



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

Pursuant to article 21 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 and 164/13) upon a Decision No. 22-754/1 dated 22.01.2014 the Minister for Agriculture, Forestry and Water Management, issues a

**PUBLIC NOTICE 01/14
for lease of state-owned agricultural land**

I. SUBJECT OF THE PUBLIC NOTICE

State owned agricultural land in the regions of Valandovo, Gevgelija and Strumica in the total space of **36ha 39are 10m²** shall be leased.

Valandovo region, cadaster municipality Kazandol with total space of 12ha 49are 52m²
Gevgelija region, cadaster municipality Negorci with total space of 14ha 65are 22m²
Strumica region, cadaster municipality Gradatorci with total space of 9ha 24are 36m²

The data about the agricultural land set forth in this public notice (for easements and other burdens, the condition in which the land shall be found, the cadaster 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 noticeboard in the regional office of the Ministry that is responsible for the relevant advertised area.

The purpose for which the agricultural land is leased shall be establishing nurseries for young plants.

The duration of the lease of agricultural land shall be 15 years.

II. FORM FOR PARTICIPATION ON THE PUBLIC NOTICE (BIDDING)

The form for participation on the public notice (bidding) may be taken with the regional offices of the Ministry and it has to be filled with all necessary data and submitted together with the necessary documents in a closed envelope; otherwise the bidding shall not be considered.

III. ELIGIBILITY FOR PARTICIPATION ON THE PUBLIC NOTICE

1) Domestic physical and legal entities, as well as foreign legal entities shall be eligible to participate on the public notice and submit their bids for taking the state owned agricultural land on lease.

2) Physical entities referred to in Part III, paragraph 1 of this public notice, should be registered providers of agricultural activity and/or registered in the register of agricultural holdings and/or sole proprietors whose prevailing activity is agricultural production or processing of primary agricultural products.

- 3) Foreign legal entities referred to in Part III, paragraph 1 of this public notice, shall be eligible to participate on a public notice if they have subsidiaries registered in the Republic of Macedonia.
- 4) 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.
- 5) The persons referred to in Part III, paragraph 1 of this public notice shall not be eligible to participate on the public notice and submit bids in a procedure for collecting of bids if they haven't fulfilled their obligations on the base of rent in connection with the concluded lease contracts for state owned agricultural land.
- 6) Legal entities under liquidation procedure and non-profit organizations shall not be eligible to participate on a public notice.

IV. DOCUMENTS THAT SHALL OBLIGATORILY BE SUBMITTED WITH THE BID

1) The participants on the public notice for lease of state owned agricultural land shall be required to submit the following:

a) for legal entities:

- bid for the amount of the annual rent (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 contributions for salaries and salaries for employees (confirmation issued by the Fund for insurance of retired and disabled persons, confirmation issued by the Fund for health insurance and certificate issued by the Public Revenue Office);
- business plan that shall contain 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 and amount of the planned investment;
- 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, and haven't fulfilled the obligations from that contract; and
- confirmation from the regional office of the Ministry that it does not have any obligations in regard with the unpaid rent for use of agricultural land in state ownership;
- a **bank guarantee** for participation in the procedure.

b) for physical entities:

- bid for the amount of the annual rent (application form of the regional office of the Ministry);
- evidence for settled public fees (certificate issued by the Public Revenue Office);
- copy of the personal identification card;
- program for use of the land that contains basic data about the family, technical-technological equipping, the purpose for which the agricultural land will be used, the market aspects and the amount of the planned investment;
- confirmation for recording in the sole registry of agricultural holdings or a decision of a registered performer of agricultural activities (issued by the regional office of MAFWE or from the Fund for insurance of retired and disabled persons, for gained right to be their insured person as an individual farmer) or a proof form the Central registry office for being a registered sole proprietor ;

- 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;
- confirmation from the regional office of the Ministry that it doesn't have obligations in regard with unpaid rent for use of state agricultural land; and
- a **bank guarantee** for participation in the procedure.

2) The applications for the public bid that shall be submitted as incomplete and with delay shall not be taken into consideration.

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

4) In order to participate in the procedure, the participants in the public notice for lease of state owned agricultural land for a space of more than 10 hectares, shall submit, together with their bid, a bank guarantee issued on the amount of the offered annual rent.

V. BANK GUARANTEES

1. 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 notice, 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 from the date of the public opening of bids for the said announcement.

The amount of the Bank guarantee for participation should be issued in the amount offered as an annual rent.

The bank guarantee shall be issued by a bank with a seat in the Republic of Macedonia or in a foreign bank; in such a case the foreign bank must have at least BBB (or equivalent) credit rating issued by one of the following credit rating agencies MOODY'S INVESTORS SERVICE, STANDARD AND POOR'S RATINGS SERVICES or FITCH RATINGS.

Within 14 days after passing of a decision on the selection of the most favorable bidder for lease of state owned agricultural land, the bank guarantees set forth in paragraph 1 of this article shall be returned to the bidders that participated in the procedure but were not selected as most favorable bidders.

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

The Bank Guarantee for participation in the procedure shall be collected if:

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

2) Performance guarantee (Bank guarantee for quality and timely execution of the contract)

The selected bidder that participated on a public notice for lease of state owned agricultural land or public notice for collecting of bids for spaces over 10 hectares shall be obliged to submit a Performance guarantee within 15 days after the date of signing of the lease contract.

The Performance guarantee must be unconditional, irrevocable and payable on the first call and should be issued in the amount of 5 % of the planned investment stated in the offer of the selected bidder, but not less than the amount of the annual rent .

The Performance guarantee should be issued by a bank with a seat in the Republic of Macedonia or a foreign bank; in such a case the foreign bank must have at least BBB (or equivalent) credit rating issued by one of the following agencies for credit ratings: MOODY'S INVESTORS SERVICE, STANDARD AND POOR'S RATINGS SERVICES or FITCH RATINGS.

The Performance guarantee should be valid for the entire period of duration of the contract.

VI. SUBMISSION OF A BID

The form for participation on a public notice (bid) shall be submitted in one certified original signed by the bidder.

Each bidder can submit only one original form (bid).

The bid shall be submitted to the Ministry of Agriculture, Forestry and Water Management – Skopje, within 30 days from the date of publication of the public notice in the daily press.

The bid and other documents should be submitted in a sealed envelope on which the words "do not open" "Bid on the Public Notice 01/14 for lease of state owned agricultural land in the region (the region should be written down)" should be written, and the words "Ministry of Agriculture, Forestry and Water Economy", Street "Aminta Treti" No.2 Skopje" in the middle of the envelope.

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

VII. CRITERIA FOR SELECTION OF THE MOST FAVORABLE BIDDER

1) The Commission shall select the most favorable bidder based on the following criteria:

- The highest offered annual rent

The size of the area of agricultural land that will be leased by one bidder shall be determined on the base of the following criteria:

- Minimum material - technical equipping of the bidder; and

- The number of planned employments or employees according to the business plan as follows:

- For areas **up to 50 hectares** - at least 1 tractor of light-duty 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-duty category or at least 1 tractor of medium-duty 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-duty category or at least 2 medium-duty 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 processed and one permanently employed person should be planned for every 50 hectares;

In order to prove the technical and material equipping, every bidder shall submit adequate evidence (a car license, invoice, purchase contract notarized by a notary public, a final court decision or act of another competent authority) and only a material and technical equipping of the bidder shall be estimated in the procedure for which it has submitted such proof.

2) The initial price per hectare in the process of this public notice shall be determined according to the cadastral class and location of the land.

3) The starting price is 25 Euro in Denar counter-value for agricultural land from the 1 to the 4 cadastral class and 15 Euro in Denar counter-value for agricultural land from the 5 to the 8

cadastral class, calculated on the base of the mean exchange rate of the National Bank of the Republic of Macedonia on the day of payment.

4) The initial price of agricultural land located in mountainous areas for the land from the 1 to the 4 cadastral class is 15 Euro in Denar counter-value, and for the land from the 5th to the 8th cadastral class is 5 Euro in Denar counter-value, calculated according to the mean exchange rate of the National Bank of the Republic Macedonia on the day of payment.

5) Bids that do not contain all required documents, submitted in original or notarized copy, the bids submitted after the deadline for submission, envelopes marked so that the bidder could be identified, bids that are lower than the minimum annual rent, bids submitted by persons who are not entitled to participate and offers that are not prepared under conditions specified in the public notice, shall be rejected as incomplete.

VIII. 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