



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“ no.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, 7/16 and 39/16), the Minister of Agriculture Forestry and Water Economy herewith issues the following

PUBLIC ANNOUNCEMENT NR. 12/16
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 **602ha 07are 83m²** shall be leased in the regions of Resen, Radovis, Strumica and Veles in the Republic of Macedonia with the following characteristics per each unit in the region:

Resen Region – Geographical unit 1

RESEN REGION	CADASTRE MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 1	Kozjak	4	23	64	90	381,28
TOTAL		4	23	64		

Radovis Region – Geographical unit 2

RADOVIS REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		xa	ap	m ²		
Geographical unit 1	Zagorci	150	39	96	60	9023,98
	Skorusha	4	46	49	60	267,9
TOTAL		154	86	45	60	9291,87

Strumica Region – Geographical unit 3

STRUMICA REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 3	Banjica	22	85	55	120	2.743,34
TOTAL		22	85	55		

Strumica Region – Geographical unit 4

STRUMICA REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 4	Banjica	14	30	24	90	1.256,80
Total		14	30	24		

Veles Region – Geographical unit 5

VELES REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 5	Bistrica	85	61	52	60	5137
Total		85	61	52		

Veles Region – Geographical unit 6

VELES REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 6	Novo selo – Veles	97	17	96	60	5830,77
Total		97	17	96		

Veles Region – Geographical unit 7

VELES REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 7	Rakovec	57	48	2	82	4713
Total		57	48	2		

Veles Region – Geographical unit 8

VELES REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 8	Veles	90	22	54	60	5413,62
Total		90	22	54		

Veles Region – Geographical unit 9

VELES REGION	CADASTER MUNICIPALITY	SPACE			Initial price for the public bid expressed in euro per ha	Initial price for the public bid expressed in euro for the whole unit
		ha	are	m ²		
Geographical unit 9	Novacani	71	24	73	75,31	5366,28
Total		71	24	73		

Summary review per region

Unit	Region	ha	are	m ²
1	RESEN	4	23	64
2	RADOVIS	154	86	45
3	STRUMICA	22	85	55
4	STRUMICA	14	30	24
5	VELES	85	61	52
6	VELES	97	17	96
7	VELES	57	48	2
8	VELES	90	22	54
9	VELES	71	24	73
TOTAL		602	07	83

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, as well as on the lists added to this public announcement.

The cadaster indications refer to the extending information on the location of the land, how many cadaster parcels make one geographical unit, the class and crop on the agricultural land and the space of the cadaster parcels that are subject to this public announcement.

The lists with cadaster indications of the land that identify the land are stated in the detailed reviews attached to the announcement.

The agricultural land in state ownership that shall be granted for lease and that is subject to this public announcement for the regions of Resen, Strumica, Radovis and Veles (for the geographical units 1,2,3,4,5,6,7 and 9), shall be intended for the following:

- Growing of perennial transplants (vineyards, orchards, hop) and glass houses, for a period up to 30 years;
- Growing of perennial transplants of hazelnuts for a period of up to 70 years;
- Growing of olive orchards, for a period up to 50 years;
- Growing of other agricultural crops, for a period up to 15 years;
- Meadows, for a period of up to 15 years;
- Growing of fast-growing trees on agricultural land on altitude over 700meters, for a period of up to 30 years;

- Fisheries, for a period of up to 20 years ; and
- Sport and recreational activities and rural tourism, for a period of up to 30 years.

The agricultural land in state ownership that is leased under this public announcement for the region of Veles (geographical unit 8) shall be intended for the following:

- Growing of perennial transplants (vineyards, orchards, hop) and glass houses, 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 previously 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 attached on MAFWE site or the form may be taken 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 (if the entity applies with the subsidiary, it is necessary to submit a document issued by the central registry that shall contain data on the prevailing activity of the legal entity and the subsidiary);
- 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 (the business plan should be signed on each page by the manager or authorized person who shall attach the authorization registered by the Notary Public);
- 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 (vehicle registration 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 (the form is published together with the announcement on the web-site of the Ministry of Agriculture, Forestry and Water Economy or the form may be taken in the regional office of the Ministry of Agriculture forestry and Water Economy);
- 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 (the program should be signed on each page by the applicant);
- 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 (vehicle registration 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 bidder may submit only one original form (bid) for the public announcement, but it may apply for one, two, three and more geographical units.

The application form for participation in the public announcement (bid) should be fully filled with necessary data, **otherwise the bid shall not be considered.**

The bids in which the Commission shall determine that:

- do not contain all necessary documents;
- are submitted after the expiry of the submission term;
- are submitted in a marked envelope that may identify the bidder;
- are submitted by a person that does not have the right to submit offers; and
- are not prepared in accordance with the conditions determined in the public announcement, **shall be rejected by the Commission as being incomplete.**

The bids for agricultural land in state ownership for which the Commission finds ex officio that the obligations from the previously signed contracts are not fulfilled, shall be rejected by the Commission as **inadmissible.**

The bid which will be submitted with an offered rent that is lower than the minimum rent stipulated under the Law on agricultural land shall not be reviewed and the Commission shall reject it as **inadmissible.**

If the Commission determines that one bidder submitted more than one bid for agricultural land in state ownership, or if it determines that there is a capital (or family) connection between the bidders, the bids shall be rejected by the Commission as **inadmissible.**

Incomplete and untimely submitted bids for the public announcement will not be considered, and the bidders shall be informed on the incompleteness electronically on their submitted **e-mail address.**

The conditions provided for in the business plan (for legal entities) or the market aspects foreseen in the program (for individuals) will be an integral part of the contract with the selected bidder as contractual obligations that the selected bidder shall be obliged to fulfill in the volume, terms and in the manner as described in the contract.

III. CRITERIA FOR SELECTION OF THE MOST FAVORABLE BIDDER

The Commission shall select 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. 12/06, 26/12, 2/13, 158/13,120/15,129/15 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;

IV. CONDITIONS FOR PARTICIPATION IN THE PROCEDURE

In their business plans, the bidders shall envisage and state a detailed review on the financial assets, with a list of investments of specific actions, as follows:

- 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 – Resen Region;**
- 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 2 – Radovis Region;**
- foresee construction of objects for primary processing of agricultural products (**facilities for acceptance, drying and distillation of agricultural products**) with minimum investment of **100.000,00 Euro (onehundredthousandeuro)** and construction term of **4(four) years** for **Geographical unit 3 – Strumica Region;**
- foresee construction of objects for glass house for production of at least 20.000.000 seedlings for vegetables after the completion of the investment, with a minimum investment of **1.200.000,00 Euro (onemillionandtwohundredthousandeuro)** and construction term of **4(four) years** for **Geographical unit 4 – Strumica Region;**
- foresee construction of objects for primary processing of agricultural products with minimum investment of **500.000,00 Euro (fivehundredthousandeuro)** and construction term of **4(four) years** for **Geographical unit 5 – Veles Region;**
- foresee construction of objects for primary processing of agricultural products with minimum investment of **500.000,00 Euro (fivehundredthousandeuro)** and construction term of **4(four) years** for **Geographical unit 6 – Veles Region;**
- foresee construction of objects for primary processing of agricultural products with minimum investment of **250.000,00 Euro (twohundredandfiftythousandeuro)** and construction term of **4(four) years** for **Geographical unit 7 – Veles Region;**
- foresee construction of **winery with capacity of 500.000 liters** of wine after completion of the investment, with minimum investment of **2.500.000,00 Euro (twomillionandfivehundredthousandeuro)** and construction term of **4(four) years** for **Geographical unit 8 – Veles Region;**

-foresee construction of objects for primary processing of agricultural products with minimum investment of **250.000,00 Euro (twohundredandfiftythousandeuro)** and construction term of **4(four) years** for **Geographical unit 9 – Veles Region**;

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 written 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 in the procedure shall be returned according the terms prescribed in the Law on Agricultural land.

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 for participation in the procedure 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.

In case of activation, the bank guarantee is paid to the account prescribed in the Law on Agricultural Land.

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 for one geographical unit.

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 indefinitely 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 with validity of at least 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,
- III and IV cadaster class shall be 90 Euro,
- V and VI cadaster class it shall be 60 Euro; and
- VII and VIII cadaster class it 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 agricultural land is located at an altitude over 1000meters, the initial price for rent of that agricultural land of the:

- I and II cadaster class shall be 60 Euro,
- III and IV cadaster class shall be 45 Euro,
- V and VI cadaster class it shall be 30 Euro; and
- VII and VIII cadaster class it shall be 15 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 that the agricultural land that is subject to this public announcement shall be leased per geographical unit made of several blocks with natural boundaries, the initial price for the geographical units 1,2,3,4,5,6,7 and 8 is determined according to the average price per hectare in proportion to the space of the cadaster parcels with various cadaster classes and it is stated in the table review in the first chapter of this announcement.

VIII. SUBMISSION OF A BID

The bid and other documents should be submitted in a sealed envelope on which the words **“do not open”**

“Bid on the Public announcement 12/16 for lease of state owned agricultural land over 3 hectares of land space in the region (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.

The term for submission of the bids shall be **30 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. 12/16 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 in 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 is published after the received consent and decision of the Government of the Republic of Macedonia, nr. 42-5947/1, dated 19.07.2016.