

01

LAW ON THE AGRICULTURAL FUND
(Official Gazette no. 11/2002)

I. GENERAL PROVISIONS

Article 1

This Law establishes the Agricultural Fund (hereinafter referred to as the “Fund”), the sources for raising funds and allocation thereof.

Status of the Fund

Article 2

The Fund shall financially support the development of agriculture by way of financing performers of agricultural activities in all sectors of agriculture.

Article 3

The Fund is a legal entity.

The Fund shall act in compliance with the provisions of this Law.

The Fund shall have bylaws.

The Fund shall have a separate bank account.

Article 4

The main office of the Fund shall be in Skopje.

The Fund shall have regional offices.

II. SCOPE AND PROCEDURES OF OPERATION

Scope of Operation

Article 5

The Fund shall carry out the following activities:

1. provide financial support – loans for the performers of agricultural activities;
2. ensure development of efficient agricultural production and improve agricultural land structure;
3. ensure that conditions exist for increasing the revenues of the performers of agricultural activities and reducing the production costs;
4. take care of the development of the socially and economically underprivileged regions and regions with unfavourable natural conditions, as well as for the structural adjustment of the underdeveloped regions;
5. ensure development and improvement of the agricultural production structure;
6. propose new technologies and increase the quality of agricultural products;
7. give financial support for maintaining small-scale production agricultural land;
8. make sure that the national market of agricultural products is soundly developing and find foreign markets for agricultural products;
9. ensure and maintain the development of intensive agricultural production in compliance with the environmental requirements;
10. develop a data base with information on the Fund revenues and allocation of funds;

11. insure performers of agricultural activities; and
12. perform other duties as required by law.

Article 6

The fund shall adopt an annual programme for financial support to performers of agricultural activities.

The annual programme from paragraph 1 of this Article shall be subject to approval from the Government of the Republic of Macedonia upon previous opinion of the Minister of Agriculture, Forestry and Water Economy.

Article 7

The Fund shall implement the measures provided for in the annual programme referred to in Article 6 of this Law and shall thereof inform the Minister of Agriculture, Forestry and Water Economy.

Article 8

All registered performers of agricultural activities are entitled to financial support from the Fund. Performers of agricultural activities applying for financial support shall file their applications with the Fund through its regional offices.

Article 9

The Fund shall submit an operations report to the Ministry of Agriculture, Forestry and Water Economy and the Government of the Republic of Macedonia at least once a year.

The annual report shall be submitted within 60 days following the closing date for submission of the Fund's annual accounts.

III. ORGANS OF THE FUND

Article 10

Organs of the Fund are:

1. the Managing Board, and
2. the Director

Managing Board

Article 11

The Managing Board shall manage the operations of the Fund.

The Managing Board shall consist of 11 members appointed by the Government of the Republic of Macedonia for a four-year term, as follows:

- five representatives of the performers of agricultural activities (three representatives of the individual farmers, one of the agricultural traders and one of the agricultural cooperatives);
- three representatives of the Ministry of Agriculture, Forestry and Water Economy;
- one representative of the Ministry of Finance; and

- two representatives of scientific and expert institutions.

The membership of the Managing Board shall elect a chairman and a deputy.

The Managing Board shall adopt Rules of procedure for their operation.

Scope of the Managing Board Duties

Article 12

The Managing board shall have the following duties:

1. adopt the bylaws of the Fund;
2. adopt an annual programme;
3. adopt documents pertaining to the Fund's organizational setting and structure;
4. adopt a financial plan of the Fund;
5. adopt the final annual accounts and the annual statement of the Fund;
6. review issues, reports, data and other materials related to the circumstances in agriculture, as well as to the problems arising from the allocation of financial support to the performers of agricultural activities;
7. make decisions for the use of the Fund funds, for approval of loans, guaranties, subsidies and other matters as determined in the Fund's bylaws;
8. propose election and discharge of the Director and Deputy Director of the Fund;
9. establish committees and other working bodies as needed;
10. decide on matters as determined by law and the Fund's bylaws.

Article 13

The decision-making and all activities of the Managing Board shall be valid if made with membership majority vote.

Prior to the adoption of the general documents foreseen with this Law, the Managing Board must ask for an opinion of the associations of performers of agricultural activities.

Director

Article 14

The Director of the Fund shall have a deputy.

Director or Deputy Director of the Fund shall be appointed an individual with high education.

The Director of the Fund and his deputy are appointed by the Government of the Republic of Macedonia upon proposal of the Minister of Agriculture, Forestry and Water Economy.

Article 15

The Director of the Fund shall have the following duties:

1. to manage the operations of the Fund;
2. to represent and act on behalf of the Fund;
3. to propose general documents;

4. to ensure that pertinent regulations and the general documents of the Fund are adhered to;
5. to implement the decisions of the Managing Board;
6. to appoint and discharge officers of the Fund;
7. to give proposals for establishment of the Fund's expert service;
8. to sign the accounts of the Fund;
9. to perform other activities as determined by law or the Fund's bylaws.

Article 16

The Director of the Fund and his deputy shall be discharged from duty before the expiration of their term in the following cases:

- when any of the reasons listed in the labour regulations that cause termination of employment by force of law, exists;
- when they fail to act in compliance with law, the bylaws and the general documents of the Fund, fail to implement the decisions of the Managing Board or act contrary to them;
- when due to improper and irresponsible work they cause significant damage to the Fund or they disregard or fail to perform all their duties thus causing serious disruptions in the operation of the Fund;
- when they impede or otherwise prevent the implementation of the Managing Board decisions foreseen in Article 12 paragraph 1 item 7 of this Law.

Expert Service of the Fund

Article 17

An expert service shall be established for continuous, effective and successful operation of the Fund.

Bylaws

Article 18

The bylaws of the Fund shall regulate:

- the organizational setting and operations of the Fund;
- the rights, obligations and duties of the Fund's organs;
- representation and acting on behalf of the Fund;
- transparency in the operations of the Fund and its organs;
- the procedure for election and discharge from duty of the Fund's Director and his deputy;
- the procedure for nominating members of the Managing Board;
- other issues relevant to the operation of the Fund.

The bylaws of the Fund shall be subject to approval by the Government of the Republic of Macedonia.

IV. OPERATING FUNDS

Article 19

For the purposes of its operations, the Fund shall earn funds in amount of:

- 50% of the revenues from state agricultural land given in lease or concession;

- 50% of the sale of state agricultural land;
- 4% of the amount of the premium from insurance of agricultural cultures, animals, machines, buildings and equipment;
- 0.033% transfer fee for import of unprocessed and processed agricultural products on the value of the products listed in the Program for Encouraging development of Agriculture of the Ministry of Agriculture, Forestry and Water Economy to the Fund;
- 50% of the charged duties for import of agricultural machines and equipment;
- grants, donations and sponsorships and other funds received from international institutions and the European Union;
- 100% of the specific customs duties payable on basic agricultural products and 50% for processed agricultural products;
- 100% of the funds paid by legal and natural persons for mandatory health control of plants and the shipments of plants and plant products of plant origin, as well as shipments of plant protection means for import, export, shipment and transit across the border of the Republic of Macedonia;
- 100% of the funds collected from legal and natural persons for veterinary and sanitary inspection and control of the trade across the border of the Republic of Macedonia concerning shipments of animals, animal products, raw materials and offal, shipments containing elements of animal origin, artificial insemination semen, inseminated eggs, embryo cells, fodder, barnyard manure, compost, and other products that are exported, imported, transported – transited and properly loaded, reloaded and unloaded, as well as concerning shipments of sanitation means for motor vehicles entering the Republic of Macedonia; and
- other cases.

Article 20

The Ministry of Agriculture, Forestry and Water Economy shall adopt a detailed regulation on the procedures for obtaining financial support from the Fund by the performers of agricultural activities.

Article 21

Fund funds shall be allocated for:

- implementation of the activities referred to in Article 5 of this Law;
- other activities foreseen in the annual program referred to in Article 6 of this Law;
- management, administrative and other expenses related to the operations of the Fund; and
- financing of the projects foreseen with the plans for regional development and country revitalisation.

Fund Reserves

Article 22

The Fund shall maintain a reserve of funds allocated from the revenues in excess of the costs made in the previous year.

Fund reserves shall be allocated until they reach the amount of 8% of the Fund's costs in the previous year.

The purpose of the reserves is to ensure sound and liquid operations of the Fund.

V. SUPERVISION OF THE FUND'S OPERATIONS

Article 23

The Ministry of Agriculture, Forestry and Water Economy shall supervise the legitimacy of the Fund's operations.

The Ministry of Agriculture, Forestry and Water Economy may suspend the enforcement of a general document of the Fund if it finds that the said document is not in compliance with the law or the Constitution, until a ruling is made by the Constitutional Court of the Republic of Macedonia.

Should the Minister of Agriculture, Forestry and Water Economy not initiate a procedure before the Constitutional Court within 30 days following the suspension of the enforcement of the general document, the decision for suspension of the general document shall cease to be valid.

Article 24

The material and financial operations of the Fund shall be audited in compliance with the Law on State Audit.

VI. TRANSITORY AND CONCLUDING CONDITIONS

Article 25

The Fund shall start operations at the date of appointment of the Director and the Managing Board.

The appointments referred to in paragraph 1 of this Article shall be made within 60 days following the date of entry into force of this Law.

Article 26

The Budget of the Republic of Macedonia shall provide the funds necessary for the start of the Fund's operations.

Article 27

The bylaws of the Fund shall be adopted within 60 days from the date of entry into force of this Law.

Article 28

This Law shall come into force on the eight day of its publication in the "Official Gazette of the Republic of Macedonia".