

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 and 154/15), The Minister of Agriculture Forestry and Water Economy herewith issues the following

PUBLIC ANNOUNCEMENT NR. 07/15

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 **3.301ha 99are 91m²** shall be leased in the following regions of the Republic of Macedonia:

Ordinal nr.	Region	Space		
		ha	are	m ²
1	Berovo	38	74	81
2	Bitola	32	77	48
3	Veles	446	76	73
4	Vinica	21	41	54
5	Gazi Baba	91	73	46
6	Gevgelija	75	10	12
7	Debar	68	22	44
8	Delcevo	55	63	41
9	Kavadarci	423	77	75
10	Kisela Voda	145	32	68
11	Kocani	24	96	73
12	Kumanovo	126	91	98
13	Negotino	71	37	78
14	Prilep	398	44	47
15	Radovish	389	25	89
16	Resen	19	39	49
17	Sveti Nikole	326	77	38
18	Struga	23	93	71
19	Strumica	121	56	25
20	Tetovo	28	60	81
21	Shtip	371	25	00
Total		3301	99	91

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.

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:

- Growing perennial transplants (vineyards, orchards, hop) and green houses, for a period up to 30 years;
- Growing of olive trees, for the period of up to 50 years;
- Growing of hazelnut trees for the period of 70 years;
- Growing of other types of agricultural crops, for a period of up to 15 years;
- Growing of fast-growing trees on agricultural land located over 200m above the sea level for the period of up to 30 years;
- Meadows, for a period of up to 15 years;
- Fish-ponds, for a period of up to 20 years
- Sport and recreational activities and rural tourism, for a period of 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.

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 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); and
- statement on the number of planned employments;

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);and
- statement on the number of planned employments;

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. 12/06, 26/12, 2/13, 158/13, 110/15, 120/15 and 129/15).

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 processed and one permanently employed person should be planned for every 50 hectares;

IV. CONDITIONS FOR PARTICIPATION IN THE PROCEDURE

Each bidder should submit only one original bid for this public announcement.

The maximum area for which one bidder can apply and obtain in this public notice is for one cadaster parcel with an area exceeding 3 hectares or a block with natural boundaries formed by more cadaster parcels with different cadaster classes with area over 3 hectares.

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 from the last date for submission of bids for the said public announcement.

The amount of the Bank guarantee for participation should be issued in the amount of the nine months' rent for a particular geographical unit, but it should not be lower than the initial price determined in this Announcement.

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

The Bank guarantee shall be paid at the following place:

Treasury account of the Republic of Macedonia

Bank of the offeree: National Bank of the Republic of Macedonia

Account nr.: 100000000063095

Account of the budget user: 630010001963019

Revenue code:725933 (revenues from activated bank guaranties)

Within 14 days after concluding the contract for lease of state owned agricultural land with the selected bidder, 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 the signing of the contract and submission of the performance guarantee (bank guarantee for quality and timely execution of the contract).

The Guarantee for participation in the procedure shall be collected in the following cases:

- 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 nine months' 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 Article 23 of the Law on agricultural land.

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 on the date of the public auction shall register at the website listed in the advertisement with the username and password for participation in 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 nine months' 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 and 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, with validity for 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, 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 agricultural land is located over 1000m above the sea level, the initial price of the rent of the leased agricultural land of the I and II cadaster class shall be 60Euro, for III and IV cadaster class – 45 Euro, for V and VI cadaster class – 30 Euro and for the VII and VIII cadaster class – 15 Euro 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 cadaster parcels or a block with natural boundaries established by several cadaster parcels with different cadaster classes, the initial price shall be calculated and presented in the table reviews for each region, and separately for each agricultural land that is subject to this public announcement.

VIII. SUBMISSION OF A BID

The form for participation on a public announcement 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 07/15 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 45 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.

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.