

### Republika e Kosovës Republika Kosovo - Republic of Kosovo *Qeveria - Vlada - Government*

Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural Ministarstvo Poljoprivrede, Šumarstva i Ruralnog Razvoja Ministry of Agriculture, Forestry and Rural Development

Agjencia për Zhvillimin e Bujqësisë / Agencija za Razvoj Poloprivrede/ Agriculture Development Agency

## CALL FOR APPLICATIONS FOR FARMERS AND AGRICULTURAL HOLDINGS OF THE REPUBLIC OF KOSOVO

FOR BENEFITING WITHIN IMPLEMENTATION OF THE "PLAN FOR AGRICULTURE AND RURAL DEVELOPMENT 2014-2020", MEASURE 302 - "FARM DIVERSIFICATION AND BUSINESS DEVELOPMENT"

# The purpose of the call for applications

The purpose of the call for applications is to provide financial support / grants for investment in farms under Measure 302 "Diversification of farms and business development", according to the Plan for Agriculture and Rural Development from 2014 to 2020 for 2016, including:

- **302.1** Production, processing and promotion of honey;
- **302.2** Collection, processing and promotion of non-wood products of mountain<sup>1</sup>;
- **302.3** Processing and promotion of agricultural products cultivated<sup>2</sup>;
- **302.4** Development and promotion of craft activities<sup>3</sup>;
- **302.5** Development and promotion of rural tourism.

## 1. Potential applicants

Prospective applicants under this measure are farmers, by definition by Law on Agriculture and Rural Development (L-03/098) and other agricultural enterprises registered in the Farm Register. Legal persons may be beneficial only if they are registered as micro or small enterprise, by definition of the Law on Amending and Supplementing the Law No. 02 / L-5 - For supporting small and medium enterprises:

- Micro enterprise should employ up to nine (9) workers;
- o Small enterprise should employ from ten (10) to forty nine (49) workers;

<sup>&</sup>lt;sup>1</sup> medicinal and aromatic plants, forest fruits and mushrooms collected;

<sup>&</sup>lt;sup>2</sup> vegetables, fruits, spices, medicinal and aromatic plants, mushrooms, milk, wine, brandy from grapes and other fruits, the production of vinegar, pasta processing;

<sup>&</sup>lt;sup>3</sup> textile processing, leather, wool; wood processing; handicrafts, such as the preparation of traditional costumes; weaving traditional clothing; production of knitted fabrics and woven; embroidery / weaving carpets and rugs; preparation of various jewelry and other activities that are handicraft;

# 2. Geographical scope

The entire territory of the Republic of Kosovo.

# 3. Common eligibility criteria

- Must be registered in the Farm Register;
- If the applicant is a physical person, he/she must be over 18 years old, but not older than 65 years;
- Applicants must submit the application with all required documents to the list of required documents and presented in the Guidelines for Applicants;
- The investment must be carried out in rural or mountainous areas (by definition MAFRD);
- Applicants must have completed at least secondary school (in case of a legal person that applies for the owner / authorized person);
- Applicants must have settled tax obligations, namely property tax for physical person and tax on corporate income and other applicable taxes for legal entities;
- Applicants should have no financial obligations to MAFRD;
- All beneficiaries of rural development projects are obliged to maintain their investment under the approved project over five years after the realization of the project, as long as the monitoring period lasts. If he/she do not maintain investments, the beneficiary is obliged to return the amount financed public support;
- For investment projects in which eligible investments are smaller than or equal to € 20,000, the applicant must submit a draft technical proposal as per MAFRD model. Sub-measure project proposal for rural tourism is special;
- For investment projects in which eligible investments are greater than €20,000, applicants must submit a business plan as per MAFRD model. Sub-measure business plan for rural tourism is special;
- Models for the technical proposal and draft business plan will be published on the website of the Agricultural Development Agency (ADA) and MAFRD and will be available to all beneficiaries;
- All beneficiaries who in their business plan stated that will create new jobs and have gained points during the evaluation for this issue, they must create them and prove it with the payment of pension contributions and taxes wages for at least last month before the request for final payment. Beneficiaries are obliged to keep these jobs filled by full-time workers for 5 years, as long as monitoring period lasts. Projects funded by the Rural Development Program 2016 cannot be financed by the EU Office in Kosovo, or any other public donor, national or international. In the event of the discovery that the recipient has received support for the same project from another donor, he is not given the support or if he took it, he will be forced to return the funds received, and penalties will be applied in accordance with law;
- Beneficiary who has applied to MAFRD and other public institutions or at the EU office in Kosovo, and his project is selected for funding by any of the institutions, he/she must immediately inform MAFRD / ADA or other relevant institutions;
- Recipient cannot be given a new project if previous projects are not completed in accordance with the contract signed with ADA.

In the case of projects of construction / expansion, following must be submitted when applying:

- A copy of the drawings and the assessment of costs for materials and work;
- A copy of the plan of the parcel where investment is made;
- Consent of the community (if required by law);
- Possession list or notarized rental contract for at least 10 years for plot or facility where construction and expansion will be performed, and for construction projects that do not provide any expansion on foreign property, the loan contract for 5 years is sufficient.

In the case of construction or expansion projects, before submitting request for payment to ADA, potential beneficiaries must submit:

 Construction permit from the municipality, in the case of buildings that are over 10m<sup>2</sup>; Environmental impact assessment if it is prescribed by law.
For sub-measure 302.5, beneficiaries who plan to invest in facilities that are on the List of Cultural Heritage, before signing the contract with the Agency for Agricultural Development, have to get consent from the Ministry of Culture / Department of Cultural Heritage.

## 4. Specific eligibility criteria

### 302.1 Production, processing and promotion of honey

Have at least 40 bee hives.

#### 302.2 - Collection, processing and promotion of non-wood mountain products

Applicants must be:

- o Legal persons;
- Licensed by the Department of Forestry of MAFRD for collection of medicinal and aromatic plants, forest fruits and mushrooms. This criterion does not apply to applicants who apply to be equipped with non-wood products mountain dryers.

#### 302.3 - Processing and promotion of cultivated agricultural products

- o In the case of wine and brandy, applicants must possess less than 3 hectares of vineyards / orchards;
- For milk processing, processing capacity of applicants must not exceed 500 liters per day.

### 302.4 - The development of craft activities

No specific criteria.

### 302.5 – Development and promotion of rural tourism

Applicants must:

- Demonstrate that the object to be renewed / adapted / expanded needs to be adopted to certain style (traditional) of the rural areas and support the style with the photography on the existence of such building with the traditional construction (at time of application);
- Beneficiaries who plan to invest in facilities that are on the List of Cultural Heritage, before signing the contract with the Agency for Agricultural Development, have to get consent from the Ministry of Culture / Department of Cultural Heritage;
- Before signing the contract with ADA, beneficiary has to bring the project designed by the respective architect, in order to adjust the appearance of the object as shown in the photograph at the time of application;
- In the case of projects with the guesthouse at the end of the investment object must not have less than 5 beds and no more than 5 beds;

- In the case of investments for the construction of pedestrian and bicycle paths at surrounding areas of rural tourism facilities and when these paths go through private property, notarized consent of owners through whose property these paths are passing must be submitted at the time of application;
- In the case of investments for the construction of pedestrian and bicycle paths at surrounding areas of rural tourism facilities and when these paths go through public property, official consent of public official responsible for these properties should be submitted at the time of application;
- All beneficiaries who in their business plan stated that will create new jobs and have gained points during the evaluation for this issue, they must create them and prove it with the payment of pension contributions and taxes wages for at least last month before the request for final payment. Beneficiaries are obliged to keep these jobs filled by full-time workers for 5 years, as long as monitoring period lasts.

## 4. Eligible expenditures must be defined to:

- Maximum eligible expenses for promotion cannot exceed 10% of the overall eligible investment. Investments to promote products produced and processed are: promotional materials, participation in fairs payments to local / national, etc .;
- Expenses for the preparation of a business plan or project proposal cannot exceed 3% of eligible costs;
- In the case of investments that provide construction / renovation / expansion / facilities, costs for architect and engineer are acceptable to the value 7% of eligible costs.

### Support level and the value of investments

- o The minimum value of eligible costs per project, for all sub-measure of this measure is €5,000.
- The maximum amount of eligible expenditures for the project, for all sub-measure is € 30,000, in addition to 302.5 sub-measure "Development and promotion of rural tourism", which is €50,000;
- Public support is 65% of eligible investment costs;
- o Additional 5% support is granted for investments in mountain areas.

### 5. Eligible investments as per sub-measures

#### 302.1 Production, processing and promotion of honey

- Purchase of hives;
- Purchase of machinery and equipment for production and processing of honey;
- Specialized trailers for transfer of hives, only for applicants over 50 hives;
- Investment in equipment for the extraction of bee products;
- Investment in equipment for the cultivation of mëmave;
- Construction / renovation / expansion of the honey room;
- Purchase of laboratory equipment for analysis of bee products;
- Purchase of technological lines for filling and packaging of honey;
- Purchase of equipment for renewable energy.

#### 302.2 Collection, processing and promotion of non-wood mountain products

- Construction / renovation / expansion of facilities for the storage, processing and packaging of medicinal plants, forest fruits and mushrooms collected;
- o Purchase of equipment for washing, cleaning, storage, sorting and processing;
- Purchase of equipment for drying, cooling, deep freezing, etc .;
- Purchase of shelves for drying;
- Purchase of equipment for renewable energy;
- Purchase of equipment for measuring, packaging and labeling.

#### **302.3 Processing and promotion of cultivated agricultural products**

Construction / renovation / expansion of facilities for the storage, processing and packaging of medicinal plants, forest fruits and mushrooms collected;

- o Construction / renovation / expansion of facilities for production, storage and processing of products;
- Construction / renovation / expansion of buildings overlooking the traditional use as points of sale for local products (to describe in the project proposal);
- Investments in machines and equipment for processing of milk (including mobile units for the production of traditional cheese) processing of fruits and vegetables, cleaning, sorting, drying, agglomeration, pasteurization, storage, refrigerators cooling, with refrigeration, ovens for baking pasta, mixing different pasta, brandy production equipment, equipment for filling brandy and wines, etc .;
- o Investments in purchasing measuring, packaging and labeling equipment;
- o Investments in the purchase of equipment for renewable energy;
- o Investments in specific equipment, with the aim of improving food safety and quality.

#### 302.4 Development and promotion of craft activities

- Construction / renovation / expansion of facilities for the development of craft activities and maintenance of the products;
- Construction / renovation / expansion of buildings overlooking the traditional use as points of sale for local products (described in the project proposal);
- o Investments in the purchase of equipment for knitting and weaving of fabrics;
- o Investments in the purchase of equipment for the processing of carpets and rugs;
- o Investments in the purchase of equipment for processing of leather;
- Investments in the purchase of equipment for wood processing;
- o Investments in the purchase of equipment necessary for the development of other craft activities.

#### 302.5 – Development and promotion of rural tourism

- Renovation / adaptation / expansion of traditional buildings to be used as inns and gastronomic service delivery (with no less than 5 and no more than 25 beds);
- Renovation / adaptation / expansion of buildings with traditional views (eg mill, tower, traditional houses, etc.) for use as points of sale for local products, to provide traditional gastronomic services for the provision of tourist information for the area, etc.;
- o Investments in the construction of pedestrian and bicycle paths surrounding rural tourism facilities;

- Purchase of furniture needed for the regulation of rooms, bathrooms, kitchen, food hall (beds, chairs, tables, chairs, etc.);
- Purchase of equipment for renewable energy;
- Purchase of equipment that offer fun activities for children (helter-skelter, swings, ping-pong table, etc.);
- Investments in creating the website.

## 6. Attached documents

order to apply for measure 302 - within respective sector, necessary documents can be found within guide for applicants, at ADA website (<u>www.azhb.rks-gov.net</u>) and at relevant regional offices.

## 7. Timeframe and form of receiving application

Date of beginning submitting the form of application is the day of publishing the call for application.

## Call for application will be open from 25.02.2016 to 05.04.2016

Comment: application must contain all requested documents and be submitted within foreseen application period. Application file is submitted in two physical copies and all documents of physical file are scanned and recorded on a CD, which is submitted along with the physical copies. Applicants are advised to keep one copy of the file for their own needs.

MAFRD /ADA Address: (former building of Ljubljanska Bank) Prishtinë From Monday to Friday: from 10:00 – 12:00 hrs and from 13:00-15:00 hrs phone 038/211-967 or 038/212-647				
No.	Region	Addresses	Phone	e-mail
1	Prishtinë	Industrial zone - Fushë Kosovë, opposite of Maxi-Market		
			038 601 169	
2	Mitrovicë	"Mbretëresha Teutë" nn.	028 522 501	
3	Рејё	Agricultural institute "Fidanishtja"	039 431 276	
4	Gjakovë	"Marin Barleti" no. 2, floor III.	0390 320 992	
5	Prizren	"Avni Rrustemi" 159	029 244 793	
6	Ferizaj	"Dëshmorët e kombit" nn.	0290 324 661	
7	Gjilan	"Bulevardi i Pavarësisë" str. (Ferizaj road) (solitary building, floor I)	0280326 106	6

Application form and attached documents need to be submitted to regional offices of the Agency for Development of Agriculture in: Prishtina, Mitrovica, Peja, Gjakova, Prizren, Ferizaj and Gjilan, every working day from 08:30-16:00 hrs.

### 8. Contacts and information points (places) for application

For detailed information please visit web-site <u>www.mbpzhr-ks.net</u>, or <u>azhb-ks.net</u>, as well as guide for applicants for measure 302.