2.	<p>Aid intensity for measure 302</p> <p>Minimum amount of eligible expenditures is 5 000 Euros (307.500,00 in MKD equivalent)</p> <p>The maximum amount of eligible expenditures can not exceed 200. 000 Euros (12.300.000,00 in MKD equivalent)</p> <p>Other financial restrictions which apply to:</p> <ul style="list-style-type: none"> - The total eligible costs for tourist activities (sale points, room for wine testing and recreational capacities) should not exceed 25% of the total eligible costs of the investments (excluding the total general eligible costs) foreseen in the project budget. <p>The maximum amount of total eligible costs for co-financing an individual user can not exceed 250 000 Euros 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.	<p>Total general costs</p>
	<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:

- For projects with total eligible costs specified in points a), b) and c) between 1.000.000, 00 (61.500.000,00 in MKD equivalent) and 3.000.000,00 Euros i.e. (184.500.600,00 in MKD equivalent), the costs for production of Business Plan can not exceed 4% of the eligible costs for these investments,
- For projects with total eligible costs for investments specified in points a), b) and c) less than 1.000.000,00 euros (61.500.000,00 in MKD equivalent), the costs for production of Business Plan should not exceed 5% of the eligible costs for these investments

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*

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 ***Guideline for the beneficiaries of funds from the IPARD 2007-2013***

7. Non-eligible expenditures

The following expenditures are not eligible for co-financing:

- 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 September, 2012 the monthly accounting rate of the euro is 61,50 denars for 1 euro (www.ec.europa.eu/budget/infoeuro).
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
	<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"> 1. Business Plan to demonstrate the economic viability and the opportunity for new employments which shall be prepared according to the Guidelines for production of Business Plan; <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 (615.000,00 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 (615.000 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"> 2. Evidence that the Applicant does not have outstanding liabilities on the grounds of taxes and contributions for health, pension and social insurance; 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 provided private contributions for implementing the investment (only for applicants for measure 103 and 302); 5. 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 6. 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; 7. 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 to the urban and spatial plans;





8. Evidence for incurred general costs and costs for preparation of a Business Plan, incurred after 01.01.2007;
9. 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 an analysis for the prospects of the investment for the local development of the concerned municipality where the investment is located;
10. 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 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.

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*.

11. Procedure for allocation of funds by the Agency

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:

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, signature of the responsible person, date, etc.)
 - Whether the documents are valid according the date of validity specified in the *Application for allocation of funds*;





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.

2. Checking the eligibility of the Application for allocation of funds is performed with the purpose of identifying whether:

- The delivered documents meet the eligibility criteria and conditions for the proposed investment activities;
- The proposed investment is economically and financially viable, which can be checked by analyzing the parameters in the delivered Business Plan;
- 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)
- The prices of the proposed investments are within the market prices by analyzing the reference prices for the relevant activities.

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 basis for reaching a decision.

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.

The ranking shall be performed for all complete and eligible Applications for allocation of funds according the specified Tables for ranking by separate measures.

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.

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.

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.

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, Feasibility Study, architects, project documentation).

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.

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.

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.

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.

The applications for allocation of funds as well as the supporting documents will not be returned.

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	Support for the farmers associations and joint activities	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	Impr ove men t of the gen der stru	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. 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
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	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

