**CAPITAL REBATE CRITERIA**

***Capital rebate can amount to a maximum of 40% of the total loan principal amount disbursed.***

1. **Increase in slaughter capacity expressed as a percentage (%) – up to a maximum of 40%**

**The capital rebate is granted depending on the achieved level of increase in slaughter capacity, expressed as a percentage increase in slaughter capacity compared to the initial situation.**

- Increase in slaughter capacity by more than 5% up to, and including 10% **= 10 %**
- Increase in slaughter capacity by more than 10% up to, and including 15% **= 25 %**
- Increase in slaughter capacity by more than 15% **= 40 %**

**Note**:

- Beneficiaries that establish slaughter capacities for the first time are considered to achieve the highest level of increase in slaughter capacity, and the highest percentage of capital rebate is applied to them.

- An increase in slaughter capacity resulting solely from organisational changes (e.g. increasing the number of shifts without investment) is not considered eligible.

**Sources of ex-ante verification:**

The verification of the planned slaughter capacity is carried out by inspecting the **technological project*** as the primary source of data on technological and production capacity, by inspecting the **main design maps****, i.e. by inspecting the **offer/preliminary contract/financial estimate for the purchase of a slaughterhouse with the accompanying technical specification.***

As a minimum proof of legality of the structure, existing slaughterhouses should have building permits and operating licenses, i.e. for all extensions/upgrades, etc., it is necessary to comply with the applicable primary and secondary legislation in the field of construction.

The planned slaughter capacities must be aligned in all relevant documents and expressed in a uniform and comparable manner (in the same unit of measurement).

Ex ante Statement of a licensed agronomist of the Croatian Chamber of Agriculture.

* Technological project, regardless of whether it concerns the purchase or construction/extension/upgrade and/or only the modernisation of existing machinery/equipment, should contain clear and unambiguous evidence of the increase in slaughter capacity compared to the existing situation of slaughter capacity, with the existing and new total capacities clearly visible. The technological project must also clearly and unambiguously show the layout/scheme of individual machinery/equipment with an unambiguous and clear connection with offers/financial estimates and their technical specifications. The existing or "old" technological project with clearly stated slaughter capacities serves as evidence of the situation of the existing slaughter capacities before reconstruction/extension/upgrading, which is also the basis for creating a new technological project that proves the increase of existing slaughter capacities.

** Individual main design maps should contain a clear and unambiguous connection with the increase in slaughter capacity, in such a way that they enable and support only the technological increase in slaughter capacity, when applicable, for example: Mechanical installation project for increasing the capacity of cooling/ventilation/freezing/DHW etc.; Electrical engineering design for increasing kW power for new/additional consumers, new distribution of electrical installations, etc.; Architectural map for the layout of reception/placing/stunning/processing/packaging/storage/cold storage areas, etc.

*** The financial estimate/offer/invoice for the slaughterhouse should also contain accompanying technical specifications on the basis of which the slaughter capacity is clearly and unambiguously defined. If the subject matter of the investment is the purchase of a slaughterhouse and the modernisation of existing machinery/equipment of the existing slaughterhouse facility, it is necessary to submit a new Technological Project proving the total increase in existing slaughter capacity.

**Sources of ex-post verification:**

Ex-post verification is carried out by reviewing the **operating license, the purchase contract/invoice for the slaughterhouse,** along with the associated technical documentation, and by reviewing **the decision on the approval of the facility, including the decision on conditional approval** and an extract from the **Register of Approved Facilities in the Business with Food of Animal Origin[1].**

The achieved slaughter capacities must be aligned in all relevant documents and expressed in a uniform and comparable manner (in the same unit of measurement).

Ex post Statement of a licensed agronomist of the Croatian Chamber of Agriculture.

2. **Increase in grain/cereal processing capacity – up to a maximum of 40%**

**The capital rebate is granted depending on the achieved level of increase in grain/cereal processing capacity, expressed as a percentage increase in daily processing capacity (kg/day) compared to the initial situation.**

- Increase in grain/cereal processing capacity by more than 5% up to, and including 10% **= 10 %**
- Increase in grain/cereal processing capacity by more than 10% up to, and including 15% **= 25 %**
- Increase in grain/cereal processing capacity by more than 15% **= 40 %**

**Note**:

- Beneficiaries that just start grain/cereal processing are considered to achieve the highest level of increase in processing, and the highest percentage of capital rebate is applied to them.
- An increase in grain/cereal processing capacity resulting solely from organisational changes (e.g. increasing the number of shifts without investment) is not considered eligible.

[1] The Veterinary and Food Safety Directorate of the Ministry of Agriculture, Forestry and Fisheries is responsible for issuing decisions on the approval of a facility (which also includes decisions on conditional approval), as well as for maintaining the Register of Approved Facilities in the Business with Food of Animal Origin.

**Sources of ex-ante verification:**

The verification of the planned capacity of a grain/cereal processing plant is carried out by inspecting the **technological project*** as the primary source of data on technological and production capacity, by inspecting the **main design maps****, i.e. by inspecting the **offer or preliminary contract for the purchase of a grain/cereal processing plant.**

As a minimum proof of legality of the structures, the existing grain/cereal processing plants should have building permits and operating licenses, i.e. for all extensions/upgrades, etc., it is necessary to comply with the applicable primary and secondary legislation in the field of construction.

The planned grain/cereal processing capacities must be aligned in all relevant documents and expressed in a uniform and comparable manner (in the same unit of measurement).

Ex ante Statement of a licensed agronomist of the Croatian Chamber of Agriculture.

*Technological project, regardless of whether it concerns the purchase or construction/extension/upgrade and/or only the modernisation of existing machinery/equipment, should contain clear and unambiguous evidence of the increase in capacity of a grain/cereal processing plant compared to the existing situation of capacity of grain/cereal processing plant, with the existing and new total capacities clearly visible. The technological project must also clearly and unambiguously show the layout/scheme of individual machinery/equipment with an unambiguous and clear connection with offers/financial estimates and their technical specifications. The existing or "old" technological project with clearly stated capacities of the grain/cereal processing plant serves as evidence of the situation of the existing capacities of the grain/cereal processing plant before reconstruction/extension/upgrading, which is also the basis for creating a new technological project that proves the increase of existing processing capacities.
** Individual main design maps should contain a clear and unambiguous connection with the increase in capacity of the existing grain/cereal processing plant, in such a way that they enable and support only the technological increase in the plant capacity, when applicable, for example: Mechanical installation project for increasing the capacity of ventilation etc.; Electrical engineering design for increasing kW of required power/new distribution of electrical installations, etc.; Architectural map for the layout of premises, etc.

**Sources of ex-post verification:**

Ex-post verification is carried out by reviewing **the operating license, the purchase contract for the purchase of a grain/cereal processing plant,** and by reviewing **an extract from the Register of Entities and Associated Facilities in the Food Business** under the jurisdiction of the State Inspectorate's sanitary inspection.[2]

The achieved capacities of grain/cereal processing must be aligned in all relevant documents and expressed in a uniform and comparable manner (in the same unit of measurement).

Ex post Statement of a licensed agronomist of the Croatian Chamber of Agriculture.

[2] Entities and facilities that, before the entry into force of the Ordinance on the Method of Recording and Maintaining the Register of Entities and Associated Facilities in the Food Business under the jurisdiction of the sanitary inspection of the State Inspectorate (Official Gazette No. 101/2022), have obtained a Decision from the Ministry responsible for health, i.e. which have already been entered in the Register of Entities and Associated Facilities in the Food Business, are not required to submit a notification for the registration of an entity in the food business with associated facilities, but are considered registered in accordance with the provisions of the Ordinance on the Method of Recording and Maintaining the Register of Entities and Associated Facilities in the Food Business under the jurisdiction of the sanitary inspection of the State Inspectorate.

### 3. Increase in fruit and/or vegetables processing capacity – up to a maximum of 40%

**The capital rebate is granted depending on the achieved level of increase in fruit and/or vegetables processing capacity, expressed as a percentage increase in daily processing capacity (kg/day) compared to the initial situation.**

- Increase in fruit and/or vegetables processing capacity by more than 5% up to, and including 10% **= 10 %**
- Increase in fruit and/or vegetables processing capacity by more than 10% up to, and including 15% **= 25 %**
- Increase in fruit and/or vegetables processing capacity by more than 15% **= 40 %**

**Note**:

- Beneficiaries that just start fruit and/or vegetables processing are considered to achieve the highest level of increase in processing, and the highest percentage of capital rebate is applied to them.
- An increase in fruit and/or vegetables processing capacity resulting solely from organisational changes (e.g. increasing the number of shifts without investment) is not considered eligible.

**Sources of ex-ante verification:**

The verification of the planned capacity of a fruit and/or vegetables processing plant is carried out by inspecting the **technological project*** as the primary source of data on technological and production capacity, by inspecting the **main design maps****, i.e. by inspecting the **offer or preliminary contract for the purchase of a fruit and/or vegetables processing plant.**

As a minimum proof of legality of the structures, the existing plants should have building permits and operating licenses, i.e. for all extensions/upgrades, etc., it is necessary to comply with the applicable primary and secondary legislation in the field of construction.

The planned capacities must be aligned in all relevant documents and expressed in a uniform and comparable manner (in the same unit of measurement).

Ex ante Statement of a licensed agronomist of the Croatian Chamber of Agriculture.

*Technological project, regardless of whether it concerns the purchase or construction/extension/upgrade and/or only the modernisation of existing machinery/equipment, should contain clear and unambiguous evidence of the increase in capacity of a fruit and/or vegetables processing plant compared to the existing situation of capacity of the plant, with the existing and new total capacities clearly visible. The technological project must also clearly and unambiguously show the layout/scheme of individual machinery/equipment with an unambiguous and clear connection with offers/financial estimates and their technical specifications. The existing or "old" technological project with clearly stated capacities of the processing plant serves as evidence of the situation of the existing capacities of the processing plant before reconstruction/extension/upgrading, which is also the basis for creating a new technological project that proves the increase of existing capacities.

** Individual main design maps should contain a clear and unambiguous connection with the increase in capacity of the existing fruit and/or vegetables processing plant, in such a way that they enable and support only the technological increase in the plant capacity, when applicable, for example: Mechanical installation project for increasing the capacity of cooling/ventilation etc.; Electrical engineering design for

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| increasing kW of required power/new distribution of electrical installations, etc.; Architectural map for the layout of premises, etc. |
| **Sources of ex-post verification:**<br><br>Ex-post verification is carried out by reviewing **the operating license, the purchase contract for the purchased fruit and/or vegetables processing plant,** and by reviewing **an extract from the Register of Entities and Associated Facilities in the Food Business** under the jurisdiction of the State Inspectorate's sanitary inspection[3].<br><br>The achieved capacities must be aligned in all relevant documents and expressed in a uniform and comparable manner (in the same unit of measurement).<br><br>Ex post Statement of a licensed agronomist of the Croatian Chamber of Agriculture. |

[3] Ibid.