

Government of the Republic of Macedonia
Ministry of Agriculture, Forestry and Water Economy

Pursuant to article 21-a paragraph 1 of the Law on Agricultural Land („Official Gazette of the Republic of Macedonia“ nr.135/07, 18/11, 148/11, 95/12, 79/13, 87/13, 106/13, 164/13, 39/14, 130/14, 166/14, 72/15, 98/15, 154/15, 215/15 and 7/16), the Minister of Agriculture Forestry and Water Economy herewith issues the following

PUBLIC ANNOUNCEMENT NR. 07/16
FOR LEASE OF STATE-OWNED AGRICULTURAL LAND WITH LAND PLOTS OVER 3HA BY MEANS OF ELECTRONIC AUCTION

I. SUBJECT OF THE PUBLIC ANNOUNCEMENT

State - owned agricultural land in the total space of **2215ha 11are 80m²** shall be leased in the following regions of the Republic of Macedonia:

Ord. nr.	Region	ha	are	m ²
1	Sveti Nikole	2061	05	35
2	Radovich	154	6	45
	TOTAL	2215	11	80

Geographical unit 1 – Region of Sveti Nikole

REGION OF SVETI NIKOLE	Cadaster Municipality	Space			Initial price for public bidding expressed in Euro
		ha	are	m ²	
Geographical unit 1	Peshirevo	7	62	44	91.107 Euro
	Amzabegovo	22	13	33	
	Knezje	120	13	11	
	Crnilishte	402	6	32	
	Adzimatovo	238	90	72	
	Saramzalino	329	36	21	
	TOTAL	1120	22	13	

Geographical unit 2 – Region of Sveti Nikole

REGION OF SVETI NIKOLE	Cadaster Municipality	Space			Initial price for public bidding expressed in Euro
		ha	are	m ²	
Geographical unit 2	Gjuzemelci	272	96	61	75.814 Euro
	Milino	667	86	61	
	TOTAL	940	83	22	

Geographical unit 3 – Region of Radovish

REGION OF RADOVISH	Cadaster Municipality	Space			Initial price for public bid expressed in Euro
		ha	are	m ²	
Geographical unit 3	Zagorci	150	39	96	13.158 Euro
	Skorusha	4	46	49	
	TOTAL	154	86	45	

The data about the agricultural land that is subject to this public announcement (for easements and other burdens, the condition in which the land shall be found, the cadastre data contained in the property or ownership certificate) are consistent with the cadastral evidence, and insight in these data for each area can be done on the web-site of the Ministry of Agriculture, Forestry and Water Economy, or on the notice board in the regional office of the Ministry that is responsible for the relevant advertised area of the public announcement.

The agricultural land in state ownership that shall be granted for lease and that is subject to this public announcement, shall be intended for the following:

Geographical unit 1 – Region of Sveti Nikole - Growing of other agricultural crops, for a period up to 15 years;

Geographical unit 2 – Region of Sveti Nikole - Growing of other agricultural crops, for a period up to 15 years; and

Geographical unit 3 – Region of Radovish - Growing of perennial transplants (vineyards, orchards, hop), for a period up to 30 years;

II. ELIGIBILITY FOR PARTICIPATION ON THE PUBLIC ANNOUNCEMENT

Domestic physical and legal entities, as well as foreign legal entities shall be eligible to participate on the public announcement.

Physical entities should be registered providers of agricultural activity and/or recorded in the sole registry of agricultural households and/or sole proprietors to whom processing of primary products is the prevailing activity.

Foreign legal entities shall be eligible to participate on a public announcement if they have subsidiaries registered in the Republic of Macedonia.

Agricultural production or processing of primary agricultural products should be the prevailing activity of domestic and foreign legal entities or their subsidiaries, or they should require the agricultural land for carrying out scientific research activities.

The persons shall not be eligible to participate on the public announcement if they haven't fulfilled their obligations on the base of rent in connection with the concluded lease contracts for state owned agricultural land, as well as on the base of the obligations for taxes and contributions on the base of personal tax, value added tax, profit tax, contributions from obligatory social insurance. Legal entities under liquidation procedure and non-profit organizations shall not be eligible to participate on a public announcement. The participants on the public announcement for granting state owned agricultural land for lease, for land plots over 3 hectares by means of public electronic bid, shall be obliged to submit the following:

a) for legal entities:

- application (form from the regional office of the Ministry);
- evidence (act) that shall be issued by the Central Registry of the Republic of Macedonia for the performed registration in the trade registry or from another competent body for registration of legal entities;
- evidence for settled obligations in regard with the obligation for payment of taxes and contributions: personal tax, value added tax, profit tax, contributions from obligatory social insurance;
- a business plan that shall obligatorily contain the basic data about the participant, the purpose for which it is going to use the land, applied technology, number of employees, market aspects and expected production-economic results;
- statement (registered with the Notary Public) from the founders and the responsible person in the legal entity that they were not founders or managers of the legal entity that had used the agricultural land in state ownership under lease, who haven't fulfilled the obligations from that contract;
- a bank guarantee for participation on the public announcement in the amount of the offered nine months' rent.
- evidence on the material-technical equipping (driver's license, invoice, notarized purchase contract, valid court decision or an Act issued by another competent body) or a proof for use of a tractor as a fixed asset for cultivation of agricultural land (a notarized leasing contract or a service contract).

b) for physical entities:

- application (form of the regional office of the Ministry);
- evidence for settled public fees, on the base of personal tax, value added tax, profit tax, obligatory social insurance contributions;
- copy of the personal identification card;
- confirmation for recording in the sole registry of agricultural households, decision for a registered operator of agricultural activity or a proof from the Central registry for being a registered sole proprietor;
- program for use of the land that should obligatorily contain basic data about the family, technical-technological equipping, the purpose for which the agricultural land will be used, and the market aspects;
- statement for validity of data stated in the application that has been registered with the Notary Public;
- statement registered with the Notary Public that it was not a founder or responsible person in the legal entity that had used the agricultural land in state ownership under lease and had not fulfilled the obligations from that contract;
- a bank guarantee for participation in the Public Announcement in the amount of the offered nine months' rent;
- evidence on the material-technical equipping (driver's license, invoice, notarized purchase contract, valid court decision or an Act issued by another competent body) or a proof for use of a tractor as a fixed asset for cultivation of agricultural land (a notarized leasing contract or a service contract).

The required documents shall be submitted in original form or in notarized copies.

The conditions that are foreseen in the business plan (for legal entities), i.e. the market aspects (for physical entities) shall be an integral part of the contract with the elected bidder, as contractual obligations that it will be obliged to fulfill in the scope, time-line and in a manner in which they are going to be described in the Public announcement.

III. CRITERIA FOR SELECTION OF THE MOST FAVORABLE BIDDER

The Commission shall elect the most favorable bidder in accordance with article 4 of the Rule-book on the precise criteria for election of the most favorable bidder for state owned agricultural land that may be leased and determining the size of the land plot that may be leased (Official Gazette of the Republic of Macedonia nr. 12/08, 26/12, 2/13, 158/13, 110/15, 120/15, 129/15 and 27/16).

The size of the area of the state owned agricultural land for which application may be submitted and that can be leased by one bidder shall be determined on the base of the minimum material - technical equipment of the bidder; and the number of planned employments, i.e employed in accordance with the business plan, as follows:

- For areas **up to 50 hectares** - at least 1 tractor of light-weight category (up to 80 kw) and at least one planned employee that shall be permanently employed;

- For areas **up to 100 hectares** - at least 2 tractors of light-weight category (up to 80kw) or at least 1 tractor of medium category (80 kW - 120 kW) and at least 2 planned employees that shall be permanently employed;

-For areas **up to 150 hectares** - at least 4 tractors of light-weight category (up to 80 kW) or at least 2 medium or 1 heavy- duty tractor (over 120 kW) and at least 4 planned employees that shall be permanently employed;

- For areas **over 150 hectares** - the number / capacity of the machinery should increase in proportion to the size of the area to be cultivated and one permanently employed person should be planned for every 50 hectares;

If the agricultural land in one geographical unit has a land plot over 1,000 hectares for one bidder, the provided material and technical equipment shall mean the capacities foreseen for adequate agricultural production in accordance with the business plan; therefore, before signing the lease agreement, this statement shall be submitted by the bidder for the business plan, together with the bank guarantee for fulfillment of the business plan.

IV. CONDITIONS FOR PARTICIPATION IN THE PROCEDURE

In their business plans, the bidders shall:

-foresee construction of objects for primary processing of agricultural products with minimum investment of **2.000.000,00 Euro (twomillioneuro)** and construction term of 4(four) years for **Geographical unit 1 – Region of Sveti Nikole;**

-foresee construction of objects for primary processing of agricultural products with minimum investment of **2.000.000,00 Euro (twomillioneuro)** and construction term of 4(four) years for **Geographical unit 2 – Region of Sveti Nikole;**

-foresee construction of objects for primary processing of agricultural products with minimum investment of **1.400.000,00 Euro (onemillionandfourhundredthousandeuro)** and construction term of 4(four) years for **Geographical unit 3 – Region of Radovich;**

V. BANK GUARANTEE FOR PARTICIPATION IN THE PROCEDURE

The Bank guarantee for participation in the procedure shall have to be submitted by all bidders that participate on the public announcement, along with their offer.

The Bank guarantee for participation in the procedure must be unconditional, irrevocable and payable on the first call, valid for 120 days, counted from the last date for submission of bids for the said public announcement.

The bank guarantee shall be issued by a bank with a seat in the Republic of Macedonia.

The bank guarantee for participation of the selected bidder shall be returned to the selected bidder after the signing of the contract and submission of the performance guarantee (bank guarantee for quality and timely execution of the contract).

The bank guarantee shall be collectable in the following cases:

- if the selected bidder refuses to conclude the lease contract for the state owned agricultural land under the terms of the public announcement, or if it places conditions for signing of the contract with additions and amendments which are not provided with this public announcement;
- if the participant withdraws the bid during the procedure; or
- if the selected bidder fails to submit a performance guarantee.

VI. THE MANNER AND PROCEDURE OF PUBLIC BIDDING

The election of the most favorable bidder in the procedure for a public announcement for granting agricultural land in state ownership over 3 hectares through electronic public bidding, shall be based on the highest offered annual rent per hectare for a geographical unit, achieved through the electronic public bidding.

The procedure for giving agricultural land in state ownership under lease for land plots over 3 hectares through electronic public bidding can be implemented even if there is only one bidder and the bid is placed above the initial price.

The initial amount of the electronic public bidding shall be in the amount of the initial price determined in the public announcement.

The Commission for lease of state owned agricultural land by means of electronic public bidding, shall electronically notify the applicants of the public announcement for completeness and appropriateness of the application in accordance with the conditions of the public announcement within three days after the deadline for submission of the applications, and it shall assign a user name and password for participation in the public bidding to the bidders who have submitted complete and appropriate applications; the bidders who submitted incomplete or improper application shall be delivered a notice that they will not participate in the public bidding.

The bidders who have submitted complete and appropriate application-offer shall register at the website listed in the advertisement with the username and password for participation in the public auction on the date of the public auction, after which they shall be eligible to participate in the public bidding.

The bidders should submit their e-mail address in addition to their offer; the e-mail address shall be used by the Commission to notify the bidders on the date and time of the beginning of the public bidding.

The bidders shall register for public bidding on the following address: <http://62.220.210.66:8080/auction>.

The electronic public bidding shall start by announcing the initial price per hectare of agricultural land that is subject to lease, and it is conducted by means of placing bids by the bidders in the public auction.

In order to have a successful public bidding, it is necessary to have at least one successive bidding that shall not be lower than 5% of the determined initial price of the offered annual rent over the initial price per hectare.

The public bidding may not last shorter than 15 minutes. The public bidding shall be considered as completed at the moment of expiry of the time determined in the announcement, upon which, during the expiry of the last two minutes of the determined time for bidding the participants place a bid, so that the completion of the public bidding is extended for another two minutes; the bidding shall end if there is no new bid within the next two minutes.

The public auction shall last infinitely if within a time interval of two minutes a new bid is placed and it is not lower than 5% from the last offered bid.

After the completion of the electronic public auction, the Commission for lease of state-owned agricultural land by electronic public bidding shall prepare a report on the public auction and it shall electronically deliver it to all participants in the public bidding.

The selected most favorable/best bidder shall be a person - participant in the electronic public auction who last offered the price which is achieved as the highest rent per hectare offered on the electronic public bidding.

The public auction shall be completed after the expiry of the period for submission of complaints, if there are no complaints submitted, i.e. after passing a decision in regard with the complaint, if a complaint against the decision is filed, and if there is a complaint filed against the decision, after the validity of the decision.

Within 30 days after the validity of the decision the Minister of Agriculture, Forestry and Water Economy shall sign a contract for lease of agricultural land with the elected most favorable bidder; the elected most favorable bidder is obliged to submit a performance guarantee within 15 days from the date of conclusion of the contract. The performance guarantee must be unconditional, irrevocable and payable at first call in the amount of the nine months' rent or at least 5% of the planned investments, and not lower than the amount of the nine months rent. The performance guarantee shall be valid for the whole period of validity of the contract, and shall be renewed every three years.

The most favorable bidder that concludes the contract for lease of state owned agricultural land shall be obligated to pay the rent until 31 July in the current year for the previous year, calculated from the date of the log introduction in the conduct of agricultural land that is subject to that agreement.

VII. INITIAL PRICE

The initial price per hectare, in the procedure in accordance with this Public Announcement shall be determined depending on the cadaster class and location of the land.

The initial price for agricultural land of the I and II cadaster class shall be 120 Euro, for agricultural land of the III and IV cadaster class shall be 90 Euro, for agricultural land of the V and VI cadaster class it shall be 60 Euro and for agricultural land of VII and VIII cadaster class the initial price shall be 30 Euro in denar counter value, calculated with the mean rate of the National Bank of the Republic of Macedonia on the date of payment.

If the subject of public announcement is a block with natural boundaries formed by more cadastral parcels with different cadaster classes or geographic unit made up of several blocks by natural boundaries, the initial average price per hectare shall be determined in proportion to the space of cadastral parcels with different cadaster classes that are consisted in the block with natural boundaries or geographical unit made up of several blocks by natural boundaries.

Due to the fact the agricultural land that is subject to this public announcement represent geographical units that are established by several blocks with natural boundaries, the initial price for the geographical units 1, 2, and 3 shall be determined in accordance with the average price per hectare symmetrically to the space of the cadaster parcels with different cadaster classes and for the below stated geographical units, the price will be the following:

Geographical unit 1 – Region of Sveti Nikole - The initial price shall be **91.107 Euro** in denar counter-value, calculated on the base of the mean rate of the National Bank of Macedonia on the date of payment;

Geographical unit 2 – Region of Sveti Nikole - The initial price shall be **75.814 Euro** in denar counter-value, calculated on the base of the mean rate of the National Bank of Macedonia on the date of payment;

Geographical unit 3 – Region of Radovish - The initial price shall be **13.158 Euro** in denar counter-value, calculated on the base of the mean rate of the National Bank of Macedonia on the date of payment;

VIII. SUBMISSION OF A BID

The form for participation on a public announcement (offer) may be taken from the Ministry of agriculture forestry and water economy, the regional offices of the Ministry and the web-site of the Ministry and it shall be filled with all necessary data and submitted with all necessary documents in a closed envelope; otherwise the offer shall not be considered.

The bid and other documents should be submitted in a sealed envelope on which the words **"do not open"** **"Bid on the Public announcement 07/16 for lease of state owned agricultural land over 3 hectares of land space in the region/geographical units (the region/geographical unit should be written down) by means of electronic bidding"** in the left corner, and the words **"General Secretariat of the Government of the Republic of Macedonia, Boulevard "Ilinden" Nr. 2, Skopje"** in the middle of the envelope, **within 60 days** from the date of publishing of the public announcement in the **"Official Gazette of the Republic of Macedonia"**.

The envelope should not contain any indication that could allow identification of the bidder or consignor.

The bids submitted in regard with this public announcement nr. 07/16 shall be publicly opened on the first day that is counted on the base of the last day for submission of the applications for participation on the public announcement.

The public opening shall take place in the conference hall of the Ministry of Agriculture, Forestry and Water Economy, 2 Aminta Treti Str. Skopje at 10 o'clock.

IX. ADDITIONAL INFORMATION

For additional information, the bidders can apply to the Ministry of Agriculture, Forestry and Water Economy phone: **02 313 44 77** or visit the website of the Ministry: www.mzsv.gov.mk

X. PUBLISHING OF THE PUBLIC ANNOUNCEMENT

This announcement shall be published after receiving consent by the Government of the Republic of Macedonia.