



Republic of Moldova

**GOVERNMENT
JUDGMENT no. 135
from 24/02/2014**

With regard to the allocation of the agricultural producers' subsidizing fund means

Pursuant to Article 2 of the Law No. 339 as of 23 December 2013 on the state budget for 2014 (Official Gazette of the Republic of Moldova, 2014, No.14-16, Article 34) and Article 21 of the Law No. 243-XV as of July 8, 2004 on subsidized insurance of production risks (Official Gazette of the Republic of Moldova, 2004, No.132-137, art.704), with the subsequent amendments and completions, as well as in the purpose of establishing principles, objectives and priority tasks to implement policies supporting the agricultural producers, the Government DECIDES:

1. To accept the Ministry of Agriculture and Food Industry proposal on allocating the fund for subsidizing agricultural producers, means in the amount of 500 million MDL, including 46 million MDL from the account of the grant awarded by the European Commission (ENPARD grant schemes), for the following support measures:

- 1) stimulating lending to agricultural producers by financial institutions, including savings and loan associations;
- 2) stimulating agricultural production risks' insurance;
- 3) boosting investment for orchard planting, including antifreeze and hail protection systems; clearing the multiannual plantations subject to cassation and promoting the wine production;
- 4) encouraging investment for the production of vegetables on protected land (winter greenhouses, solariums, tunnels);
- 5) stimulating investment for purchasing agricultural machinery and equipment as well as the irrigation systems;
- 6) stimulating investment for endowment and technological renovation of livestock farms;
- 7) stimulating purchase of breeding animals and maintaining their genetic background;
- 8) stimulating investment for post harvest and processing infrastructure development;
- 9) stimulating agricultural land consolidation;
- 10) stimulating agricultural land irrigation.

2. To vest the Ministry of Agriculture and Food Industry, in coordination with the Ministry of Finance, with the right to:

1) allocate agricultural producers' subsidizing fund means for the measures referred to in paragraph 1, 1)-10), depending on the agricultural producers' financial support/grant applications, including settling debts for the grant applications, confirmed by final and irrevocable judicial decisions, within the limits of the fund for subsidizing the agricultural producers, referred to in paragraph 1 of the present Decision;

2) allocate financial means resulting from the repayment of subsidies by the agricultural producers, grant recipients for 2010-2014, who admitted derogations from the legislative provisions in force, in order to finance other support requests, according to the measures provided for in paragraph 1, 1)-10) of the present Decision.

3) ensure funding as contribution for the Vineyard and Wine Fund, in accordance with Art. 323 paragraph (3). b) and paragraph (12) of the Law No. 57-XVI as of March 10, 2006 on Wines and Vines.

3. To accept paying from the funds referred to in paragraph 1 of the present decision the accounts payable, amounting to 211439 MDL, registered on December 31, 2013, due to non-financing from the agricultural producers' subsidizing fund means for 2013.

4. To approve:

The Regulation on allocating the agricultural producers' subsidizing fund means, according to Annex no.1;

The list of risks the insurance of which is subsidized by the fund for subsidizing agricultural producers for 2014 in plant growing, horticulture, viticulture and zootechnics, according to Annex no.2;

The list of agricultural cultures and species of livestock and poultry, the insurance of which is subsidized by the fund for subsidizing agricultural producers for 2014, insurance bonuses, according to Annex no. 3.

5. To delegate the Ministry of Agriculture and Food Industry with the responsibility of monitoring the execution of the present decision.

Prime Minister

IURIE LEANCA

Countersigned by:

Deputy Prime Minister,
Minister of Economy

Valeriu LAZAR

Minister of Agriculture
and Food Industry

Vasile Bumacov

Minister of Finance

Anatol Arapu

Endorsed by:

Secretary General of the Government

Victor BODIU

Approved during the Government meeting from 2014

Annex no.1
to the Government Decision no.
from 2014

REGULATION
on allocating means of the fund for subsidizing agricultural producers

Chapter I

BASIC NOTIONS

The following words and phrases, when used in this regulation, shall have the meaning as follows:

1) *agricultural activity* – production, rearing or cultivation of agricultural products, including primary treatment and agricultural products' processing, milking, breeding and keeping animals, for agricultural purposes or maintaining lands in good agricultural and environmental condition;

2) *beneficiary* – grant applicant whose application has been positively assessed and approved with a view to concluding an agreement with the administrator of the subsidizing agricultural producers' fund – Agency of Interventions and Payment for Agriculture (AIPA) of Moldova;

3) *packing house* – agricultural unit consisting of a refrigerator and some additional facilities used as a whole or separately to clean, wash, sort and pack fresh fruits and vegetables;

4) *eligibility criteria* – mandatory conditions to be met by the applicant to be able to submit the application and the documents necessary in order to provide the financial aid grant;

5) *investment* – the value, excluding VAT, of the goods (assets) deposited in an entrepreneurial activity on the territory of the Republic of Moldova, put into operation under the conditions and deadline imposed for each support measure, subject to financial assistance from the agricultural producers' subsidizing fund, in accordance with the provisions of the present Regulation, excepting the grant amount, part of the investment;

6) *livestock farm* – agricultural unit with agricultural producer status, authorized in the manner prescribed, whose patrimony is composed of animals, spaces, technological equipment, facilities and designed to obtain agricultural production of animal origin;

7) *grant* – financial and technical irredeemable contribution, offered to an agricultural producer by donors, including foreign ones, for the purchase of goods (assets), whose value is deducted from the investment eligible amount when calculating the grant;

8) *group of producers* – any legal entity except for the non-profit organizations, consisting of at least five agricultural producers whose primary goal is to jointly sell agricultural products belonging to the group members;

9) *support measure* – main direction in agriculture, selected and financially supported by the state depending on the objectives set in the agro-industrial programs and policy documents;

10) *rural locality* – villages, communes, including localities that, according to the Law No.764-XV as of December 27, 2001 on administrative-territorial organization of the Republic of Moldova, possess city status and whose number of inhabitants, according to the latest population census, does not exceed 8, 500, except for the residence towns of rayon councils, towns and villages within the Chisinau Municipality, as well as cities within the Autonomous Territorial Unit of Gagauzia;

11) *agricultural producers' list of prohibition* – official document, drawn up by the authority responsible for managing the agricultural producers' subsidizing fund, for the purpose to limit, for a period of 3 consecutive years, access to subsidies of the agricultural producers who submitted incorrect data and false documents in order to obtain the grant, or admitted breach of other eligibility conditions;

12) *payment order* – payment document, based on which the financial support transfer, credit transfer and confirmation of any form of payment accepted on the territory of the Republic of Moldova is made, except for the direct exchange of goods (barter), compensation and assignment agreements;

13) *applicant* – agricultural producer who has made an investment, or in whose share capital it have been submitted, as required, goods (assets) for the purposes of conducting entrepreneurial activity, subject to financial assistance from the agricultural producers' subsidizing fund and who has submitted an application for this purpose, under the support measures;

14) *subsidy* – non-refundable and non-taxable financial aid given from the agricultural producers' subsidizing fund to support investments made by agricultural producers corresponding to the eligibility criteria;

15) *irrigation system* – hydraulic network, consisting in whole or separately from pumping stations, pipelines, including fittings and connecting accessories, geomembranes and geotextiles for the collection of water, used for the purpose of agricultural land irrigation, purchased in the period 2012-2014 and put into operation starting with November 1, 2013;

16) *primary processing* – all operations performed by an agricultural producer, according to a certain technology, during which, the vegetal or animal products are prepared to be used as raw materials or semi-manufactured goods for various branches of the agricultural food industry;

17) *agricultural producer* – individual practicing entrepreneurial activity, legal entity - trading companies, cooperatives and state enterprises, regardless of type of ownership and legal form of organization, carrying out agricultural activity across the country, except for Chisinau and Balti;

18) *new agricultural machinery and equipment* – agricultural tractors, combines and other new agricultural machinery and equipment, referred to in paragraph 52 of the present Regulation, purchased starting with November 1, 2013, whose year of production is below 2012;

19) *young farmer* – agricultural producer, registered no later than November 1, 2013, within a rural locality, whose founder and sole administrator are individuals aged between 18-35 years at the time of submitting the grant application and has studies or professional training (professional training courses of at least 150 hours) in agriculture, animal health and / or economy with agricultural profile.

1. The Regulation on allocating means of the fund for subsidizing agricultural producers (hereinafter referred to as the “Regulation”) sets the support measures from the agricultural producers’ subsidizing fund means, as well as the fund administration mode with a view to ensuring and guaranteeing fairness of allocating resources, including the prerequisites necessary to obtain the means, beneficiaries’ eligibility criteria, amount of the financial allocated support, methods of authorization, execution, accounting of payments, as well as of control over the financial support use efficiency.

Chapter II

GOALS, OBJECTIVES AND PRINCIPLES IN TERMS OF PROVIDING SUBSIDIES

2. Administration of the fund for subsidizing agricultural producers (hereinafter referred to as the “fund”) shall be carried out by the Agency of Interventions and Payment for Agriculture (AIPA) of Moldova under the Ministry of Agriculture and Food Industry (hereinafter referred to as the “Agency”).

3. The fund means are used according to the support measures and within the limits of allocations approved by the State Budget Law for the respective year.

4. The fund means are allocated as to ensure sustainable development of the agrifood sector.

5. The allocation of subsidies shall be determined by:

- 1) the necessity to enhance the competitiveness of Moldovan agrifood products on domestic and international markets;
- 2) the necessity to ensure food security of the population of the Republic of Moldova;
- 3) the necessity to address economic, social and environmental issues in rural areas;
- 4) the requirements and obligations on the European integration aspirations.

6. The allocation of fund means aims at achieving the following objectives:

- 1) increasing productivity and agricultural competitiveness;

- 2) fostering technology transfer and extension services;
- 3) increasing agricultural producers' income and mitigating rural poverty;
- 4) attracting young farmers to initiate and develop agricultural activities in rural areas at large scale;
- 5) using natural resources in the most efficient manner and preserving the environment.

7. The activities related to the examination and authorization of grant applications and execution of payments as well as control over the financial support use efficiency are based on the following principles:

- 1) ensure full transparency on managing the means allocated from the fund and provide public interest information on the lists of applicant agricultural producers, grant recipients, including information concerning the carried out inspections and their results with regard to the grant applications etc.;
- 2) ensure efficient allocation of budgetary resources in order to obtain performances by agricultural producers materialized by achieving plausible qualitative and quantitative indicators;
- 3) continue the agricultural producers' support processes, by ensuring consistency and predictability in selecting and implementing support measures;
- 4) ensure equal rights and responsibilities for the agricultural producers recipients of grants, by eliminating the discriminatory measures and eligibility conditions;
- 5) assume the responsibilities, by grant recipients, as a prerequisite for obtaining help from the state.

Chapter III

ELIGIBILITY CRITERIA

8. The provisions of the present Regulation shall apply to all the agricultural producers who are registered, operate and invest on the territory controlled by the Moldovan authorities, including in Dubasari rayon, located after the Ribnita-Tiraspol road, as established by the legislation in force and who are not under insolvency process.

9. From the grant shall benefit the agricultural producer/group of producers that:

- 1) made the investment which corresponds to the objectives of scope for each financial support measure;
- 2) made the investment anywhere in the country, except for Chisinau and Balti cities, subject to subsidization according to support measures provided for in the present Regulation;
- 3) made the investment not entirely of the grant;
- 4) is the legal owner of the real estate in/on which the investment is made and owner of the movable property constituting the investment object. The rent period, calculated as starting with 2013, of agricultural terrains for the purpose of seeding some multiannual plantations, shall be at least 15 years, while for the agricultural terrains intended for plantations of shrubs, currant, raspberries, gooseberries, blackberries, strawberries, aromatic crop plantations, including for construction/reconstruction of greenhouses, solariums, tunnels, as well as other agricultural supplies, other than agricultural lands, under the Law No. 198-XV as of May 15, 2003 on lease in agriculture, the rent period shall not be less lower than 5 years;
- 5) undertakes not to alienate under any circumstances the investment subject to subsidization (except for inheritance/succession to rights and obligations, as established), not to dispose, disforest/clear the multiannual plantations, according to the time periods specified

in paragraphs 37, 47, 56, 66, 74, 85 and 92 of the present Regulation, except as otherwise provided by this Regulation;

6) is not included into the agricultural producers' prohibition list;

7) has no debts towards the national budget, except for the cases of alleged debt rescheduling, in accordance with the concluded agreements, as established. The control over the lack of debts to the national budget of the grant applicant shall be ensured by the Agency's employees, based on the information provided by the tax authorities, according to the provisions of paragraph 131 (5) of the Tax Code No. 1163-XIII as of April 24, 1997;

8) acts pursuant to the legislation and environmental standards in force;

9) holds the compulsory documents, specified in point 12 of the present Regulation, and the additionally requested ones, according to the support measures, being confirmed as reliable after comparing originals with copies and performing the control on the ground by the Agency representatives.

10. The grant applications which do not correspond to the provisions of paragraph 9 of the present Regulation are deemed ineligible and shall not be received, while those received shall be rejected, according to a report prepared by the Agency, indicating the rejecting reasons and informing the agricultural producer within a period of no more than 60 calendar days from the file registration date with the Agency's central office. The agricultural producer may submit a new application only after removing the circumstances which formed the basis of the application being rejected, within the period prescribed in paragraph

14 of this Regulation, except for applications which have been rejected on the grounds of inaccurate data and false documents presentation by the applicant for the purpose of obtaining the grant, these being included, as established, in the agricultural producers' prohibition list.

11. The agricultural producers who, during the period 2010-2014, submitted inaccurate data and false documents in order to obtain the grant or admitted the investment alienation, deforestation of multiannual plantations subject to subsidization, according to the time periods specified in the present Regulation, are obliged to immediately return the grant amount, and shall be included into the agricultural producers' prohibition list.

Section 1

Documentation to be provided in order to obtain subsidies/grants

12. In order to obtain subsidies, the following documents are required:

1) financial support/grant standard application form for the measure in question, the sample of which shall be approved by the Minister of Agriculture and Food Industry. The application for financial support shall contain, obligatorily, cadastral number/s of the immovable property/properties in/on which the investment is made or, if applicable, number and registration date of lease agreements with the mayor's office, enclosing the excerpt from the register of lease agreements kept by the mayor;

2) copy of the registration certificate, by attaching the declaration of incorporation for households (farms);

3) business plan developed for a period of at least 3 years, from the date of submitting the grant application form, when accessing the 6 and 8 support measures of the present Regulation;

4) affidavit on the accuracy of the data and documents submitted, including the commitment not to alienate under any circumstances the investment subject to subsidization and not to disforest the multiannual plantations, according to the set time periods, as well as

the commitment to comply with the environmental requirements and standards during project implementation;

5) document certifying the professional training in the field targeting the investment, or in the economic area (copy of diplomas, or hiring orders for the applicant's employees), only for agricultural producers – legal entities. The certificates of qualification or the certificates of completing a training course of at least 150 hours, in agriculture, animal health and/or agricultural economy shall also be submitted as equivalent of the listed documents;

6) certificate attesting the fact that the respective agricultural producer is member of an agricultural professional association and/or a product-based professional organization, under the Law No. 257-XVI as of July 27, 2006 on organization and functioning of agricultural and food markets, issued by the association and/or organization in question;

7) copy of the financial report for the year preceding the reporting one, for legal entities, except for the agricultural producers established in 2014;

8) copy of the debt rescheduling agreement, concluded as established, in case there are debts on paying taxes and fees towards the national budget;

9) other supplementary documents for each support measure.

13. In order to confirm the veracity of the documents mentioned in paragraph 12 of the present Regulation, the representatives of Agency departments/territorial services shall compare the submitted documents with their originals.

14. The period for submitting the grant application is March 1, 2014 - October 31, 2014 (except for grant applications under paragraph 24 of the present Regulation, to be submitted subject to the provisions of the Government Decision no. 217 as of 24 February 2005 "For approving the Regulation on subsidizing the agricultural production risks insurance". The investments made after October 31, 2014 shall be subject to subsidization within the fund limits, proceeding from the destinations means thereof, according to the provisions of the State Budget Law for the following year.

Section 2

Support measures

Measure 1. Stimulating lending to agricultural producers by financial institutions, including savings and loan associations

15. The overall objective of the measure is to increase agricultural productivity and competitiveness by providing the agricultural producers with access to financial resources.

16. The specific objectives are as follows:

1) boost the use of operational credits under commercial conditions by a large number of agricultural producers;

2) improve profitability of the agricultural activity;

3) increase agricultural producers' income and mitigate rural poverty.

17. The operational objective pursued is to revive lending to agricultural producers by commercial banks, microfinance organizations and savings and loan associations.

18. Scope of action. The support is given to agricultural producers, who have obtained credits, starting with 2010, from the commercial banks, microfinance organizations as well as savings and loan associations, registered on the territory of the Republic of Moldova for the acquisition of the following goods and services:

- 1) seeds and seedlings;
- 2) raw material for primary processing enterprises, agricultural products processing enterprises located in rural areas and agricultural products' processing enterprises located in rural areas;
- 3) fertilizers (mineral and organic) including means for protecting plants and animals;
- 4) forages;
- 5) lubricants and fuels;
- 6) electricity used for irrigation;
- 7) expenses for risks' insurance;
- 8) spare parts for agricultural machines and equipment ensuring the enterprise technological process;
- 9) coating and other materials, for the construction/reconstruction of greenhouses, solariums and tunnels;
- 10) purchase of agricultural machinery and equipment, irrigation-forming equipment, antifreeze and hail protection systems, according to the production needs;
- 11) purchase of technological equipment, construction materials for the use and restoration of livestock farms;
- 12) purchase of animals;
- 13) purchase of technological equipment and machinery for the purpose of developing the post-harvest infrastructure and primary processing in rural areas;
- 14) payment of credits for destinations referred to in sub-paragraphs 1) - 13), accessed from another financial institution.

19. The grant size shall be calculated by applying the following formula:

$$S = r_m : r \times d,$$

where:

S – grant amount in MDL;

r_m – average interest rate, which constitutes 14%;

r – interest rate according to the loan agreement;

d – interest amount in MDL, actually paid during the period November 1, 2013 - October 31, 2014 for the accessed loans starting with 2010, for which its corresponding loan payment confirmation is also presented.

20. The grant amount for the agricultural credits whose reimbursement term begins after November 1, 2013, but for which the interest before that date was calculated and paid, shall be calculated taking into account the amount of the interest paid up to November 1, 2013, but not earlier than January 1, 2013.

21. The size of the grant given to a beneficiary can not be larger than the interest calculated and paid from the loan amount reimbursed during the respective period and shall not exceed the amount of 100 thousand MDL for one agricultural producer, except for loans used to develop activities related to organic agricultural production, for which the maximum grant size shall not exceed 200 thousand MDL for one and the same agricultural producer.

22. In order to obtain additional financial support it is necessary to submit the following documents:

- 1) copy of the loan agreement, including the repayment schedule;
- 2) copy of the business plan for which the loan was obtained or, if applicable, confirmation from the bank of the beneficiary failure to submit the respective plan at obtaining the loan;

- 3) copy of the payment orders certifying the payment of credit and interests during the reporting period;
- 4) documents referred to in paragraph 35 of the present Regulation, for agricultural producers from the system of organic food production inspection and certification;
- 5) affidavit on the loan exclusive use for the purposes indicated in paragraph 18 of the present Regulation.

23. Grant portion loans are not eligible under the present measure, regardless of their source.

Measure 2. Boosting agricultural production risks' insurance

24. The financial means provided for the present measure are used at subsidizing the agricultural producers' insurance premiums, based on the agreement for insuring agricultural production risks, which can be produced in 2014, according to the Law No. 243-XV as of July 8, 2004 on providing subsidized agricultural production risks and based on the list of risks for which the insurance premiums in crops, horticulture, viticulture and animal husbandry from the agricultural producers' subsidizing fund for 2014 shall be subsidized (Annex 2 to the present Decision) and the list of agricultural crops and species of animals and birds for which the insurance premiums din from the agricultural producers' subsidizing fund for 2014 shall be subsidized (Annex 3 to the present Decision).

Measure 3. Stimulating investments for setting up multiannual plantations, including antifreeze and hail protection systems, disforest the multiannual plantations subject to cassation and promoting the wine production.

25. The overall objective of the measure is to increase productivity and competitiveness, as well as protect the sectors specialized in producing fruit, grapes, berries and aromatic crops (oil rose, lavender, hyssop, sage and oregano) against production-related risks from by boosting the pace of clearing plantations with exceeded exploitation term, implementing advanced technologies for the establishment and maintenance of plantations and increasing production quality indicators up to international standards, as well as facilitating the access of producers to antifreeze and hail protection systems.

26. The specific objectives are as follows:

- 1) renovate the existing heritage of orchards and vineyards, walnut crops, fruit bushes, strawberries and aromatic crop plantations by extending new surfaces;
- 2) bring the multiannual plantations fields resulting from deforestation back into the agricultural circuit;
- 3) use seedlings from high biological and phytosanitary categories;
- 4) develop and apply advanced technologies for the establishment and maintenance of plantations;
- 5) increase production volumes and improve production quality;
- 6) increase added value and economic efficiency in fruit growing and viticulture sectors;
- 7) increase the agricultural producers' income and mitigate rural poverty.

27. Scope of action. The financial aid is granted for the purpose of establishing orchards and vineyards, walnut crops (except for the forest-type walnut plantations, alignment plantations, as well as buffer strips), fruit bushes, strawberries and aromatic crop plantations, with varieties included into the Register of Plant Varieties of the Republic of Moldova, established starting with autumn 2013, under the act authorizing the plantation establishment, and in respect of which, until November 1, 2013, grant applications for disposal and clearing of multiannual plantations, incurred from January 1, 2013, disposed under the laws and regulations in force, as well as for installing into the multiannual plantations antifreeze and hail protection systems, put into operation starting with November 1, 2013 were submitted.

28. The minimum eligible area within this measure is 0.5 ha.

29. The granted financial aid size shall be calculated as quantum, expressed as a fixed amount per unit of usable area as follows:

1) to establish tree plantations, depending on the culture system, rootstock type and density of trees per one hectare:

a) for apple orchards, with the following density of trees per hectare:

- from 700 up to 1,200 units – 10 thousand MDL per hectare;

- from 1250 up to 1800 units – 15 thousand MDL per hectare;

- from 1850 to 2400 units – 30 thousand MDL per hectare;

- from 2450 up to 3000 units – 50 thousand MDL per hectare;

- 3100 pieces and more, including for pears, with crowned apple trees of “KNIP BAUM” type, grafted on vegetative rootstock, with poor force (M-9), according to the planting schemes approved by the Minister of Agriculture and Food Industry, and installed support system – 80 thousand MDL per hectare;

The maximum surface area for the apple orchards, eligible for subsidy, shall not exceed 30 ha, established by one and the same agricultural producer;

b) for sour cherry, cherry, apricot, plum, Prunus cerasifera, peach, nectarine, Cornelian cherry, as well as pear, quince orchards, with the following density of trees per hectare:

- from 400 to 1000 pieces – 15 thousand MDL per hectare;

- 1001 units and more – 30 thousand MDL per hectare;

c) for walnut crop plantations:

- grafted walnut, almond and hazelnut trees – 17 thousand MDL per hectare;

- stock nurseries, with grafted walnut branches – 50 thousand MDL per hectare;

d) to establish plantations of fruit trees and shrubs, currant, raspberry, gooseberry, sea buckthorn, chokeberry, blackberry and strawberry – 50 thousand MDL per hectare.

2) to establish vineyards:

a) table grape varieties – 25 thousand MDL per hectare;

b) wine grape varieties – 25 thousand MDL per hectare, provided that the agricultural producer is affiliated to one of wine producers’ associations with protected geographical indications and protected designation of origin, or, where appropriate, has entered into grape purchase agreements with wineries from the respective geographical region;

c) scion and rootstock nurseries, "basic" biological category – 50 thousand MDL per hectare;

3) to establish aromatic crop plantations:

a) oil rose – 6, 0 thousand MDL per hectare;

b) lavender, hyssop, sage and oregano – 3, 0 thousand MDL per hectare.

4) for antifreeze systems put into operation – 50 thousand MDL per hectare;

5) for hail protection systems put into operation – 80 thousand MDL per hectare;

6) to clear the multiannual plantations of fruit trees, walnut crops and vineyards – 5 thousand MDL per hectare, but within a maximum of 100 hectares per beneficiary.

30. It is allowed to subsidize antifreeze and hail protection systems purchased starting with 2012 and put into operation starting with November 1, 2013.

31. The agricultural producers may benefit from increased subsidies in the case of setting up vineyards:

1) compact, which are established by a group of producers, intended to obtain a homogeneous production of grapes to be processed and exported, with a surface of at least 25,0 ha on flat field and 12,0 ha on slopes – 10,0 thousand MDL per hectare;

2) with vine varieties which are demanded on the grape production markets, the list of which shall be approved by the Minister of Agriculture and Food Industry – 2,5 thousand MDL per hectare;

3) with "certified" biological category seedlings – 2, 5 thousand MDL per hectare;

4) intended to obtain organic grape production – 5 thousand MDL per hectare.

32. When establishing fruit plantations, walnut crops, berry bushes and strawberry, the financial aid shall be increased for the plantations:

1) with high "certified" biological category seedlings and „Virus Free” (V.F.) or „Virus Tested” (V.T.), phytosanitary status as well as those for obtaining organic production – 5 thousand MDL per hectare;

2) designed to obtain aromatic crops’ production (oil rose, lavender, hyssop and sage) – 2 thousand MDL per hectare.

33. The young farmers eligible under this measure benefit from a 10% increase in the subsidy size.

34. The additional documents required for obtaining the financial aid are as follows:

1) certificate on setting up the multiannual plantation, while in the case of antifreeze systems and hail protection installations – the release certificate, approved in accordance with the legal provisions in force and coordinated with the Agency’s department/ territorial service representative within the plantation location area. The sample of the certificate on setting up the multiannual plantation, as well as of the release certificate the antifreeze systems and hail protection installations, shall be approved by the Minister of Agriculture and Food Industry;

2) copy of the project documentation as well as of the overall project plan on establishing orchards and vineyards, while for strawberry and aromatic crops’ plantations (oil rose, lavender, hyssop and sage) - overall design of the plantation indicating the size of segments forming the plantation’s outline (perimeter) and the planting scheme;

3) draft project on the antifreeze systems and hail protection installations, drawn up by the manufacturer or, where appropriate, by the supplier.

4) copy of the planting material quality certificate or, where appropriate, of the seed material, issued by the manufacturer;

5) copy of bills for the purchased or produced planting material, where appropriate, hail protection/antifreeze installation components, for import purposes – copy of the invoices and customs import declarations, as well as of the phytosanitary permit issued by the National Agency for Food Safety;

6) copy of the incorporation documents for the producer group, in the case of applying for the subsidy under section 31 paragraph 1) of this Regulation;

7) copies of the certificates authorizing disposal and deforestation of the plantation;

8) excerpt from the rayon (municipal) council decision on approving the vineyards' disposal;

9) copy of the deforestation passport and general plan by indicating the size of segments forming the outline (perimeter) of the orchard and/or vineyard;

10) certificate attesting membership of the wine producers' association with protected geographical indication and protected designation of origin, if applicable, copy of the contract/contracts for purchasing grapes, concluded with wineries from the respective geographical region, in the case of point 29 2) b) of the present Regulation;

11) copy of the payment order on the full or, where appropriate, partial payment (but not less than 50% of the cost), in the case of the purchased planting material.

35. For plantations designed to obtain organic production, shall be additionally submitted the following documents:

1) the economic agent organic agriculture registration card/sheet;

2) the inspection report, issued by the inspection and certification body in organic agriculture;

3) the authorization on conversion period implementation acceptance, issued by the inspection and certification body, accredited by the national accreditation body and authorized in accordance with the Government Decision No. 149 as of February 10, 2006 "On implementing the Law on organic food production";

4) the corrective action report (on correcting non-compliances) where applicable, issued by the relevant inspection and certification body;

5) the cooperation agreement concluded with the biological laboratory;

6) the soil test results, issued by an accredited laboratory;

7) the scheme of the land subject to conversion; approved by the cadastral engineer from the local public administration authorities.

36. The grant applicants shall submit letters requesting financial assistance for establishing orchards and vineyards, clearing of orchards and vineyards, as well as for installing antifreeze and hail protection systems into the multiannual plantations separately.

37. The recipient of grants intended for planting orchards, walnut crops, vineyards, berry bushes and strawberry plants, including for the antifreeze systems and hail protection installations has no right to alienate dispose or deforest them as well as not to abandon the organic farming activity before the expiration of at least one third of the plantation exploitation period, from the date of signing the grant agreement, except for force majeure events. Otherwise, the beneficiary is obliged to refund the grant amount.

Measure 4. Encouraging investments for producing vegetables on protected land (winter greenhouses, solariums, tunnels)

38. The overall objective is to increase productivity and competitiveness of growing vegetables on protected land (winter greenhouses, solariums, tunnels).

39. The specific objectives are the following:

1) implement and develop advanced technologies for producing vegetables on protected land;

2) increase the volume vegetable production and improve the quality up to international standards;

- 3) increase the added value and the economic efficiency along the value chain of producing vegetables on protected land;
- 4) increase the agricultural producers' income and mitigate rural poverty.

40. Scope of action. The financial aid is given to partially offset the cost of greenhouse modules, equipment, machinery, building and coating material for greenhouses, solariums, tunnels, non-woven AGRYL-type fabric for covering plants, acquired during the years 2013-2014, put into operation starting with November 1, 2013.

41. The minimum area eligible under the present measure is of 0.03 ha.

42. It is allowed to subsidize the covering (coating) material for greenhouses, solariums and tunnels whose thickness shall constitute at least 150 microns once every three years for one and the same surface.

43. The granted financial aid size shall be calculated as compensation from the cost of greenhouse modules, equipment, machinery, covering and construction material for greenhouses, solariums, tunnels, as well as non-woven AGRYL-type fabric for covering plants, according to the bills, if applicable, invoices, customs import declarations (except for transport services, installation, customs expenses, etc.) in a proportion of:

- 1) 75 % – for groups of producers;
- 2) 60% – for the rest of agricultural producers, but not more than 5.0 million MDL for one and the same beneficiary.

44. For the protected land areas, designed to obtain organic agricultural production, as well as for protected land areas, set up by young farmers, the grant amount shall increase by 10% from the eligible investment amount.

45. The list of equipment, machinery and construction materials for greenhouses, solariums, tunnels eligible for financial support under this measure shall be approved by the Minister of Agriculture and Food Industry.

46. The additionally required documents when obtaining support to compensate the cost of greenhouse modules, equipment, machinery, covering and construction material for greenhouses, solariums, tunnels, as well as non-woven AGRYL-type fabric for covering plants are the following:

1) copy of the bills, and in case of imported materials - copy of the invoices and customs import declarations;

2) certificate attesting construction of the greenhouse, solarium, tunnel, certificate of installing the greenhouse modules, equipment, machinery, covering and construction material for greenhouses, solariums, tunnels, as well as non-woven fabric for covering plants, approved by the head of the Agriculture and Food Rayon Department and by the Agency's section/territorial service representative.

3) copy of the sketch or draft for locating the construction on the field, in the case of greenhouse modules, equipment, machinery, covering and construction material for greenhouses, solariums;

4) copy of the payment order on full payment of the cost of greenhouse modules, equipment, machinery, covering and construction material for greenhouses, solariums, tunnels, as well as non-woven AGRYL-type fabric for covering plants;

- 5) documents referred to in paragraph 35 of this Regulation, for agricultural producers within the organic food production inspection and certification of system;
- 6) copy of the incorporation documents for groups of producers;
- 7) copy of the certificate of registration or provisional certificate, where appropriate.

47. The beneficiary of the subsidy to offset costs for greenhouse modules, equipment, machinery, covering and construction material for greenhouses, solariums, tunnels is not entitled to alienate, within a period of 3 years, the subsidized object from the date of signing the grant agreement. In case of alienation, the beneficiary is obliged to refund the subsidy.

Measure 5. Stimulating investments for the purchase of agricultural machinery and equipment as well as of irrigation forming devices/equipment

48. The overall objective is to increase productivity and competitiveness of the agricultural sector by improving producers' access to technicalities, agricultural equipment and irrigation systems.

49. The specific objectives are the following:

- 1) increase productivity and quality of the mechanized technological operations;
- 2) expand the irrigated areas;
- 3) reduce the mechanized technological operations' costs and those related to irrigation;
- 4) improve the agricultural production quality;
- 5) develop modern cultivation technologies;
- 6) increase the agricultural producers' income and mitigate rural poverty.

50. The operational objective is to increase investments for the renewal and expansion of technical and agricultural machinery, equipment and facilities forming new irrigation systems.

51. Scope of action. The grant is awarded to partially offset the costs associated with procurement of new agricultural machinery and equipment, as well as new irrigation systems.

52. The size of the awarded grant shall be shall calculated as compensation in a proportion of:

- 1) 50% of the cost for irrigation systems;
- 2) 25% of the cost (per unit) but not more than 500 thousand MDL per unit and no more than 750 thousand MDL per beneficiary, for:
 - a) agricultural wheeled or tracked tractors, with an engine capacity of at least 150 hp (horsepower);
 - b) multi-functional, combined cultivators which perform, per passage, at least 4 operations simultaneously, provided that the tillage depth shall not be less than 25 cm, according to the technical characteristics;
 - c) combined seeders (No-Till which perform, per passage, at least 3 operations, such as disking, tillage, leveling, herbiciding, seeding, introduction of fertilizers and rolling;
 - d) combines with subsoil attachment (cizel);
 - e) machinery and technical equipment against freezing, other than those referred to in point 29 4) of the present Regulation;
- 3) 25% of the cost (per unit) but not more than 200 thousand MDL per beneficiary for:

- a) agricultural wheeled or tracked tractors, with an engine capacity of at least 150 hp (horsepower);
- b) combines for harvesting cereals, corn, green peas, with an engine capacity of up to 280 hp (horse power) as well as combines for harvesting sugar beet, fruits and grapes;
- c) machines for pressing plant residues in rolls or bales;
- d) machines for chapping branches or crop residues (shredders);
- e) potatoes planters and/or harvesters;
- f) sprinklers and special machines for introducing into the soil soluble and liquid fertilizers;
- g) machines for planting seedlings and cuttings;
- h) cultivators for tilling between grape vine stumps and in the orchard;
- i) machines for "green" and "dry" pruning in orchards and vineyards, grafting vines, nursery garden care equipment;
- j) cutters for vineyards and orchards;
- k) precision seeders;
- l) harvesting platform in orchards and vineyards;

53. Notwithstanding the provisions of point 51, this measure shall cover new agricultural machines and equipment, as well as irrigation systems, referred to in point 52 of the present Regulation:

1) purchased by the instrumentality of the unit implementing and managing the Increased Food Production Program (or 2KR Program), from 2009 onwards, for an amount paid during the period November 2013 - October 31, 2014 or, as the case may be, for the advance payment paid up to November 1, 2013 according to the intentions' report;

2) purchased during the period 2011-2013 (also in installments), according to the invoices/bills, but which were not subsidized by reason of the failure to pay the full cost, or existence of debts to the national budget, subject to payment of agricultural machinery and equipment, where applicable, debt settlement before the date of submitting the grant application;

3) purchased during the period 2012-2014, in installments, produced no earlier than 2012, with the financial means derived from reimbursement of technical credits allocated from the state budget during 2004-2009, through the medium of the SE Institute of Agricultural Machinery "Mecagro" according to the Government Decision No. 355 as of May 31, 2012 "On assigning the financial resources allocated between 2004-2009 to create technological machinery stations and resources derived from the reimbursement of technical credits";

4) purchased and manufactured no earlier than 2012, in installments, through leasing companies, based on a financial lease agreement, according to the Law No. 59-XVI of 28 April 2005 on leasing.

54. The agricultural producer shall be entitled to seek subsidy, under point 53 sub-point 4) of this Regulation, along with the last installment payment and taking over the new agricultural machinery and equipment, the subsidy amount shall be calculated:

- a) proceeding from the lease rates paid during November 1, 2012 - October 31, 2014
- b) excepting the lease payments (lease interest, property insurance etc.).

55. The documents required for obtaining the grant are the following:

1) copy of the invoices, customs import declarations and bills, including the agreement on purchasing the equipment, where applicable, the lease contract, agreement concluded with the SE Institute of Agricultural Machinery "Mecagro", documents issued by the unit implementing and managing the Increased Food Production Program (or 2KR Program);

2) copy of the registration certificate or of the agricultural machinery provisional certificate, copy of the agricultural machinery passport, including the one on taking on evidence, for the agricultural machinery and equipment which are not subject to compulsory state registration;

3) release certificate, for irrigation systems, approved by the head of the Agriculture and Food Rayon Department and by the Agency's section/territorial service representative;

4) copy of the payment order on the full payment (including the advance, regardless of size and date of payment) of the cost from the agricultural machinery and equipment eligible within this measure and/or, where appropriate, full payment of the leasing installments including the lease interest rates.

56. The beneficiary of the subsidy intended for the purpose outlined in paragraphs 48-51 of the present Regulation is not entitled to alienate the subsidized object for a period of 3 years from the date of signing the grant agreement. In case of alienation, the beneficiary is obliged to refund the subsidy amount.

Measure 6. Stimulate investments for the endowment and technological renovation of livestock farms

57. The overall objective is to increase productivity, competitiveness and food security by fostering the organization and technological renewal of livestock farms.

58. The specific objectives are the following:

- 1) establish livestock farms;
- 2) endow the farms with modern technological equipment;
- 3) upgrade the technological process within the livestock farms;
- 4) diversify the types of agricultural holdings specialized in animal husbandry;
- 5) improve the livestock;
- 6) improve quality and increase competitiveness of animal production on the domestic and European markets;
- 7) ensure hygiene standards and harmlessness of animal products;
- 8) increase added value and the economic efficiency;
- 9) diversify services provided to the rural population;
- 10) increase the agricultural producers' income and mitigate rural poverty.

59. The operational objective is to extend and increase the number of investments for the establishment and technological renovation of livestock farms.

60. Scope of action. The grant is awarded for purchasing technological equipment designed to equip and modernize livestock farms, including construction/reconstruction of cattle breeding farms.

61. The size of the subsidy shall be calculated as compensation from the cost of new technological equipment, purchased starting with 2013, while for cattle breeding farms and construction materials, including engineering works, purchased after November 1 2012, according to the bills, where appropriate, invoices and customs import declarations (excluding transport, installation, customs expenses etc.), as follows:

1) *for cattle breeding farms* – 60% from the cost of the technological equipment and construction materials according to the spending estimates, including the technical project, developed by companies licensed in this field, but not more than 5.0 million MDL for one and the same beneficiary;

2) *for sheep and goat breeding farms* – 50% from the cost of the technological equipment, but not more than 5.0 million MDL for one and the same beneficiary;

3) *for livestock farms of other species* – 30% from the cost of the technological equipment, but not more than 5.0 million MDL for one and the same beneficiary.

62. The subsidy amount for the quail breeding technological equipment shall be increased by 20%.

63. The list of technological equipment and construction materials which are eligible under the present support measure shall be approved by the Minister of Agriculture and Food Industry.

64. As for the young farmers, applicants for grants under the present measure, the subsidy amount shall be increased by 10% of the eligible investment.

65. The additionally required documents for obtaining the grant are the following:

1) draft project of premises where the equipment is to be installed as well as the general land use plan and the farm infrastructure location plan;

2) technical documentation, including the technical characteristics of the technological equipment;

3) copies of invoices or import customs declarations for the purchased equipment and machinery, including the construction materials;

4) certificate confirming the equipment and machinery installation, endorsed by the Head of the Rayonal Directorate of Agriculture and Food and the representative of the of the Agency's territorial division / service;

5) duly registered acceptance certificate, basic design engineering, including the expenditure estimate, in the case of construction / reconstruction of cattle breeding farms;

6) copy of the sanitary-veterinary operating permit, issued as provided by law;

7) copy of the payment order confirming full payment of the purchased machinery and equipment cost, and where appropriate, construction materials, technical project;

8) copy of the certificate of registration or of the provisional certificate, where appropriate.

66. The beneficiary of the subsidy intended for the purpose specified in paragraphs 58-61 of the present Regulation is not entitled to alienate subsidized object for a period of 3 years. In case of alienation, the beneficiary is obliged to refund the grant.

Measure 7. Stimulating the purchase of breeding cattle and maintaining their genetic fund

67. The overall objective refers to increasing productivity, competitiveness and providing food insurance by means of stimulating the fund of animals.

68. The specific objectives are the following:

- 1) improve the livestock;
- 2) improve the quality and increasing competitiveness of the products of animal origin on the internal and on the European market;
- 3) increase the added value and the economic efficiency;
- 4) increase the income of the agricultural producers and decreasing poverty in the rural area.

69. The operational objective refers to enlarging the number and renewing the fund of breeding cattle.

70. Scope of action. The support is provided to compensate the cost related to animals' bonitation category not lower than 2nd class (females) and 1st class (males) purchased from breeding cattle farms, including animals purchased abroad since January 1, 2013, on condition that these were not subsidized from the subsidizing fund for agricultural producers for the year 2013.

71. The amount of the support provided shall be calculated as ratios expressed as fixed amounts per unit of weight, not exceeding the investment value, according to the invoices, if appropriate – invoices and import customs declarations (except for the transportations services, customs expenses etc.) as follows:

- 1) embryo donor cows with a productivity of at least 9,000 kg of milk per lactation - 65 MDL per kg;
- 2) primiparous cows, bulls and heifers aged at least 12 months - 60 MDL per kg;
- 3) boars aged 6-8 months (pure-bred) - 50 MDL per kg;
- 4) not inseminated young sows aged 6-8 months (pure and double-bred) - 40 MDL per kg;
- 5) rams and male goats aged 6-20 months -100 MDL per kg;
- 6) sheep and goats aged 6 to 20 months - 100 MDL per kg;
- 7) breeding rabbits - 50 MDL per kg;
- 8) queen bees aged up to 3 months - 100 MDL per unit;
- 9) chicken parental forms aged one day (heavy, mixed, lights breeds) - 20 MDL per unit.
- 10) 3 days old fish larvae and 10-15 days old juvenile fish – 30% the cost of the lot of at least 100 000 samples, young of the current year and yearling fish – 30% the cost of the lot of at least 100kg.

72. Under the present measure farmers are provided with subsidies to purchase a livestock of at least:

- 1) 3 cows/heifers in cattle farms;
- 2) 5 sows/young sows in pig farms;

- 3) 10 sheep/goats in sheep and goat farms;
- 4) 8 doe/female hares in rabbit farms;
- 5) 10 queen bees in apiaries;
- 6) 100 parent stock chickens aged one day.

The number of breeding males (boars, rams/he-goats, rabbits) is not limited.

73. The beneficiary of the subsidy intended for the aim mentioned in paragraph 68 of the present Regulation is not entitled to alienate/slaughter subsidized object for a period of:

- 1) 4 years – in case of cows, heifers
- 2) 2 years – in case of sows/ young sows
- 3) 1 year – in case of boars, rabbits
- 4) 3 years – in case of rams, sheep and goats.

74. Agricultural producers who alienated (sold, donated, changed etc.), slaughtered or who are guilty of losing the animals before the established period are obliged to refund he grant, except for the force majeure situations, as well as cases of epizootic diseases or reproductive abnormalities, duly confirmed.

75. The additional documents required for obtaining assistance are the following:

- 1) copy of invoices (invoice and customs declaration when purchasing animals from abroad);
- 2) copy of the (pedigree) pure breeding certificate of each animal;
- 3) copy of the sanitary-veterinary operating permit for the livestock farm in which the animals will be kept;
- 4) copy of the registration (identification, movement) certificate of those animals subject to registration under the Law No. 231-XVI “On identification and registration of animals”;
- 5) copy of the breeder insurance agreement (exception for the subsidies for bee families) concluded in accordance with the Law No. 243-XV as of July 8, 2004 “On subsidized insurance of production risks in agriculture”;
- 6) copy of the payment order confirming full payment of the purchased live- stock;
- 7) copy of the certificate of putting into, and, if appropriate, out of prophylactic quarantine for the imported breeding stock, issued by the territorial subdivisions of the National Agency for Food Safety.

Measure 8. Stimulating investments to develop post-harvesting and processing facilities

76. The overall objective is to increase productivity and competitiveness in the agricultural sector by means of modernising post-harvesting and processing infrastructure and facilities.

77. The specific objectives are the following:

- 1) implement and developing post-harvesting technologies;
- 2) install and modernizing fruit and vegetables processing, drying and freezing equipments, procedures and technologies;
- 3) adjust the products quality to international standards;
- 4) diversify of services provided to the rural population;
- 5) increase the income of agricultural products and diminishing poverty in the rural area.

78. The operational objective is to increase investments in the fruit and vegetables primary and final processing, drying and freezing infrastructure; meat primary processing, packing, refrigerating, freezing and storing; milk processing, packing and storing; cereals and oleaginous products primary and final processing, as well as investments in packing houses and refrigerators.

79. Scope of action. The aid is provided to compensate the cost of technological equipments and new facilities purchased since 2012 and put into operation since November 1, 2013, according to the list approved by the minister of agriculture and food industry order, fully paid and installed at the meat primary and final processing, packing, freezing and storing enterprises, milk processing, packing and storing enterprises, cereals and oleaginous products primary and final processing, storing and packing, as well as at packing houses and refrigerators.

80. The size of the aid provided shall be calculated as a compensation to be paid in percentage rates, according to the invoices, if appropriate invoices and invoices and import customs declarations (except for the transportations services, customs expenses etc.) in amount of:

1) 50% the cost of equipment and facilities for fruit and vegetables refrigerators, the cost of packing houses situated in rural places, including the ones situated in the outside towns territories of the rayon councils seats, but not exceeding 4,5 ml. lei for the same beneficiary;

2) 40% the cost of equipment and facilities for fruit and vegetables primary and final processing, drying freezing, including potatoes, cereals and oleaginous plants – sunflower and soy, situated in an eligible places, except for the administrative-territorial units (cities, villages and townships) within Chisinau municipalities, but not exceeding 2,5 ml. lei for the same beneficiary;

3) 30% the cost of technological equipment and facilities for meat primary processing, packing, refrigeration, freezing and storing enterprises, milk processing, packing and storing enterprises, but not exceeding 2,5 ml. lei for the same beneficiary;

4) 20% the cost of technological equipment and facilities for the enterprises mentioned in sub-points 1) – 3), situated in an eligible places, other than those mentioned above, including the administrative-territorial units (cities, villages and townships) within Chisinau municipalities, but not exceeding 1,5 ml. lei.

81. For the groups of producers, including grant beneficiaries within “Competitive Agriculture in Moldova” project, implemented based on the Funding Agreement concluded between the International Development Association and the Government of the Republic of

Moldova, the amount of the subsidy shall be calculated as provided in paragraph 80, depending on the applicant's contribution.

82. For the groups of producers mentioned in paragraph 81, the established ceilings within paragraph 80 sub-point 1) are not applicable.

83. For the groups of producers, as well as young farmers applying for subsidies within the current measure, the amount of the aid shall be increased by 10% of the eligible investment.

84. The additional documents required for obtaining assistance are the following:

- 1) technical documentation, including the project or the draft project of the rooms the purchased facilities and equipment are stored;
- 2) in case of the purchased facilities and equipment – the copy of the bills, of the import customs declarations and of the invoices;
- 3) copy of the payment order on the cost of purchased facilities and equipment;
- 4) documents of facilities and equipment (packing house) putting into operation, initialled by the chief of the Rayon Directorate for Agriculture and Food and the representative of Agency's territorial division/service;
- 5) works final acceptance protocol, as well as the protocol of state ecologic expertise, in case of the new constructions where the eligible facility and equipment are to be installed.
- 6) articles of incorporation, in case of groups of producers;
- 7) copy of the machines registration certificate or interim registration certificate, as appropriate.

85. The beneficiary of subsidies intended for the specific aim in paragraphs 76-79 of the present Regulation is not entitled to alienate the object of subsidizing for 3 years from the date the financial support agreement was signed. In case of alienation, the beneficiary agrees to refund the amount of the subsidy.

Measure 9. Stimulating agricultural land consolidation

86. The overall objective is to reduce agricultural land fragmentation level, optimize dimensions and increase agricultural holdings' areas.

87. The specific objectives are the following:

- 1) develop sustainable agriculture;
- 2) increase agricultural productivity and competitiveness;
- 3) reduce poverty and improve living standards in rural areas;
- 4) develop rural infrastructure;
- 5) use natural resources efficiently and preserve the environment.

88. Scope of action. The financial aid is given to the agricultural producers as to partially offset the costs related to the notarial authentication of agricultural land alienation agreements (sale, purchase, exchange and donation), state tax for the authentication and registration of such agreements with the territorial cadastral offices, including of the cadastral works, in the case of land consolidation for the purpose of forming one single property.

89. The aid within this measure shall be granted to the agricultural producers who have consolidated, starting from November 1, 2012, at least three plots of land, being adjacent one to another, by the method of sale and purchase, exchange, donation, including those who have merged at least three plots of land as to form a single property.

90. The grant awarded under the present measure constitutes 50% of:

1) fees and payment for notary services, notarial authentication of contracts of sale, exchange, donation of agricultural land, as well as expenses related to the registration of those contracts, with the territorial cadastral offices, but no more than 400 MDL for a transaction with an agricultural land plot;

2) cost of cadastral works when merging, as to form a single property, but no more than 500 MDL per plot, for a total of 10 plots and no more than 300 MDL for more than 10 merged plots.

The grant total amount which can be required by an agricultural producer within this measure constitutes 100 thousand MDL.

91. The additional documents required for obtaining financial assistance are the following:

1) copy of the land alienation agreement with its registration seal at the territorial cadastral office;

2) copy of the payment order for notarial authentication;

3) copy of the payment order for the tax fee;

4) copy of the payment order for the registration of the agreement with the territorial cadastral office, as well as for the cost of cadastral works on agricultural land consolidation;

5) copy of the land consolidation project (decision on forming the real estate and the cadastral or geometric plan of the formed real estate), with its registration seal at the territorial cadastral office.

92. The recipient of the grant given as to compensate the land consolidation-related costs is not entitled to alienate, during a period of three years, from the date of signing the grant agreement, the partially compensated plots of land. In case of alienation, the beneficiary is obliged to refund the grant.

Measure 10. Stimulating agricultural land irrigation

93. The overall objective is to expand the irrigated land areas and increase their productivity.

94. The specific objectives are the following:

1) promote and develop the process of cultivating high value crops, especially fruits, vegetables, grapes, potatoes;

2) increase capacity and ensure quality of agricultural production;

3) increase the agricultural producers' income and improve living standards in rural areas;

4) ensure economic efficiency of the agricultural production based on increasing the added value;

5) promote association and creation of WUAs.

95. Scope of action. The grant amount is given to agricultural producers, including through water users associations, to partially offset the costs incurred while using energy resources to pump water for irrigation purposes (electricity and gasoline), as follows:

- 1) 50% – from the cost of expenses incurred while using energy resources to pump water from centralized irrigation systems;
- 2) 80% – from the cost of expenses incurred while using energy resources to re-pump water (two or more times) from centralized irrigation systems;
- 3) 0,5 MDL per each 1m³ of water actually used to irrigation through irrigation systems, other than the ones referred to in sub-paragraphs 1) and 2) herein, according to the reports on water use, duly approved by the “Apele Moldovei” Agency.

96. In order to obtain subsidies for irrigation purposes, under section 95 sub-paragraphs 1) and 2) of this Regulation, the agricultural producers shall submit to the Agency the following additional documents:

- 1) copy of the service provision agreement when pumping water for irrigation purposes by technological resorts and Costesti-Stinca Hydrotechnical Junction Department;
- 2) copy of the water special use permit, issued by the State Ecological Inspectorate territorial subdivisions;
- 3) regulation on catching water from surface sources and the water pumping report prepared and approved by the technological irrigation station;
- 4) copy of invoices and payment orders on energy resources' payment.

97. In order to obtain subsidies for irrigation purposes, under section 95 sub-point 3) of this Regulation, the agricultural producers shall submit to the Agency the following additional documents:

- 1) copy of the water special use permit, issued by the State Ecological Inspectorate territorial subdivisions;
- 2) regulation on catching water from surface sources, as well as the statement on water tax (Form TA 08), duly approved by the territorial state tax inspectorate;
- 3) water pumping report approved by the technological irrigation station;
- 4) copy of the irrigation equipment technical passport with information on the consumption technical specifications;
- 5) copy of the invoices and payment orders for fuel procurement.

98. The agricultural producers, members of water users associations for irrigation (hereinafter referred to as the Association), may apply for grants under the present measure, to be provided through the respective associations, responsible for submitting with the Agency's territorial offices, situated within the scope area, the grant application, by attaching the following documents only:

- 1) copy of the cadastral plan, which should indicate the Association's service area;
- 2) copy of the register of members, together with their registration certificates;
- 3) copy of the register of water quantities received by the Association;
- 4) copy of the register of distributed water quantities or of the number of irrigations;
- 5) copy of the register of contracts/agreements;
- 6) copy of the register of payments made by the agricultural producers, members of the Association, including of the payment orders for water pumping service payment;
- 7) certificate issued by the commercial bank, indicating the account number in MDL.

99. The „Apele Moldovei” Agency shall be responsible for the proper drafting of the regulation on water consumption for irrigation purposes and for the selective verification of its observance by the agricultural producers.

Chapter IV
ADMINISTRATION, AUTHORIZATION AND CONTROL
OVER THE AGRICULTURAL PRODUCERS’ SUBSIDIZING FUND
EFFECTIVE USE OF RESOURCES

Section 1
Reception of the files

100. The documents mentioned in paragraph 12 of this Regulation shall be submitted at the headquarters of the Agency’s departments/services, located in the subsidized territorial jurisdiction, by the legal representative of the applicant, within the period specified in paragraph 14 of this Regulation. The documents may be submitted by any other person, by attaching documents confirming possession of necessary for this purpose mandates, as required by the legislation in force.

101. At the stage of receiving grant applications, the head of the Agency’s territorial office/service shall distribute, on a random basis, the agricultural producers’ applications, proportionately to each employee of its section/service, by setting the deadline for preliminary verifications, entering into the register the amount, name of the applicant, date, responsible person and its signature.

102. The deadline for carrying out preliminary verifications, and, where appropriate, receiving the financial aid applications shall not exceed 5 working days after the agricultural producer presented all documents necessary to obtain the grant.

103. Before receiving/accepting the grant application, the Agency territorial department/ service representative shall:

1) examine and verify the authenticity of submitted documents and their compliance with the original ones, according to the information contained into the state data banks, presence and compliance of information on the legal owner/ legal of the investment for which the grant is sought;

2) verify the investment for which the grant is sought, its visual inspection and its compliance with the submitted documents, including objectives and areas corresponding to each support measures.

104. If following checks carried out by the Agency territorial department/ service representative, irregularities/deviations leading to the impossibility of receiving and examining the grant application are detected, the Agency territorial department/ service representative shall prepare a notification, to be communicated to the agricultural producer, according to the sample approved by the Agency’s Order, immediately, but not later than 3 days after the agricultural producer presented all documents necessary to obtain the grant, which shall specify the reasons for which that application can not be accepted, indicating, where appropriate, actions to be undertaken by the agricultural producer in order to meet the eligibility criteria.

105. The obligatory and the additionally requested documents, including the investment verification sheet drawn up for each file, approved by the Agency territorial department/ service head, will be numbered and bonded into a single folder, so as to avoid their separation and / or replacement and on each page, presented in copy, the mention “Certified copy” shall be applied.

106. In order to comply with the eligibility criteria and establish authenticity of the documents attached to the grant application sent by the agricultural producers, the Agency territorial department/ service representatives have the right to:

- 1) ask additional documents as to confirm the veracity of the documents mentioned in paragraph 12 of this Regulation;
- 2) ask information concerning the grant applicant from authorities of any level operating administered territorial unit;
- 3) refuse accepting the application where it does not correspond to the provisions of this Regulation, informing the applicant in writing about the reasons underlying the refusal;
- 4) monitor compliance of grant beneficiaries with the commitment not to under any circumstances, the subsidized investment, not to dispose, clear multiannual plantations, according to the time periods established in accordance with this Regulation, including compliance with the business plans indicators, and, where appropriate, to submit proposals of including into the prohibition list of the agricultural producers who have violated provisions of paragraphs 37, 47, 57, 66, 74, 85 and 92 of this Regulation.

107. The grant applications, together with the obligatory and additionally requested documents, where complete, after verification, in terms of compliance with the eligibility conditions (including through visual inspection of the investment object) and determining authenticity of the attached documents, by the Agency territorial department/ service officer, be endorsed by its head, by registering them into the register of manual entries and the electronic database of the Agency, in order of receipt.

108. Within 10 working days from the reception and registration moment, the grant files are transmitted, by the Agency’s territorial departments/services’ chiefs, to the Agency’s administrative and control department (head office) pursuant to a delivery-receipt protocol approved by the Deputy Director of the Agency.

109. The Agency’s Administration and Control Directorate, with a view to introducing the applications into the electronic database, shall conduct an automatic administrative software control, which consists in checking the correctness and completeness of data from the physical files the Agency’s database as to make some clarifications or exclude some inaccuracies, including verification according to the „ the four-eyes principle” within 10 working days following the receipt of files. The Agency’s Administration and Control Directorate may ask the applicants to submit additional information.

110. For each file containing irregularities, the Agency’s Administration and Control Directorate shall draw up a report containing legal justification for refusing to continue the examination procedure, informing the applicant by mail. The deadline for notifying the applicant shall not exceed 60 calendar days from receiving the file within the Agency’s central office.

111. In the case of grant files whose value exceeds amount of 400 thousand MDL, the Agency’s Administration and Control Directorate shall transmit the files to the Agency’s

Administration and Control Directorate on the field, for additional inspection purposes, which shall conduct the inspection in the sequence of receiving files (according to the serial number), and return them into the same sequence, within the set deadlines, except for files, which, because of the investment volume, requires additional time, provided as established.

112. The applications for grants of up to 400 thousand MDL may also be subject to additional inspections at the Agency Director's decision, if:

- 1) applications for the establishment of perennial plantations, for a sample of at least 10% of the total number of applications with a value of up to 400 thousand MDL;
- 2) there are some doubts on the correspondence of objectives and the scope, related to the support measure, proceeding from the documents submitted with the application for the grant;
- 3) there is a potential frauds committed by the grant applicant, registered in the manner set out within the Agency.
- 4) there are found some nonconformities during inspections conducted in previous years.

113. Files applying for a value up to MDL 400 thousand, other than those mentioned in paragraphs 112 and 113 of the present Regulation, in the sequence of their entry into the database, will be included into a protocol drawn up by the Agency's Administration and Control Directorate, for each support measure separately, approved by the Deputy Director of the Agency and transmitted to the Agency's Payment Authorization Directorate. The period of examination and approval of the files within the Agency's Administration and Control Directorate shall not exceed 10 working days from the date of their receipt by the central office, while for files referred to in paragraphs 111 and 112 of the present Regulation, the examination period shall not exceed 50 calendar days.

Section 2 Payment authorization for the aid applications

114. Files authorization is carried out by the Agency's Directorate for payments Authorisation.

115. The authorization principles are the following:

- 1) the principle of transparency;
- 2) ensuring competition and equal approach, impartiality and non-discrimination with regard to all the applicants;
- 3) authorising payments according to the order of receiving files, and according to the protocols issued by the Agency's Directorate for payments Authorisation of the Administration and Control Directorate;
- 4) the examination of the files within the Directorate for payments Authorisation within 10 calendar days from the date of their receipt, except for the situations stipulated in paragraphs 123-126 of the present Regulation.

116. The files submitted for the payment authorization procedure are checked in terms of correctness of the figures and the requested subsidised amount.

117. In case of identifying certain inaccuracies and/or uncertainties in the figures indicated in the file, the Agency's Directorate for payments Authorisation requires the

applicant to submit the additional confirmation documents within 10 days. The applicant shall attach the additional submitted documents to the file.

118. In case of failure to establish the uncertain circumstances, Directorate for payments Authorisation shall submit the subsidy file to the Agency's management with a note explaining the inaccuracies and uncertainties, as well the reasons of the failure to establish such on site, and, if appropriate, will suggest to carry out additional inspections according to the provisions stipulated in section 3 of the present Regulation.

119. In case of certain ungrounded reasons, the Agency's management may decide additional inspections to be carried out and establish the term of carrying such within a term not exceeding 10 calendar days.

120. The payment authorization shall be carried out within the limit of the farm producers' subsidizing fund, according to the order of receiving the files and according to the protocols issued by the Administration and Control Directorate, as appropriate, according to the order of receiving the files from the on site Inspection and Control Directorate.

121. An estimation sheet will be drafted for every subsidizing file and will contain the information on the eligible goods subject to investment, the goods' value excluding VAT, information on the provider, the amount of the calculated subsidy, and the value of the excluded estimations and the reasons of exclusion.

122. The payment of the subsidies shall be carried out within the limits of the available farm producers subsidizing fund.

123. In case the available balance of the farm producers subsidizing fund indicates 30% of its total size, taking into account the value of the authorized applications and based on the information provided by the Agency, the Ministry of Agriculture and Food Industry will stop the process of authorising applications duly received by the Agency, which will not cancel the process of receiving aid providing applications. The notification on the stopping of the authorizing process shall be published in the Official Gazette of the Republic of Moldova, as well as on the official web pages of the Ministry of Agriculture and Food Industry and that of the Agency.

124. The applications received during the stopping of the authorization process until the deadline for submitting applications (October 31, 2014) shall be subject to examination, including verifications and additional inspections, but shall not be authorised until November 1, 2014, when the next authorisation period starts within the limit of the fund available on the date of authorization stopping, as established.

125. In case the total value of the files registered until October 31, 2014 exceeds the total value of the available subsidizing fund at the given date, the received applications shall be carried out by applying the coefficient resulting from the available subsidizing fund related to the total value of the authorized applications, effective November 1, 2014.

126. The maximal authorising term shall not exceed 30 days.

127. The provisions of the paragraphs 123-126 of the present Regulation are not applicable in case of applications submitted under Law 243-XV of 8th of July 2004 on the subsidised insurance of productions risks in agriculture, as well as in case of applications for measures 4 and 6 as to the livestock farms, according to pt.61 sub-points 1) and 2), and measure 8 as to the investments, according to paragraph 80 sub-points 1) and 2) of the present Regulation. These applications shall be authorised without the coefficient mentioned above.

128. Within 5 calendar day from the date the file was authorised, the Agency will send the beneficiary an electronic, telephonic or fax notification inviting the latter to conclude the financial support agreement as for the measures 3-9 of the present Regulation. As for the other supporting measures, the subsidies shall be transferred in the beneficiary settlement account.

129. Applicant's unexcused failure to appear within 30 days from the notification date to conclude the subsidizing agreement will result in the revocation of the right to receive subsidy.

130. The financial aid contract represent the agreement by which the Agency agrees to provide the subsidy for the investment carried out, and the beneficiary agrees to execute the project and meet the eligibility conditions stipulated in paragraph 9 of the present Regulation.

131. Beneficiary's failure to comply with the contractual terms results in the former's obligation to reimburse the full amount of the subsidy, including the penalties and late payment interests, the beneficiary being included on the farm producers' prohibition list, and/or other sanctions stipulated in the legislative and regulatory documents in force, except for the cases of failure to execute contractual terms due to occurrence of a force majeure situation.

132. the sample financial aid agreement shall be approved by the order of the minister of agriculture and food industry and will contain obligatorily clauses related to:

- 1) the object and the total value of the investment;
- 2) the amount of the provided subsidy
- 3) the term of fulfilling the investment project;
- 4) the beneficiary's obligation not to alienate the object of investment, according to the provisions stipulated in the present Regulation;
- 5) Agency's commitment to insure the supervising of the project implementation process, including the control over the beneficiary meeting of the contract clauses;
- 6) the liability for breaching the conditions of the contract, including cases of exemptions of liability (cases of force majeure);
- 7) other clauses which do not conflict with the law.

133. The protocol on the parties' authorisation and the agreement on the financial aid concluded with the beneficiary constitute the ground for issuing the payment documents and submitting them to the Ministry of Finance which will ensure the respective transfer, as well as the daily statement, including electronic reports for every subsidy beneficiary.

Section 3

Control over the efficiency of using the fund resources

134. The agricultural producers, applicants and recipients of subsidies, are obliged to fully meet the eligibility criteria and to fulfill all obligations arising from the grant agreement provisions.

135. The Agency shall oversee the agricultural producers' compliance with the requirements specified in paragraph 134 of this Regulation by:

- 1) performing control over the submitted documents' veracity;
- 2) carrying out field visits on the investment objects reported in the grant application in order to establish its realization, in accordance with the eligibility conditions;
- 3) monitoring, on a regular basis, compliance with the contractual commitments taken between the grant recipients and the Agency;
- 4) preventing agricultural producers from obtaining unjustified subsidies;
- 5) detecting, preventing and where appropriate, publicizing cases of fraud committed by the applicants / beneficiaries of grants in order to obtain financial support.

136. The principles of carrying out on site visits for verification purposes are:

- 1) conducting inspections in an objective and impartial manner;
- 2) preparing inspection documents for field controls performed by the Agency;
- 3) ensuring transparency and publicity of inspection documents;
- 4) controlling compliance with the legislation by the agricultural producer subject to verifications;
- 5) carrying out field checks with ascertaining, consultative and advisable character;
- 6) giving proof of proportionality and opportunity in terms of verification duration – exercising control within the shortest possible time, but not longer than the period provided for in this Regulation.

137. The responsibility for the quality of on-field inspections rests with:

- 1) representatives of the territorial department/service of the Agency at the receipt of the application for financial support;
- 2) representatives of the territorial departments/services and of the Directorate for Field Inspections and Checks, members of the duly established inspection group, at the time of additional and post-payment inspections.

138. The inspection and checking procedure includes:

1) desk review and field checking, which represents the preliminary check of documents submitted for accessing the financial support, evaluation of the investment object and its condition in the field to identify and check the incurred expenses and the expenses that are covered by the employees of the territorial departments/services with support of the Agency's Directorate for Field Inspections and Checks at the receipt of applications for financial support;

2) the additional inspections that represent the procedure of additional checking of documents submitted by subsidy applicants to receive non-reimbursable funds, checking of the eligibility conditions, with checks performed in the field until the date of its authorization. The additional inspections are carried out under the order of the Agency director for every subsidy applicant by a group consisting of at least 3 persons – employees of the Directorate for Field Inspections and Checks and representatives of the territorial departments/services and other professionals in this area, where required.

By the procedure of conducting additional inspections, they can be:

a) *thematic* – are required for all the files submitted for checking under items 111 and 112 of this Regulation and the subsidy applicant must be informed beforehand about the

beginning of the field check, the topic of inspection, the confirmation documents that must be presented to the inspection group and the date of check;

b) unannounced – carried out when obvious irregularities or fraud is detected in the documents submitted for accessing non-reimbursable financial support. In this case, the checking team will not be required to inform the subsidy beneficiary about the beginning of the check beforehand;

3) post-payment inspections that represent the procedure of checking the compliance of the subsidy beneficiary with the undertaken contractual commitments for up to 3 years.

139. For every checked subsidy beneficiary, in line with the procedure set out in item 138, sub-items 2) and 3) of this Regulation, an inspection act will be drafted according to the model approved by order of the Minister of Agriculture and Food Industry that will include records concerning the:

- 1) composition of the working group carrying out the field inspection and check;
- 2) accessed measure and brief description of the project, indicating the amount requested;
- 3) object and timetable of inspection;
- 4) compliance of the objective with the scope;
- 5) checked acts and assets in line with the checking form;
- 6) results of checks and the conclusion of the inspection group.

140. The timeframe for conducting the checks will be reasonable, subject to the complexity of the case, but will not exceed 30 days.

141. The subsidy beneficiaries are required to present in time the information and documents requested by the checks of investment projects that constitute the object of application and within the provision of non-reimbursable financial support from the Fund for Subsidizing Agricultural Producers. If the beneficiary refuses to present the requested information and documents, the Agency has the right to reject the application for financial support and shall inform the agricultural producer about such decision.

142. The legal term for informing the applicants about the rejection of the application for a subsidy cannot exceed 50 days from the registration of the file at the Agency's Directorate for Administration and Checks.

143. The inspection act shall be drafted within the terms established in item 140 of this Regulation, signed by all members of the group, approved by the Agency director and communicated to the subsidy applicant/beneficiary under signature or, if applicable, sent to the electronic address indicated in the application for financial support. If the applicant refuses to read the results of the check, the working group will record this in the inspection act that will be sent to the applicant/beneficiary by mail.

144. The inspection and check act shall be published additionally on the Agency's webpage.

145. The refusal of the subsidy beneficiary to read the results of the check under signature that are specified in the inspection act shall not serve as grounds not to execute the conclusions and recommendations made by the inspection group.

146. The refusal of the Agency to accept the application for financial support can be contested in court in line with the procedure set in the Law on Administrative Settling no.793-XIV of February 10, 2000.

Section 4

Drafting and record keeping of the List of prohibition of agricultural producers

147. The List of prohibition of agricultural producers can include, starting with 2010, only subsidy applicants/beneficiaries who, in order to receive the subsidy, presented unauthentic data and false documents that were ascertained as such by specialized authorities, including the applicants/beneficiaries who did not fulfill the commitments assumed under the contracts for provision of financial support. The Prohibition List will also include agricultural producers whose founders are or were participants in the statutory capital of the agricultural producers who, in order to receive the subsidy, presented unauthentic data and false documents, including the applicants/beneficiaries who did not fulfill the assumed commitments.

148. The List of prohibition of agricultural producers contains records on the agricultural producers, including their founders, in order to limit them, for a period of 3 years, to receive subsidies from the fund for agricultural producers' subsidies.

149. The List of prohibition of agricultural producers is drafted and maintained by the Agency on hard copy and in electronic format. If the records of the hard copy list do not coincide with the electronic ones, the records made in the hard copy list shall be considered authentic.

150. The List of prohibition of agricultural producers must contain the following records:

- 1) sequence number;
- 2) date of inclusion of the agricultural producer;
- 3) number and date of the Agency's decision to include agricultural producers in the Prohibition List;
- 4) name and legal form of organization of the agricultural producer;
- 5) contacts of the agricultural producer;
- 6) brief description of the inclusion of agricultural producers in the Prohibition List;
- 7) name of the subdivision or authority that solicited the inclusion of the agricultural producer in the Prohibition List;
- 8) date of deletion of the agricultural producer from the Prohibition List;
- 9) other records required by the Agency in line with the legislation.

151. The inclusion of the agricultural producer in the Prohibition List shall be initiated by the subdivisions of the Agency or at the request of any other authority if the agricultural producers, in order to receive the subsidy, present unauthentic data and false documents, including in cases of failure to fulfill the commitments assumed under the contracts for provision of financial support.

152. The request to include in the Prohibition List is submitted to the administration of the Agency within 10 days from the date of identification of the reason for inclusion by the subjects specified in item 151 of this Regulation.

153. The administration of the Agency checks the accuracy of the documents confirming the reason for inclusion of the agricultural producer in the Prohibition List and, within 15 days, adopts the decision to include or not the agricultural producer in the List. The exclusion from the Prohibition List shall take place under order of the Agency director.

154. The decision to include in the Prohibition List is communicated to the agricultural producer within 5 days from the date of adoption and must contain solid reasons and clear references to the by-laws that enable or not the inclusion in the List.

155. The agricultural producers included in the Prohibition List do not have the right to receive subsidies from the fund for subsidizing agricultural producers until the end of the 3-year term. In addition, the agricultural producers whose founders participate as founders in the statutory capital of the agricultural producers included in the Prohibition List will not be allowed to apply for subsidies.

156. The exclusion from the List of prohibition of agricultural producers is carried out upon order of the Agency director in the following cases:

- a) at the end of the 3-year term;
- b) in case of liquidation of the agricultural producer;
- c) in case of resolution of the appeal in favor of the agricultural producer.

157. The agricultural producers who consider that they have been included in the Prohibition List without any reason have the right to appeal against the decision of the Agency. The examination and resolution of the appeals shall comply with the Law on Administrative Settling no.793-XIV of February 10, 2000.

Annex 2
to Government Decision no.
of 2014

LIST

of risks the insurance of which is subsidized by the fund for subsidizing agricultural producers for 2014 in plant growing, horticulture, viticulture and zootechnics

1. Excessive drought (that caused a reduction of the crop of over 30%).
2. Hail.
3. Low temperature under the plants' biologic limit of resistance.
4. Storms.
5. Floods.
6. Death of livestock, poultry and bee colonies caused by disease, storm, hail, flood, excessive cold, traumas.
7. Slaughtering of the livestock according to the indications of the National Food Security Agency, if required.

Annex 3
to Government Decision no.
of 2014

**LIST
of agricultural cultures and species of livestock and poultry
the insurance of which is subsidized
by the fund for subsidizing agricultural
producers for 2014, insurance bonuses**

1. Sugar beet, sunflower, corn, soya, vegetables and tobacco – for the 2014 crop.
2. Wheat, barley and autumn raps – for the 2015 crop.
3. Multiannual plantations (vineyards, orchards, vine and fruit nurseries, as well as the crop of grapes and fruit).
4. Livestock, bee colonies and poultry.