



ЕВРОПЕЙСКИ СЪЮЗ  
ЕВРОПЕЙСКИ СТРУКТУРНИ И  
ИНВЕСТИЦИОННИ ФОНДОВЕ



ПРОГРАМА ЗА  
РАЗВИТИЕ НА  
СЕЛСКИТЕ РАЙОНИ

# COMMUNITY-LED LOCAL DEVELOPMENT STRATEGY, 2014 – 2020

**NGO „Local Action Group STAMBOLOVO –  
KARDZHALI 54“**

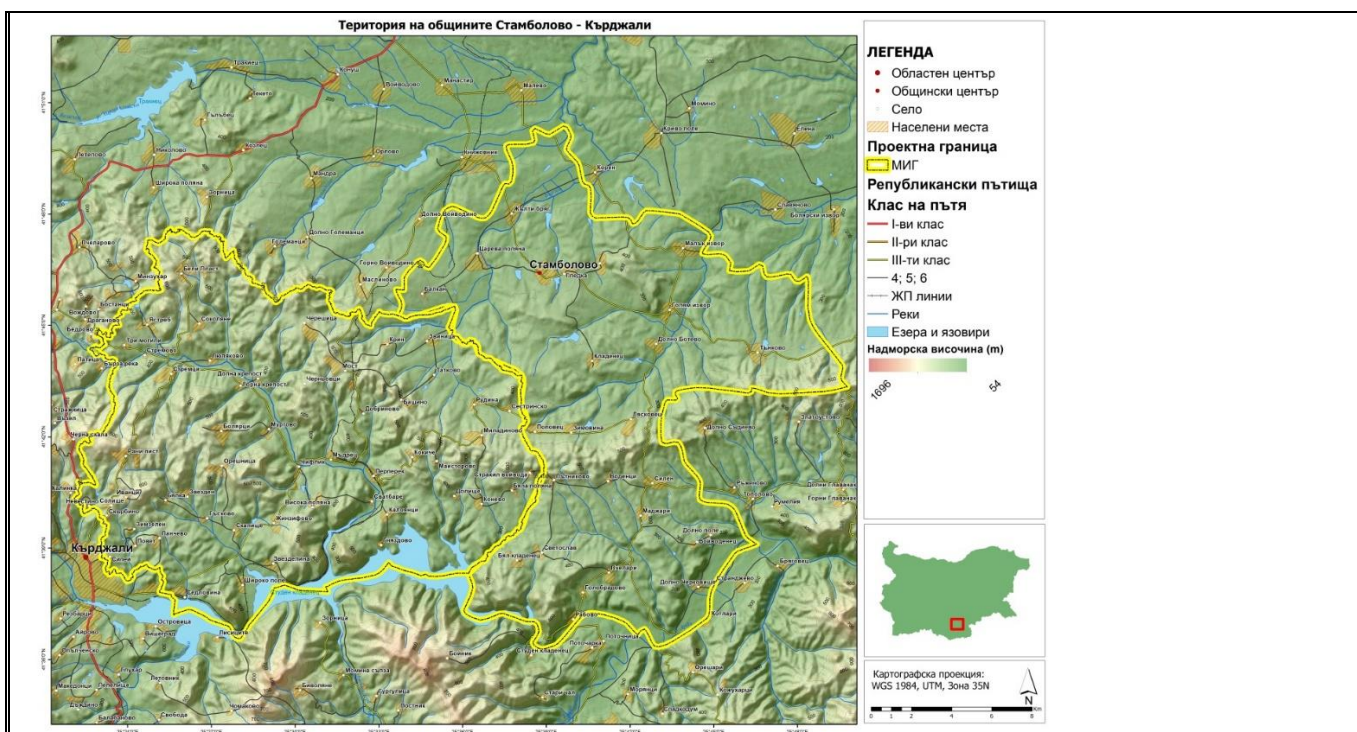
**February, 2017**

## CONTENTS AND STRUCTURE OF THE STRATEGY FOR CLLD

### (MANDATORY ELEMENTS)

(font - Times New Roman 12, spacing 1,15)

1. Description of the LAG : (not more than 3 pages)	
1.1. Data about the municipalities and the settlements, which are within the LAG territory:	
-list of the municipalities, part of the LAG;	The Municipality of Stambolovo and the Municipality of Kardzhali (54 settlements)
-list of the settlements, part of the LAG;	<p>○ <i>The Municipality of Stambolovo (all 26 settlements):</i> The village of Balkan, the village of Byal Kladenets, the village of Vodentsi, the village of Voyvodenets, the village of Gledka, the village of Golobradovo, the village of Golyam Izvor, the village of Dolno Botevo, the village of Dolno Pole, the village of Dolno Cherkovishte, the village of Zhalti Bryag, the village of Zimovina, the village of Kladenets, the village of Kralevo, the village of Lyaskovets, the village of Madzhari, the village of Malak Izvor, the village of Popovets, the village of Pchelari, the village of Patnikovo, the village of Rabovo, the village of Svetoslav, the village of Silen, the village of Stambolovo, the village of Tankovo and the village of Tsareva Polyana.</p> <p>○ <i>The Municipality of Kardzhali (54 out of all 118 settlements):</i> Bashtino, Beli plast, Bolyartsi, Byala polyana, Byalka, Visoka polyana, Gnyazdovo, Gorna krepost, Gaskovo, Dobrinovo, Dolishte, Dolna krepost, Ivantsi, Zhinzifovo, Zvinitsa, Zimzelen, Zvezdelina, Zvezden, Kaloyantsi, Kokiche, Konevo, Krin, Lyulyakovo, Maystorovo, Miladinovo, Most, Murgovo, Madrets, Nevestino, Oreshnitsa, Panchevo, Perperek, Povet, Propast, Rudina, Rani list, Sedlovina, Sestrinsko, Skalishte, Sokolyane, Strahil Voyvoda, Stremovo, Stremtsi, Svatbare, Solishte, Skarbino, Sipey, Tatkovovo, Tri mogili, Chereshitsa, Chernyovtsi, Chiflik, Shiroko pole and Yastreb.</p>
- number of residents on the territory, part of the LAG;	The population of the territory of " <b>LAG Stambolovo - Kardzhali 54</b> " as of 31.12.2016, according to NSI data is 19 321 people in total. Out of these, 5,805 live in the Municipality of Stambolovo. The population living in the 54 villages of Kardzhali Municipality consists of 13,516 inhabitants.
1.2. Map of the territory:	



## 2. Description of the process of participation of the community in the making of the Strategy. *(not more than 2 pages)*

### 2.1. Description of the process (held meetings, seminars, conferences, trainings and public discussions):

The process of developing the **CLLDS** has been in line with the pre-planned and approved activities within the preparatory sub-measure. All the activities were successfully implemented, ensuring the necessary awareness and publicity through regional media publications, the LAG's website and the active involvement of the beneficiaries in the local partnership. Printed and disseminated were a series of brochures and leaflets, describing the approaches and practices, used to develop the CLLDS. Involvement of the **local interested parties**, representing the three main sectors of the territory in the strategy development process was achieved through a series of informational and work-related events, conferences, trainings for the LAG's team and local leaders, and public debates, the chronology of which is as follows:

#### 1. Promoting the approach of the CLLDS and the strategy development process.

##### *2 information campaigns implemented:*

on 04.11.2016 in the village of Zhalti bryag and the village of Gledka;

on 25.11.2016 in the village of Silen and the village of Rabovo.

The participants in the informational campaigns were presented the essence of the implementation of the CLLD approach and the application of that approach on the territory of the Municipalities of Stambolovo and Kardzhali.

##### *2 informational meetings/seminars implemented for not less than 20 participants:*

On 06.10. and 07.10.2016 in the village of Stambolovo – presented topics: 1) Application of the approach LEADER and the CLLDS; 2) Opportunities for accessing financial resources through the

OPSEIG, OPDHR,EOP – multi-fund financing; 3) Opportunities for accessing financial resources through **OPIC**;4) Opportunities for accessing financial resources through the RDP; 5) The good practices of the LAG over the period 2007–2013;

***2 informational conferences implemented for not less than 50 participants:***

**On 30.09.2016** in the village of Stambolovo – presented topics: Possibilities for financial resource access under the **Rural Development Program** – M 4.1, M 4.2, M 6.4, M 7.2 and M 7.5; Application of the approach LEADER and the CLLD; Multi-fund financing – OPSEIG, OPHRD, EOP; Multi-fund financing – OPIC, selection criteria.

**On 16.12.2016** in the village of Stambolovo – presented topics: Analysis of the situation on the territory of "LAG Stambolovo - Kardzhali 54"; Quantified SWOT analysis of "LAG Stambolovo - Kardzhali 54"; Identification of the problems, needs and priorities on the territory of "LAG Stambolovo - Kardzhali 54"; Good practices of the LAG for the period 2007-2013 –the good practices of LAG “Berkovitsa, Godech” and the good practices of “LAG Harmanli”.

2. **Training.** A total of four 1-day training sessions were held within the preparatory activities - two for the LAG’s team and the partners, and two - for the local leaders.

**LAG’s team training, including for the representatives of the partners:** Two-day training of the LAG’s team and the representatives of the partners on 08 and 09.09.2016. **Main objective of the training** - to familiarize the participants with Measure 19 "Community-led local development" (CLLD) from the RDP 2014-2020. Topics on 08.09.2016: “What is CLLD and why should it be used?”; Sub-measure 19.1. "Support for preparatory activities" - applicants, scope of activities and financial conditions. Eligible costs. Small pilot projects; Sub-measure 19.1. "Support for preparatory activities" – conditions, relating to the implementation of projects. Payment of financial assistance. Providing publicity. Sub-measure 19.3. "Preparation and implementation of cooperation activities with LAGs" - type of aid/ funding; Sub-measure 19.4. "Running costs and promotion of CLLD" - type of assistance. Discussed topics on 09.09.2016: Measure 19.2. Conditions for the provision of the financial assistance under the sub-measure "Implementation of Operations within the scope of the CLLD's strategies"; Type of assistance under the "Implementation of operations under the CLLDS" sub-measure; Building partnerships and selecting a single fund or mixed funding for the development of the local strategy; Awareness and publicity; Good Practices of the LAG for the period 2007-2013.

**Training of local leaders** - two one-day training sessions held - on 03. and 24.11.2016 and on 22.03.2016. **Main objective of the trainings:** To get acquainted with the participants of Measure 19 "Community-led local development" (CLLD) from the RDP 2014-2020. Topics discussed on 03.11.2016: “What is CLLD and why it should be used?”; The project - a tool for accessing financial resources from European funds; Conditions for the provision of financial assistance under the sub-measure "Implementation of operations within the framework of the strategies for the CLLD"; Terms and procedure for provision of financial assistance from the strategies of the CLLD. **Topics discussed on 24.11.2016:** Opportunities for access to financial resources under the Rural Development Program - M 4.1, M 4.2, M 6.4, M 7.2, M 7.5; Opportunities for access to financial resources upon **OPIC**; Opportunities for access to financial resources upon **OPSESG, OPHRD,EOP** – multi-fund

financing; Good practices of the LAG for the period 2007–2013 .

**3. Consulting for the preparation of CLLDS.** In order to attract the local interested parties in the process of elaboration of the CLLDS and to provide consultations on the strategic framework, the measures included, the allocation of the measure's resources and the financial parameters of the LDS, **eight public events were held:**

**Two workshops**, related to consulting for the preparation of the strategy - held on 17.10.2016 in the village of Tsareva polyana and in the village of Popovets (with the participation of representatives from the villages from the Municipality of Kardzhali);

**Three informational meetings**, related to consulting the local community: 18th October, 18th November and 2<sup>nd</sup> December 2016. At the first informational meeting, the investment priorities / operations of OPIC, OPHRD, EOP and OPSEIG, the eligible for inclusion in the Local Development Strategy (LDS) were reviewed; the objectives of local development. The second informational meeting included discussion on the main issues and needs of the territory, the objectives and priorities of the CLLDS, measures eligible for EAFRD funding and operational programs in support of the CLLDS were considered. At the third meeting the participants discussed and agreed on an indicative financial allocation of the EAFRD budget, the project selection criteria, and the measures of the **OPSESG and EOP** which were finally included into the Strategy.

**Public discussion of LDS– Within the strategy's consultation process, three public discussions** were held in the municipal center of Stambolovo, in the village of Popovets and in a village from Kardzhali Municipality (*outside the scope of the support under the measure*).

Besides the activities under measure 19.1, the team also held additional meetings (annexed lists) with the mayors of the settlements in the Municipality of Kardzhali, which places are included in the territorial scope of the LAG. These meetings were extremely useful and made an important contribution to accurately identifying the problems and needs of the site.

## **2.2. Groups /sectors of interested bodies, included in the making of the strategy:**

The process of developing the strategy has been very interesting. On the territory, approaches such as LEADER and CLLD were applied for the first time and the local beneficiaries were motivated and interested in all the public events. The held twenty-two public events were attended by a total of 345 participants (*refer to the attached lists of participants*), with representatives of all the eight identified interested groups (100%) on the territory of the two municipalities. Representatives of the local authorities (mayors of municipalities and settlements, municipal councilors, municipal officials from Stambolovo and Kardzhali Municipalities), representatives from the cultural sphere (community halls), the representatives of service companies and agricultural producers participated most actively. Ethnic minorities that dominate the LAG's territory took part in the whole process of discussing and developing the **CLLDS**. Representatives of the identified vulnerable groups - elderly people and people with disabilities - also took part in the development of the strategy.

## **3. Description of the situation in the region as to the time of application: (not more than 10 pages)**

### **3.1. Analysis of the needs and the potential for development on the territory:**

The territories, included in the area of „LAG Stambolovo – Kardzhali 54“ have a constant geographical connection inbetween. Within the LAG are all the 26 settlements from the Municipality of Stambolovo, as well as 54 from the villages of the Municipality of Kardzhali, which border on the Municipality of Stambolovo. The LAG's territory is located in the southwestern part of Central Southern Region.

The relief of the territory is diverse and is characterized by a strong disunity. The geological structure of the relief is characterized by a wide variety of rocky complexes and geological structures. The average altitude is 329 m. The variety of relief is enhanced by the erosion of the rivers, which erosion has formed the modern-day maze of hills and the complex valley system here.

The terrain of the territory is cut through by the middle way of the Arda River along with its tributaries. The Arda River, a right tributary of the Maritsa, passes through the Eastern Rhodopes and then leaves the country. Three of the largest dams in the country were built here. The territory of the LAG includes partially Studen Kladenets dam.

The climate in the area is continental-Mediterranean, due to the nature of the atmospheric flow and the transformation of the air masses on the surface of the relief. The average annual air temperature is 12.5 degrees Celsius. On average, around 216 days a year, from the beginning of April to the beginning of November, there is a sustained temperature of over 10 degrees Celsius. The winters here are relatively mild, with the snowy days being around 39. The summer is long and hot, the maximum temperatures reach 39-40 degrees Celsius.

The temperature sums during the growth season are about 3,800-4,000 degrees Celsius and are among the highest in the country.

With its limiting properties, the nature and the resource potential of the territory has outlined the sectoral specialization of the industrial and the agricultural production, and has affected in terms of social influence the territorial distribution of the human resources and the quality of life in the different parts of the territory. In terms of climatic characteristics for agricultural production, within the LAG's territory there are favourable conditions for the development of viticulture and horticulture, as well as good conditions for growing of almost all crops, especially grains, grain-feed and perennials.

The valley of the Arda River with its habitats is of particular importance for the conservation of the biodiversity of the Eastern Rhodopes. Numerous local plant and animal species of conservation significance are linked to the river valley, its tributaries and the wetlands that it forms. The rivers, with their riverbeds, form natural corridors for the passive movement of the species and play a major role in their survival. The tributaries of the Arda River on the territory of «LAG Stambolovo - Kardzhali 54" are: the Perperek River, the Bojuk Dere and the At Izi.

The diverse relief, combined with the different climatic influences from the continent and the Mediterranean, make the Eastern Rhodopes region one of the richest in biodiversity in Europe. Part of the Eastern Rhodopes is located on the territory of the LAG Stambolovo-Kardzhali.

On the territory of the two municipalities, sites from the National Ecological Network are located, including protected territories and protected zones. The share of Natura 2000 protected areas is the biggest, followed by the Habitats and Protected Areas Directives under the Birds Directive. The territory falls into the group of municipalities with a big share of protected areas and territories. The

existence of relatively rich biodiversity, protected areas / territories / localities and natural landmarks can be used to implement projects that improve the sustainable development of the territory and that develop ecotourism.

The demographic problems and tendencies in the demographic situation in the LAG's territory for both municipalities are identical. In general, they are not different from the trends for the rural areas in the country. As a whole, they can be characterized in the following manner:

***aging population, migration of young people to areas with more favorable living conditions and employment, low rate of employment, relatively high unemployment, reduced economic status as a result of the lack of public and private investments and promising local production.***

The settlements on the territory are mostly small (200 to 1000 inhabitants) and very small (up to 200 inhabitants). The very small villages in the LAG are 39 and 20.66% of the population live there. In total, in the small settlements (41), 79.34% of the population live on the territory of the LAG.

The population of "LAG Stambolovo - Kardzhali 54" lives entirely in the villages. The density of the population in the territory is 34.58 people per km. (with a total area of 568,94 km<sup>2</sup>) This indicator is below the average density for Haskovo region (40,2 g / km<sup>2</sup>) and for Kardzhali region (46,64 g / km<sup>2</sup>), and much lower of the country average (64.45 g / km<sup>2</sup>).

Although the demographic processes are negative, unlike the country, the aging process is still not so acute on the territory of the LAG, thanks to the higher birth rate in Kardzhali municipality in recent years, which generates a generally positive natural population growth territory.

The ethnicity map of the territory is colorful. The highest number is the Turkish ethnic group (2011 population census, NSI). The Bulgarian ethnic group is the second largest in the territory, but marks a slight decline (2.8%) for the period 2001-2011. Of the other ethnic groups, representatives of the Roma community are the only ones where the increase in the relative share is also associated with an increase in the absolute amount. Between the two population censuses, Roma ethnic group representatives have increased.

Despite the observed trends for improvement of the general educational level of the population on the territory, the educational status is below the average for the country. Particularly worrying is the fact of illiteracy and the increase in the share of drop-outs that are concentrated in social groups with low social status. Extremely unfavorable impact on the future demographic development is the increase in illiteracy and the deterioration of the educational structure among young people up to 24 years of age.

**The demographic status analysis outlines the following problems for the LAG's territory:**

- The aging population and the deteriorating quality of the educational structure of the population, living on the LAG's territory present potential future problems that may hinder the employment, professional realization and qualification of the local population. The chance to deal with the problem is to avail of skilled labour from the neighboring bigger cities like Haskovo and Kardzhali, from where the human resources needed for the local economy can be used.
- The share of the educated and qualified population in the territory is not large, which leads to difficulties for the companies in need of specialists. They can hardly find local people, meeting production requirements, which will be a barrier to the introduction of new technologies and innovative manufacture practices in the future.



- The workforce on the territory is under-qualified and needs continuing training –provision of training courses to ensure the professional qualification and preparation to meet the production needs of local businesses.
- The small but fast growing group of the Roma population with a low level of education, unsatisfactory qualifications and education and a high rate of unemployment presents a certain challenge.

Out of the collected data for the two municipalities, it can be summarized that the average unemployment rate on the territory of "LAG Stambolovo - Kardzhali 54" for the last 3 years has been about 15%. Unemployed women predominate over unemployed men. The highest percentage of long-term unemployed are people of low educational background. The highest percentage of long-term unemployed are in the age group over 55 years.

In general, female unemployment is higher. Women predominate over men in the groups, aged 25 to 39 and over 50 years. In the remaining groups, men and women are almost at the same equal level. Due to the higher unemployment among women, a higher percentage of women look for work abroad.

Unemployment is the highest with the group of 55-year-olds. This problem with the unemployed at pre-retirement age springs up a problem also in the answers of the interviewed mayors of the settlements. Young people are more mobile and they decide more easily to leave their home country, looking for their livelihood. That is the reason why villages are deprived of their young people. In the small settlements, there is a larger number of elderly people who find it difficult to get a suitable job outside the local settlement, who are worried about their ability to meet the requirements of the bigger city or abroad, and therefore the unemployment rate is the highest there. In addition, a large number of them have low education or no qualifications.

Generally speaking, the most common type of an unemployed person on the territory is at a pre-retirement age, more often a woman of low education and no vocational training.

The social activities and the services within the LAG are characterized and limited by the following environmental factors:

- There is uneven development of basic social services on the territory;
- There is a lack of diversity and new practices in the social field, which is particularly important for the territory due to an aging population requiring more care for a decent life;
- Municipal terrains and buildings that can be used to provide social services are still available;
- There is no qualified staff in the social sphere;
- There are no financial resources for improving and diversifying the existing social services;
- Only municipalities are active in the social sphere. The community halls, NGOs and businesses are not involved in offering such services. Greater activity is necessary on their part to improve the quality of the social services on the territory.

No hospital healthcare is organized on the territory of "LAG Stambolovo - Kardzhali 54". It is provided by the multi-profile hospitals for active treatment in the bigger centers like Haskovo and Kardzhali. Healthcare for the population is provided only by outpatient healthcare facilities. The territory is



covered by 13 doctors' and 10 dental practices that provide healthcare services to the population. Medical staff serve schools and kindergartens. There are healthcare services, established in the populated areas where examinations and manipulations are carried out, but almost all premises require major repair and renovation of the equipment. In case of need for specialized medical assistance, GPs direct their patients to specialists in the district center. Generally speaking, problems in the healthcare sector can be identified to be as follows:

- The aging population and the rising healthcare needs raise the problem of expanding the network of specialized healthcare services for the needs of the older people in settlements.
- The number of medical and dental practices does not cover all settlements, which limits the access to healthcare services for a large part of the local population.
- The equipment of the healthcare centers is insufficient and outdated. Most of them are in poor condition.
- Within the healthcare sector, a small number of medical services are provided to the population, which makes people travel to the district center in more serious cases.
- There is no emergency medical assistance on the territory of the LAG.
- There are no financial resources for updating the healthcare facilities. There is shortage of doctors and dentists.
- The problem with the lack of pharmacies is a serious one.

As a whole, there are 27 full-day kindergartens, one secondary school, 11 primary schools and one elementary school on the territory of "LAG Stambolovo - Kardzhali 54". In this type and size, the educational structure meets local education needs. There are not enough secondary schools to ensure the necessary education and to provide the local economy with qualified staff.

The optimization of the school network on the territory of the LAG by closing down schools in small settlements leads to an increase in the trips of pupils from smaller settlements to the municipal center and /or nearby secondary schools. This, in itself, further enhances the migrant attitudes of the young families, living in settlements without schools who want to provide education for their children.

From the point of view of the conditions, the material facilities are in a relatively good condition, measures have been taken to increase the energy efficiency of the buildings and improve the living conditions through financing under the operational programs and the municipal budgets; repair works have been carried out in several of the educational institutions and kindergartens on the territory of the LAG. The infrastructure of the general education in the municipalities (school buildings, number of classrooms and study rooms, etc.) has a capacity, corresponding to the number of students. Municipal transport is provided for all the travelling students.

Upon analyzing the situation, regarding the provision of educational services on the territory of "Stambolovo 54 - Kardzhali", the following issues stand out as main problems:

- The decreasing number of children in school age;
- The need to re-optimize the school network;
- Existence of classes, below the defined minimum threshold and the formation of merged

classes, which leads to a decrease in the quality of education in small settlements. The existence of small-scale classes does not allow for a normal learning process, does not meet the interests of the children and is contrary to the main priorities for guaranteeing equal access to equal in quality education;

- Attention should be paid to the tendency to maintain the relatively high number of children who have dropped out of school or are not covered by the education system, which requires further work with children and their parents. There are a number of reasons for dropping out of school - economic, social, cultural stereotypes and personality characteristics.

From the point of view of the staff, it can be said that in schools and kindergartens, well-trained and qualified pedagogical staff with long experience in working with ethnically mixed groups are employed. Each year, the necessary teaching materials, didactic aids and technical equipment are provided. Gradually, however, the need for new pedagogical staff is beginning to be felt to replace the retired.

In some settlements, there is a shortage of qualified foreign language teachers and information technology, which affects the quality of education.

Despite the observed trends for improving the general educational level of the population on the LAG's territory, the educational level is below the national values for the country. Particularly worrying fact is illiteracy and the increase in the share of school dropouts that are concentrated in population groups of low social status. Extremely unfavorable impact on the future demographic development is the increase in illiteracy and the deterioration of the educational structure among young people up to 24 years of age.

**The main problems in the sphere of education on the territory are as follows:**

- There is a clear tendency to reduce the number of children, and hence their teachers.
- The decreasing number of children threatens to close down some schools, which is a particularly important condition for retaining the population in small settlements.
- Shortage of foreign language and IT teachers;
- Need for ongoing repairs of the available facilities;
- High share of early dropout of school children.
- Problems, related to the command of the Bulgarian language begin to emerge among the Turkish ethnic community. The lack or limited number of Bulgarian children in a large part of the settlements and the impossibility of direct communication between the different ethnic groups impacts the quality of the Bulgarian language.
- The share of Roma children on the territory, although not large, requires special care and attitude on the part of the educational institutions.
- Specific and targeted care should be taken to integrate the different ethnic groups in order to increase their educational and qualification status.
- The existing school buildings reserves, which are not used, raise the problem of their preservation and the search for forms for their rational use, including for the purposes of education during the summer season.

- Appropriate solutions to the identified problems can be sought through the opportunities in the “Science and Education for Smart Growth” OP and, in particular, under Priority Axis 3 of the Program.

The territory of the two municipalities in “LAG Stambolovo - Kardzhali 54” has a rich cultural and historical heritage, providing continuity between the different historical eras. The complex and original set of nature and cultural-historical landmarks and attractions on the territory of the “LAG Stambolovo - Kardzhali 54” can be subject to actions and interventions that enable the process of getting to know the differences and the prevailing originality, the valorisation of the quality, etc. These actions may have as their object:

- the culture and history of the local identity of the territory;
- the natural environment, the localities and archeology on the territory.

These two sets of landmarks and attractions are a heritage of a great value for the communities in both municipalities, which needs to be assessed and enriched by appropriate projects, *funded through the LDS, that is, to become valorized.*

Combined with the rich, varied and well-preserved natural heritage, the region has the chance in case of optimized resources management, professional approach to shaping the supply and adequate and effective marketing of the product, in a short time, to become a major competitor of already established Bulgarian destinations with similar resources.

The territory of “LAG Stambolovo - Kardzhali 54” is characterized by an attractive location and a wonderful natural environment, a rich cultural and historical heritage. Despite the potential of cultural and environmental sites, tourism is still underdeveloped. The state of the tourist infrastructure is one of the factors, limiting the promotion of local natural and cultural assets. The improvement of the tourist infrastructure cannot be the sole responsibility of the LAG, but it is necessary to develop measures and concrete projects that improve the overall vision, promotion and demonstration of the opportunities for tourist activities on the territory. This means initiatives and projects expected to build eco-paths, demonstration tools on the LAG's territory, combined with private initiatives to provide accommodation and meals. As single sites, natural landmarks are essential for the local economy, if they are developed and valorized by including them in complex tourist routes and eco-paths.

The most important in terms of cultural significance on the territory of "LAG Stambolovo - Kardzhali 54" are the community halls, which maintain a sustainable tradition in the field of cultural life in the small settlements. There are 22 community centers on the territory of the LAG, 12 of which are located on the territory of the Municipality of Kurdzhali and 10 in the Municipality of Stambolovo. Thus, a large part of the settlements are covered by the community hall activities, which include maintenance of public libraries, work with amateur ensembles for authentic folklore, etc. Some of the community hall buildings have a fairly high capacity, depending on their halls, but are not used efficiently and in many places, the building facilities are in a bad condition.

The culture of small villages is a valuable resource that can and should be used as a tourist product to revive the local economy. By incorporating appropriate measures into the LAG's Strategy, initiatives to promote local authentic life, folklore, local dishes can be implemented. This will contribute to the

preservation and development of the cultural heritage of the territory and to the promotion of the authentic traditions of the different ethnic groups in the LAG's region. In general, except for community halls activities on the territory, there are no civil associations and initiatives for popularization of the cultural traditions and preservation of the cultural heritage.

The quality of the living environment is one of the important problems on the territory. Efforts and intervention are necessary to improve it. In the vast majority of the area, there are no or there are poor leisure facilities, such as municipal parks, gardens and open-air playgrounds. In most of the settlements, parks and gardens are rarely built or municipalities face difficulties in maintaining them. The Municipality of Stambolovo has more, already implemented projects, involving similar infrastructure. Planned actions are necessary to improve this infrastructure and the appearance of the settlements, which, in turn, will greatly increase the attractiveness of the area as a place of living and recreation. Coordinated investments should be envisaged, both through the CLLDS 2016-2023 and well as through RDP 2014-2020, as the resources, allocated upon the Strategy are insufficient to solve such local problems.

**The economic territory of the LAG** is poorly developed. Over the last eight years, production has declined, markets have been shrinking and unemployment - rising. These negative factors lead to economic dis-balances and affect also the economic profile of the territory.

In order to develop most industries, technical infrastructure, skilled labor, raw materials, appropriate natural, weather-climatic conditions and entrepreneurship are needed. Both municipalities have such resources to a similar extent, and taking into account the traditions in the development of certain productions, it can be stated that on the territory of both municipalities there are favorable conditions for development mainly of agriculture and the manufacturing industry.

There is manufacture in the region, related to construction, tailoring, woodwork, dairy and meat production, making and bottling of wine, bread and bakery products, vegetable tinning, commerce and others.

The territory of "LAG Stambolovo - Kardzhali 54" is not among the developed and well-established tourist destinations. Overall, the "Hotels and restaurants" sub-sector forms less than 0.5% of the net sales revenue for the LAG's region. However, the territory has a great potential of natural and cultural-historical assets such as grounds for sustainable development of various forms of tourism. The two municipalities have the opportunity to develop rural tourism, ecotourism, cultural tourism and other alternative forms of tourism. The area has beautiful scenery, rich and various in type cultural heritage, ancient history and preserved medieval and antique monuments that could attract the interest of tourists. The available resources enable the development of a partially new sector - alternative tourism, which has the potential to diversify the local economy and reduce the main dependence on the agricultural sector.

The distinctive features of local tourism, presented in its forms on the territory of the LAG, which can attract tourists, are the following: remoteness and seclusion from the resorts with developed mass tourism; opportunity to visit cultural and natural sites and their exploration, getting to know the rich biodiversity; an opportunity to explore rural communities, culture and lifestyles; opportunity to

participate in different rural activities; peace and quiet, characteristic of the settlements on the territory; opportunities to practise non-traditional sports or hobbies; offering local food and organic production. During the current programming period, opportunities should be sought in the Local Development Strategy to offer a more comprehensive tourist product with the participation of both the private and the public sector.

Improvement in the tourist infrastructure cannot be achieved only through the CLLDS, but rather - be used as an auxiliary tool for wider intervention. Initiatives for development of eco-paths, popularization of the local tourist product, activities for popularization and preservation of the local cultural tangible and intangible heritage, investment in guest houses and nutrition places can be implemented.

**Agriculture as a whole** is a strategic sector for the territory and is key to preserving the livelihood of the population and the traditions on the LAG's territory.

There has been a certain upturn in recent years. There has been an increase in production both in the sphere of plant production and in the livestock sector. Tendencies in livestock breeding vary depending on species. The change in the number of animals by species is mainly due to the new conditions and opportunities, offered by the agrarian policy of the country, as well as to the possibilities for support on the part of the Rural Development Program.

The development of livestock breeding, especially cattle breeding, is a priority, arising from the particular geographic location of the area. The existence of numerous pastures is a pre-requisite for the development of livestock breeding and the rearing of cattle, sheep and goats mainly. At this stage in agriculture, it is extremely important to build competitive and stable business units that meet the requirements.

Within the LAG's territory, there is an opportunity to grow vegetables and herbs. The available agricultural area allows for the introduction of new permanent crops. In view of the high unemployment on the territory, the development of agriculture can contribute to the solution of employment problems and to guaranteeing the current income of the population. As a result of the possibility to avail of subsidies, the interest in decreasing the percentage of uncultivated land may increase.

The irrigation systems, built in the past, have been destroyed, only "Zvinitsa" irrigation system, which covers 3,870 decares, is currently in operation. The use of this potential is a serious opportunity for the development of agriculture on the territory.

The presence of dam "Studen Kladenets", as well as the numerous water basins, located on the territory of the LAG provide favourable conditions for the development of fish farms which, unfortunately, are non-existent on the territory.

Agriculture with its two sub-sectors - plant growing and livestock breeding - is among the priorities for the socioeconomic development of the territory of LAG "Stambolovo - Kardzhali 54". The reason for the great importance of this sector is the relatively good quality of arable land, especially on the territory of Stambolovo Municipality and the northeastern part of Kardzhali Municipality. The land is suitable for the development of viticulture, fruit growing, vegetable production and technical plants.

The long-standing traditions in agriculture present valuable experience that local people must use to develop agriculture but in new conditions. There are good conditions for cultivation of permanent crops, which implies also opportunities for development of small processing plants. Serious opportunities can also be found in the growing of vegetables, in cultivating herbs and their processing. An important factor for the development of agriculture on the territory is the possibility of establishing associations of farmers. It is appropriate to support predominantly farmers in the field of vegetable production and permanent crops as sectors of higher value added worth and export potential. Priority should also be given to the pastoral livestock sector, which is currently experiencing problems and its development does not correspond to the real local potential. The good conditions for breeding of grazing animals can also be used to produce certified organic outcome.

### 3.2. Identified groups from interested parties on the territory of the LAG:

The identification of the main interested groups is the result of a survey that reflected the attitudes, opinions and suggestions of more than one hundred respondents, living on the territory of the two municipalities. The survey was complemented by information, collected from publicly available sources (municipalities' websites, Lakorda databases, the central register of non-profit legal entities) and information, provided by local authorities. After analyzing, summarizing, and negotiating it with the local community, we can assume that the main groups are eight and they are listed in the following table.

Sector	Interested parties	Spheres
Public sector	Local authorities: Municipal Administration, Municipal Council, Mayors and Mayor substitutes (representatives)	Town planning and public utilities
	Schools and kindergartens	Education
NGOs	Cultural Institutions (Community halls)	Culture
	NGOs of different character	Sport, Religion, Education, Social Activities, Tourism, Ecology
Industrial Sector	Industrial companies: tailoring, processing, construction and others.	Manufacture and construction
	Farmers, agricultural companies and cooperative farms	Agriculture
	Companies – tourism, restaurant and hospitality	Tourism
	Companies – trade and services, including self-employed bodies	Trade and services

Providing information and ensuring conditions for good communication between the interested parties is an important condition for the efficient work of the public-private partnership, built on the territory and for the active involvement of beneficiaries in the process of implementing CLLDS.

### 3.3. Strengths and weaknesses, opportunities and threats analysis:

**The SWOT analysis** of the territory was developed with the active participation of representatives from the following three sectors: public, economic and NGOs. The analysis is based on the techniques, required by the methodology, used in working with the local community groups, involved in the planning process. In both discussions, consensus was sought on the main factors, related to local development. **The identified factors for development and their assessment are as follows:**

Strengths/ strong points	Mark/ assessment	Weaknesses/ weak points	Mark/ assessment
Good geographical location - relatively easy and quick access to the Maritsa highway, connection with Greece (Makaza border checkpoint) and Turkey (Kapitan Andreevo - Kapikule border checkpoint).	7	Migration and depopulation on the territory. Increased aging of the population.	8
Proximity to main (resource) centers: Haskovo, Kardzhali and the cities in Central and Southeastern Bulgaria - Plovdiv, Stara Zagora and others.	6	High rate of unemployment and population impoverishment in recent years.	8
Well-developed road network, providing easy access to the settlements.	6	Poor common infrastructure characterized by: poor maintenance of the streets network; old water supply network, lack of sewerage and water treatment plants.	7
Favorable agroclimatic conditions for the development of agriculture - vegetable growing, perennials, technical crops, vineyards, herbs and others.	5	The small group of the Roma population, which is growing rapidly, increases the share of the low-educated population and the percentage of the unemployed.	5
Well-developed plant growing and focus on bigger farmers who have the necessary equipment and financial resources to process agricultural land.	5	Lack of young people, qualified staff and a sufficient number of entrepreneurs with business ideas and business opportunities to ensure employment locally.	6
Natural features and traditions for livestock development.	6	Insufficiently developed manufacture and processing sector.	6



Developed bee-keeping and honey production.	6	Lack of opportunities to support local entrepreneurs (RDP has not been “eligible” for the villages of Kardzhali Municipality so far).	5
Existence of free terrains, natural resources and raw materials - grounds for development of new productions.	5	Insufficient business initiative and entrepreneurial culture in respect to European funding.	5
A well-developed and functioning network of cultural and sports organizations - community centers and NGOs.	6	Irrational use of natural and anthropogenic resources - a limited number of hotels and guest houses, a small number of tourist services, poor quality of service.	6
Preserved natural environment - ecologically clean region, rich bio-diversity, protected areas, protected areas, landmarks and attractive landscape.	8	Crisis in traditional livestock farming - unprofitable family farming.	6
The presence of a large number of sports grounds and relatively good sports facilities in individual settlements.	5	Uncompetitive workforce in the labor market, decrease in the educational level and qualification.	7
Preserved traditions, customs and the existence of a large number of cultural and historical monuments, suitable for the development of cultural tourism.	6	Not enough use of the rich cultural, historical and natural heritage to create attractions for tourists.	6
Construction of new tourist sites in recent years.	5	Lack of coordination and association of farmers and owners of hotels and guest houses.	5
Traditions in the provisions of various social services for the community.	7	Lack of local structures, supporting the development of agricultural and non-agricultural businesses.	7
Existence of a large number of educational institutions: schools and kindergartens.	6	Lack of healthcare and diverse social services for the population in most of the settlements. Lack of hospital care.	6
Fairly good organization of intra-municipal transport on the territory of the two	4	Low health prophylaxis and a high number of uninsured	5

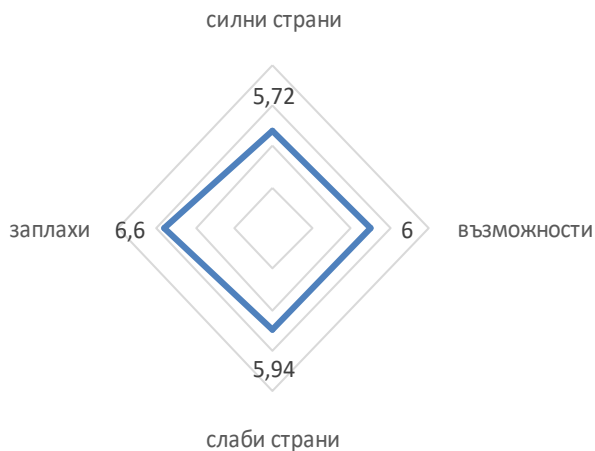
municipalities.		people.	
Electrification of the most remote settlements and street lighting.	5	Increase in the share of subsidies in municipal budgets at the expense of local revenue.	4
Unused building reserves, suitable for production or provision of services.	5	A large number of registered but not operating companies.	6
		Lack of or outdated cultural infrastructure that does not meet the contemporary needs of the population.	5
<b>Average mark/assessment:</b>	<b>5.72</b>	<b>Average mark/assessment:</b>	<b>5.94</b>
<b>Possibilities</b>	<b>Mark</b>	<b>Threats</b>	<b>Mark</b>
There are project opportunities for the creation and modernization of small and medium enterprises for processing of agricultural production on the territory, which will close the production cycle of agricultural production and increase work places.	7	Deterioration in the quality of life due to the large number of elderly people in villages who need social and health care. Lack of the necessary number of trained staff.	8
Opportunities through OPHRD and other programs to improve the quality of human resources and staff training in compliance with the needs of the local economy.	6	Increase in labor migration and emigration, especially among young people. Fast depopulation of the territory.	8
Restoration of the meliorative facilities through the RDP and development of contemporary plant-growing.	5	Increase in the percentage of vulnerable groups: Roma, long-term unemployed and pensioners and a sharp decrease in the share of educated and qualified staff.	8
The opening of the market towards active consumption of bio-products will stimulate the introduction of new technologies and crops in agriculture and will lead to the development of organic farming.	7	Increase in rural and urban disparities in terms of economic development, educational level and access to basic services.	5

The opportunities and conditions created to protect the quality mark of known local brands and their certification would lead to expanding markets and improving the quality of local produce.	7	Reduction in the number of employed and increase in the the percentage of unemployed.	7
The availability of the financial instruments from the National Operative Programs, the RDP and other EU programs.	5	Deepening and / or continuation of the global economic crisis, leading to worsening of market conditions and bankruptcy of local SMEs and farmers.	6
The presence of qualified staff in the nearby large cities, which can be brought to work when needed.	4	Lack of qualified human resources to implement innovations and new technologies.	7
Availing of the opportunities provided by the CLLD strategy.	5	Closing of the educational establishments because of lack of students.	6
Implementing EU requirements for updating livestock farms will improve the conditions for the development of modern livestock farming.	6	Lack of sufficient funding in the area of cultural and social services.	6
The presence of cultural and environmental sites in the neighboring territories and the construction of joint destinations and tourist products will stimulate the development of tourism and the territory.	6	Continued impoverishment of pensioners, long-term unemployed Roma and deepening of their social isolation.	5
The large number of protected zones, protected areas and territories will provide conditions for the development of ecological activities supporting biodiversity and the preservation of habitats.	8		
<b>Average mark:</b>	<b>6</b>	<b>Average mark:</b>	<b>6.6</b>

**At the time of the assessment, the result of the analysis of the strengths, weaknesses, opportunities and threats (SWOT) for the development of the LAG territory was characterized by the following values / marks: strengths (5.72), weaknesses (5.94) , and the magnitude of the threats was (6.6).**

The conclusions from this method have been calculated on the grounds of the number and severity of the strengths and weaknesses, opportunities and threats. In this case, we have more weaknesses as to a prevailing number of threats.

SWOT ANALYSIS on the territory of LAG "STAMBOLOVO - KARDZHALI 54"



This means that it is necessary to define and **implement a protection strategy**. The strategy needs to complement the existing elements, not to focus on new areas and to have limited diversification, i.e. it is necessary to focus on a foreseeable number of projects whose implementation is guaranteed.

**Based on the above-mentioned prerequisites**, we can “position” the strategy of strengthening on the following strong points: nature conditions and cultural heritage for tourism development; developed cultural infrastructure, including in respect to local crafts and folklore; built transport infrastructure to all settlements; availability of free buildings, suitable for use in manufacture activities; developed network of community centers, actively involved in the cultural life of the municipality. The weak points must be removed by minimizing the impact of threats.

### 3.4. Needs of the vulnerable and minority groups, if any :

**The main risk factors that prevent the social integration and form the main risk groups within the LAG’s territory are the following:**

- the high level of illiteracy or low literacy among adolescents and the working population;
- dropping out of school and formal passing from grade to grade;
- lack of orientation towards education and qualification, which puts the groups in an unequal position on the labour market;
- belonging to disadvantaged ethnic communities as a result of families with a lot of kids, “incomplete” families and families of underaged, which determines the tendency to neglect children and place them in institutions;
- persistent lack or insufficient own income, resulting in a high rate of antisocial behaviour among children and adults;
- aging of the population and steady rise of the number of lonely elderly people, unable to cope with their everyday needs;

These factors influence each other, which poses a risk for different population groups which can be classified into **several key groups at risk** and which should be subject to the impact of the future **CLLDS**:

***Risk groups, connected to the level of education*** are predominantly children not attending school regularly or dropping out of school; this group is mainly the Roma group.

***Risk groups, related to income deficits as means of subsistence*** and for creating material living conditions: this group concerns mainly the pensioners and the lonely residents, the unemployed and the Roma.

***Risk groups, related to poor living conditions and lack of housing:*** the formation of Roma ghettos outside the regulated settlements and their expansion has a negative impact on the quality of life of those, living in them.

***Family-related risk groups:*** these are: large families - mostly Roma families; incomplete families, single parents, single people with disabilities and single elderly people; children left to be raised by grandparents because of parents working abroad.

***Risk groups, related to a serious health problem:*** Families with a disability or serious illness; families of people with disabilities who have no income in the periods between signing contracts under programs; incomplete families with retired parents with health problems.

***Risk groups, related to poor access to health services:*** people in retirement age, living in the remote villages of the Municipality; people with disabilities and with several chronic diseases; families without any income.

*Old people - living alone in a family environment;*

***The development of a family-type service on the site would improve the quality of life of the lonely elderly people.*** By facilitating access to medical care, providing support for organizing households, reducing social exclusion, easier access to communication, entertainment and integration in an appropriate environment – all this will improve their quality of life.

***The above-mentioned risk groups can be grouped into the following vulnerable social groups within the LAG's territory. These are: pensioners and lonely elderly people, unemployed, especially the long-term unemployed, people with disabilities and the Roma group.***

The largest vulnerable group on the territory is the group of **pensioners and lonely people**. The main focus in most respondents' answers is the **humiliatingly low income of pensioners**, which forces them to live miserably, without being able to provide for their health and social care and for an acceptable quality of life. Given that they are often dependent on somebody else's support, they are sometimes subjected to exploitation and extortion, forms of domestic violence and psychological problems - depressive states and anxiety.

The security of this group can be understood as economic, food-related, health, environmental, personal, community and political security. A large number of people, part of this vulnerable group need: financial and housing security; communications, contacts - emotional and information needs; work for the physically abled and healthy; provision of entertainment and contact with friends as opposed to loneliness and isolation; medical care and medicines at affordable prices.

**There are no conditions for both - work and entertainment-** on the territory of "LAG Stambolovo - Kardzhali 54". Lack of pensioners' clubs, very few places for rest and recreation. Social inclusion, where it has been registered locally, is mainly related to the functioning of the local community halls. The health and social care for these people on the territory is highly minimized. In the most of the settlements, there is no medical and dental practice.

The next large vulnerable group is the group of the unemployed and, above all, the long-term unemployed. The study showed that these are, above all, people at pre-retirement age of low

educational level and lack of qualifications. Long-term unemployment is the cause of a particularly worrying and marginalized group - the so-called UUU's (unemployed, untrained and uneducated people). Of particular concern is the situation of the young people who do not attend school and who do not go to work but at the same time - are not motivated to do so, who have no qualifications or desire to achieve such and who are in danger of staying out of the labour market for a long time. This group of young people consists mainly of Roma people.

The next vulnerable group on the territory is the group of the **disabled people** who are subject to attitudes and practices, inherited from the past when most of them were isolated, protected and cared for by their families or by the state. Today, on the grounds of the collected information from the LAG's territory, the people with disabilities form about 6% of the total population.

Most of these people are largely isolated and rejected by society since not all people with disabilities can avail of the offered social and healthcare services. Their access to education is limited. They have also limited opportunities for work and realization. The lack of accessible environment further complicates the problems of this social group. The reason for their difficult way of life is their poor health status, leading to higher mortality rates. The listed problems most often lead to poverty and social isolation of the representatives of this vulnerable group. It is difficult for the municipalities at this stage to cope with the registered problems despite the implementation of several social projects on the **territory of the LAG**.

The most vulnerable ethnic community is the Roma community, which is not large on the territory but is growing rapidly. It is characterized by lack of or by low level of education, by high percentage of long-term unemployed with whole unemployed families, lack of working habits and a desire for permanent work, large and incomplete families, lack of or extremely poor housing conditions, lack of work experience and pensions, a high percentage of neglected and dropped out of school children, high birth rates among the underaged, a main-risk environment for abandoned children.

It is also necessary to develop programs, targeting the Roma ethnic group, which include enhancing literacy, inclusion in vocational training programs, completion of primary and secondary education, etc., which will contribute to their integration into society, which will lead to a reduction in their social isolation and will enable them to become more successful in their work.

**The objective of the support** for the vulnerable groups is the support to lead the way to a better quality of life, which means independence and real participation in social life for these groups.

4. Objectives	of	the	Strategy:
<i>(not more than 10 pages)</i>			

#### **4.1. Objectives of the Strategy and priorities for development of the territory :**

**The framework of the CLLDS of LAG „Stambolovo – Kardzhali 54“** has been formulated in compliance with the results of the socio - economic analysis, the strengths and weaknesses and the predicted impacts of external factors - opportunities and threats for the territory, as well as with the vision of the local community for the future development of the territory. In formulating the objectives, the identified needs of the main interested groups are also taken into account, considering the available financial resources to ensure the implementation of the measures. Having in mind the local needs and particularities, the resulting local development policy will be implemented through funding from the

EAFRD, ESF and EFRD. The identified problems and needs are deep and complex and affect many sectors, related to the social and economic development of the territory. These cannot be solved solely under the CLLDS, as well as by EAFRD itself. The main problem of the territory is related to the shortage of human resources. In order to address these needs, it is necessary to implement large-scale measures, which may be an element of integrated national or regional policy for the underdeveloped peripheral mountainous and semi-mountainous regions. Such a policy is related to the implementation of measures to improve the quality of the workforce, the employment and the social needs of the vulnerable groups, to the improvement of the public infrastructure and measures, providing access to basic services for the population and the business on the territory. In this sense, the CLLDS will focus on a limited range of problems and needs, depending on the applicable financial resources and the available capacity to implement a local development policy. Taking into account these constraints, the current Strategy has two main objectives:

**Objective 1.** Competitive economy, based on local resources, providing higher income and employment;

**Objective 2.** Improvement of the living and the business environment in preservation of the biological diversity of the territory.

**The objectives** are in line with the long-term vision for the development of the territory, which was defined in the LDS as: "LAG Stambolovo - Kardzhali 54 - a territory of preserved nature, a desirable place for living, tourism and recreation, with sustainable use of natural and cultural resources ". Local development is based on the use of local natural and cultural resources that will be appropriately "socialized" for the purposes of developing tourism, agriculture and the manufacture sectors, in keeping the rich natural and cultural heritage on the territory.

**The first objective** „Competitive economy, based on the local natural resources, providing for higher income and employment“ will be achieved by investing in business sectors that have development and growth potential, by supporting the diversification of supply (in the tourism and services sector), increasing competitiveness (small-scale production and services). By supporting enterprises from the manufacturing industry, shorter access to the market (short supply chains) and the addition of value on spot, a pre-requisite for higher employment and income on the territory.

**The second objective** „Improvement of the living and the business environment in preservation of the biological diversity of the territory“ will be achieved by supporting the expansion and the improvement of public infrastructure that will enhance the attractiveness of the natural environment and improve the access to individual services in order to promote the staying of the population in the area and to make the settlements with tourist potential more attractive. The preservation of the biodiversity of the region is a prerequisite for promoting external interest and a factor for regional development.

The **set two main objectives** will be achieved through interventions in four **priority areas** in the process of implementation of the Strategy.

**P1. Development of sustainable agriculture (plant-growing and animal breeding) and processing – it addresses the following problems and needs, accompanying agriculture and the processing of agricultural produce on the territory:**

- Restructuring of farms to crops, better suited to the local agro-ecological potential - fruits,



vegetables, essential oils and medicinal herbs, dairy animal-breeding;

- Purchase of new equipment and technologies for modernization of farms;
- Increase in income in the agriculture sector;
- Transition of part of the farms from the “natural” to the semi-market and the market type;
- Poorly developed organic farming;

**P2. “Supporting entrepreneurship to diversify the economy, including the development of tourism”, which priority addresses the following needs of the territory in the sphere of local economic development:**

- Opening of new jobs on the territory;
- Providing for small business start-ups;
- Technological modernization and replacement of outdated equipment of the companies;
- Introduction of new population services such as healthcare and social services, including for the elderly and the disabled;
- Increasing labour productivity in companies;
- Extension of tourists' stay;
- Creation of new tourist products;
- Increase in the income of the employed in tourism;
- Improving access to tourist sites;
- Construction / promotion of new tourist sites and additional attractions;
- Improvement of the marketing and the “recognition” of the territory;
- Renovation / rehabilitation of the accommodation and the public nutrition places;
- Valorisation of the local cultural assets for the purposes of tourism services;

**P3. Inclusive learning environment** – the priority is to raise the quality of human resources by improving the quality and the access to education in small settlements, by preventing early school leaving and engaging adolescents in organized forms of upbringing and education. The main issues and needs here are as follows:

- The leaving-out of educated young people, which aggravates the educational structure of the population;
- The early school leaving of some of the students as a result of the growing Roma community in recent years;
- The Bulgarian language is not a mother tongue for more than half of the children, entering the educational system, respectively, the level of knowledge is low and creates obstacles for the free communication and comprehension of the material at school;
- Creating skills for work in a multicultural environment of the teaching staff in most schools;
- Providing the teaching process with modern forms and practices, enabling the overcoming of the existing obstacles.

**P4. “Improving the living environment” will address the needs of the population and businesses on the territory associated with :**

- Improvement in the quantity and quality of drinking water in some settlements;
- Development of areas for recreation and public tourist use;
- Building a basic accessible infrastructure for people with disabilities and the elderly;
- Improvement of the state of the roads on the territory;
- Improvement of the street network;
- Construction and maintenance of green areas and playgrounds;
- Improvement in the state of the buildings, offering social services to the citizens;

- Improvement of the condition of buildings, offering cultural activities and entertainment and leisure activities such as clubs, halls and other premises;
- Protecting the environment in the region from pollution from animal breeding and agricultural land cultivation with chemicals;
- Conservation and maintenance of the rich biodiversity;
- Preservation, consolidation and restoration of key ecosystems, habitats, species and genetic resources;
- Ensuring conditions for sustainable use of biological resources.

The planned interventions on the priorities are combined into ten specific objectives.

#### **4.2. Specific objectives (SO):**

##### ***SO1. Increasing income from plant growing and livestock farming by passing to new crops and organic farming practices.***

The results from the conducted analyses show that on the LAG's territory, the farms are many but small in number and a large part of them are of the semi-market type or even natural. This type of farm is predetermined by the nature of the territory where agricultural lots are small and heavily fragmented. The territory is generally semi-mountainous and with relatively large nature constraints. Soil fertility is not high since part of the soil is naturally acidified. Until recently, tobacco has been a major crop (especially in the settlements of the Municipality of Kardzhali). The bigger farms are located on the territory of Stambolovo Municipality, where vineyards and cereals are grown. The conditions for comparatively competitive agriculture on the territory are connected to a great extent with a more intensive diversification of the farms towards the so-called sensitive sectors and applying biological practices. For the territory, such are growing vegetables (peppers), essential oils and medicinal plants.

**The specific objective** will also be achieved by supporting livestock farms, mainly for dairy livestock breeding and support for pasture livestock breeding. This support will aim to increase the size (standard production volume) of farms and the income of the employed people in them. This direction of support is also motivated by the need to provide raw material for the small processing plants within the LAG.

Young farmer's projects that have received support for the establishment of holdings of young farmers and semi-subsistence farms (small farms) during the period 2007-2013 and 2014-2020 and have not received support under Measures 121 and 4.1 Investment Activities Program with the objective of ensuring continuity in agriculture will be supported as a matter of priority since this policy supports, in addition to achieving the specific objective - the need for rejuvenation of farmers on the territory. Under the same conditions, organic farming as well as agricultural innovation and energy efficiency initiatives will be encouraged. The large number of small farms (standard production volume from 2000 - 7999 Euro) precondition the inclusion of measures from the Thematic Sub-Program for Development of Small Farms.

The achievement of the specific objective will be implemented by financing of projects under Measure **04 „Investments in material assets“, sub-measure 4.1 "Investments in agricultural farms" and sub-measure 4.1.2. " Investments in agricultural farms under the thematic sub-program for small farms development"**, in compliance with the conditions and constraints, set in RDP for the period

2014 – 2020.

***SO2.Supporting and adding value to agricultural products in sensitive sectors.***

**The achievement of this specific objective** is meant to ensure a market (*purchasing from local processing facilities*) for the production of agricultural produce, mainly in the sensitive sectors, by 'shortening' farmers' access to the market and, on the other hand, the possibility for processors to modernize their production facilities and improve technological processes to meet the strict hygiene and food safety requirements.

**The processing of agricultural produce** on the territory will create an opportunity to add value on spot, creating employment, on the one hand, and local products, on the other, which will be part of the diversification of the tourist supply on the territory, supporting the development of tourism. The construction of herbs and fruit dryers will also support the diversification of plant production to more intensive crops, leading to higher income and providing for not only seasonal employment for farmers. The specific objective will be achieved by supporting two to three small projects for processing under sub-measure 4.2 "Investment in processing / marketing of agricultural products". The measure will encourage projects for investment in facilities for storage, processing, packaging, cooling, freezing and drying of products, produced on the LAG's territory, projects that introduce new processes and technologies, aimed at protecting the environment, and if they are for processing of organic products. The need to create new jobs for the territory will be met through priority selection of projects that promote employment through job creation and / or preservation of existing jobs.

***SO3.Diversification of tourist products and the offering on the grounds of the nature and cultural assets of the territory***

The development of tourism on the territory is relatively poor and involves the natural and cultural assets of the territory. The niche is relatively narrow and it is necessary to constantly expand the range of products / experiences to offer to tourists and visitors. Diversification of supply will be the goal of all employed directly or indirectly in the tourist sector on the territory. Support will be given to creating additional attractions, creating new products beyond the established traditions and practices. The achievement of this objective will have to lead, both to the supply of new products and to increase of the traditional tourist flow through the implementation of measure 06 „Development of farms and businesses“. In the CLLDS, the measure will be applied through the following sub-measures: 6.4.1 "Investments in support of non-agricultural activities "and sub-measure 6.4.2" Investments in support of non-agricultural activities under the Thematic sub-program for Development of Small Farms ".

Priority will be given to projects, leading to boosting the potential of local tourism and to strengthening local identity. The projects, leading to the creation of employment will be of significance in the selection process. In order to expand the tourist supply on the territory, there will also be a contribution from sub-measure 7.6. „Surveys and investments, related to the maintenance, restoration and improvement of the cultural and natural heritage of the villages".

***SO4. Support for non-existent or insufficient services on the territory, including healthcare and social services.***

The peripheral character of the territory, the limited market and the consumer capabilities of the population in practice lead to a lack of supply of a number of important services for the normal life on the territory, including healthcare and social ones. Availing of them is often associated with extra costs and travel to neighboring territories. The Strategy will encourage the opening of non-existent services up to now on the territory that will improve the living conditions and reduce the cost of getting them, as well as services in support of the tourism supply. In view of the unfavorable age structure of the population, companies offering specific services for elderly people, people with disabilities and other disadvantaged groups will be encouraged.

The achievement of the specific objective will be implemented via interventions under the sub-measures: 6.4.1 "Investments in support of non-agricultural activities "and sub-measure 6.4.2" Investments in support of non-agricultural activities under the Thematic sub-program for Development of Small Farms ". Priority will be given in the selection process to projects for services, to projects, leading to creating of employment opportunities and projects of innovative character on the territory.

#### ***SP5. Support for actions, creating employment opportunities***

The support for promotion of entrepreneurship on the territory of the LAG is a priority that is important for the area. The need for start-up capital for small-scale production and services for local consumption and tourism supply will be the focus of intervention for this specific objective. Micro enterprises regularly experience difficulties in raising capital or credit for expansion and modernization of production. Their limited resources hinder their accessing new technologies and management systems, which affects negatively the efficiency of production and the opportunities for access to markets, to sustainable development, presence and efficient use of the benefits of growth in these markets.

The expected results from the grant within this objective are related to improving the competitiveness of the companies and as a result - improving their market presence through embedded technologies for improving the production process, achieving higher productivity, reducing production costs and optimizing the production chain, respectively, increasing the value added and the active inclusion at all stages of the value added chain. The achievement of the specific objective will be implemented via interventions under sub-measures: 6.4.1 "Investments in support of non-agricultural activities "and sub-measure 6.4.2" Investments in support of non-agricultural activities under the Thematic sub-program for Development of Small Farms ".

#### ***SO6. Improving the quality and the access to pre-school education***

The achievement of the specific goal will be ensured by: improving the conditions for equal access to pre-school education and upbringing; additional activities with children for whom the Bulgarian language is not a mother tongue for mastering the official language before starting first grade (*a serious problem in view of the ethnic composition of the population*); improving the quality of education in kindergartens and in the preparatory groups in municipal schools, where children of different ethnic backgrounds are trained; mutual participation of children from different ethnic backgrounds and their upbringing in the spirit of tolerance; participation of parents into the educational process; creating conditions for successful socialization of children from ethnic minorities and / or from marginalized

groups; enhancing the motivation of children and parents to participate in the educational process (starting first grade); overcoming negative public attitudes, based on ethnic origin.

The aim will be achieved through sub-measure "Support for pre-school education and preparation of disadvantaged children".

***SO7. Educational integration of students from ethnic minorities.***

The educational system on the territory of the LAG still faces problems with the integration of representatives of minority ethnic groups (*especially of Roma origin*), which reduces the efficiency of the efforts to increase their chances of successful professional, social and creative realization.

This specific objective aims at achieving significant and sustainable results in the field of the educational integration within the settlement or throughout the LAG's territory. Measures will be eligible to support projects that implement activities and achieve results in more than one municipality when they contribute to the implementation of the municipal policies in each of the included municipalities. The sub-measure "Educational integration of students from marginalized communities" within the specific objective focuses on achieving real and lasting results in the educational integration of students from marginalized communities and / or ethnic minorities towards completion of secondary education by building up working models including: maximum inclusion of students, subject to compulsory education, lead-out of Roma students from ethnic Roma schools in Roma neighbourhoods and their integration and into host schools, support for continuing to high-school education, working with parents from all ethnic groups, etc.

***SO8. Improvement in the look of the settlements.***

The goal addresses some of the important needs of the local community. In addition to providing a more welcoming environment for residents, it must lead to improvement in the tourist appearance of the settlements, especially of those with tourist potential. Maximum project impact will be sought on the population, which will benefit from the improved basic services. Projects, introducing innovative technologies or investments with ecological impact will be given priority under other equal terms. The aim will be achieved through interventions within the scope of Sub-measure 7.2 "Investments in the creation, improvement or expansion of all types of small-scale infrastructure"

***SO9. Building of infrastructure for tourism and recreation for public use***

A specific objective, which will also support the achievement of SO3 through provision of access to nature and cultural sites with tourist potential to underpin the diversification of tourism supply. The marking of existing sites, their promotion and other relevant activities will be supported in order to achieve the objective that should help create a public environment to boost the tourist supply and the recreation of the population. The specific objective will be achieved through interventions within the scope of sub-measure 7.5 Investments for public use in recreational infrastructure, tourist infrastructure, which will lead to the utilization of tourist resources on the territory of the LAG. Support for the achievement of the target will also be given through sub-measure 7.6. "Surveys and investments, related to the maintenance, restoration and improvement of the cultural and natural heritage of the

villages". Priority will be given to projects that provide environmental improvements and achieve environmental effect and impact, and whose sites are around the larger settlements in the area.

#### ***SO10. Conservation of endangered biological species on the territory***

The area is rich in biological species. Some of them are endangered. According to information from the Ministry of Environment and Waters in the Rodopi - Eastern Zone, code BG0001032, threatened by vandalism and closure of caves or galleries are the following **mammals**: *Rhinolophus mehelyi*, *Barbastella barbastellus*, *Myotis bechsteinii*. The total area they occupy is 1940 hectares, the largest being inhabited by *Rhinolophus mehelyi* - 1594.26 ha.

Within the framework of the objective, interventions aiming at the protection of the above-mentioned endangered species will be guaranteed through Measure "M 109 - Investments in conservation activities to maintain / improve the conservation status of species and natural habitats". The eligible activities, for which applicants from the LAG's territory may receive funding upon the approval of the CLLDS are activities that will lead to improvement in the conservation status of species and / or habitats within the **Natura 2000 Network**, such as:

- Performance of direct conservation activities for species and / or habitats, reported is being in unfavorable conditions;
- Construction / reconstruction / rehabilitation of the infrastructure, needed to restore the species and / or habitats, reported as being in an unfavorable conditions.

The inclusion in the CLLD strategy of activities under the 2014- 2020 EOPs linked to one of the main objectives of the Strategy, namely "Improving the living and the business environment for biodiversity conservation" and to this specific objective. The same stems from the analysis on the territory and meets the objectives of the Strategy. An indirect contribution to the achievement of the objective will also be made possible through activities, related to the conservation of the natural heritage under sub-measure 7.6. "Surveys and investments, related to the maintenance, restoration and improvement of the cultural and natural heritage of the villages", which is applied under the terms of Regulation 1305 within the framework of the CLLDS.

#### **4.3. Connection between the CLLDS and the characteristics of the specified territory, worked out on the grounds of the local needs and potential, in line with the policy at national, regional and local level, including desegregation and decentralization policy.**

The Community-led Local Development Strategy (CLLDS) has been developed on the grounds of the survey and analysis on the potential of the territory, the identified needs, attitudes and intentions of the interested parties, involved in the process, united around the vision for the future development of the territory. The relationship between the Strategy, the characteristics of the territory and the local needs and potential, as well as the correspondence with the policies at different levels is in several directions:

- through the process of drawing up / making the CLLDS in which the interested parties have been involved and their attitudes - surveyed;
- through the researched LAG's territory's needs and the possible development of local potential in the

future;

- by reflecting in the Strategy of the municipal, regional, national and European documents and development policies, including policies on desegregation and deinstitutionalization.

***The process of the drawing up the Strategy.*** The bottom-up principle was followed consistently and purposefully in the process of drawing up the strategy's framework. The community-oriented process of preparing the Strategy and the methods for discussing all its eligibility elements, conditions and criteria ensure the link between the CLLDS and the real needs and potential of the future beneficiaries of the territory. What has been taken into consideration is the identified needs, attitudes and intentions for beneficiaries' projects, including minority and vulnerable groups. Choosing a multi-fund strategy with funding from EAFRD and the two Operational Programs "Science and Education for Smart Growth" and "Environmental Protection" is motivated and based on the studies and the informational and consultation activities, carried out through the LAG's informational seminars, workshops, focus groups, discussions. The business on the territory is small and its size is insufficient to include measures from OP "Innovation and Competitiveness". OP "Human Resources Development" is suitable for the territory, but it will be used for local development purposes mainly through projects of the two municipalities.

***Expert studies and assessment.*** The second aspect, which ensures compliance with the characteristics and needs of the Strategy, is the expert assessment on the surveys and analyses. At workshops, with participation of representatives of the LAG, other active local NGOs, representatives of the municipality, local entrepreneurs and external experts, the collected data from the community were aggregated and correlated with real data, based on official statistical results on the state of the business, the state of the public infrastructure, and the opportunities to support vulnerable and marginalized groups.

***Strategy coherence with policies at national, regional and local level, including policies on desegregation and deinstitutionalization.*** The Strategy is in line with the European and National Strategy documents for the period 2014-2020 and contributes to the implementation of the European Union's Strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion "Europe 2020". The Partnership Agreement with the European Commission (strategic national document) for the achievement of the goals of „Bulgaria 2020“ National Development Program as a programming document, setting the framework and the guidelines for preparation of other strategic documents in Bulgaria. The NDP “Bulgaria 2020“ is orientated towards ensuring a balanced socio-economic development in Bulgaria in accelerating economic growth and improving the living standards in the long run. The LAG's CLLDS sets these goals on local level.

The verified local area needs, described in point 3.1 indicate the compliance with the following national needs, identified in the RDP 2014-2020:

2A-1: Improving the competitiveness of farms in the milk, meat, fruit and vegetables and essential oils and pharmaceuticals sectors;

2A-2: Improving the viability and sustainability of small farms;

2A-3: Improving the access to external financial resources;



2A-4: Accelerating the modernization and technological upgrading of farms;  
3A-3: Improving animal breeding conditions and improving the quality of the produced animal products;  
4A-5: Supporting agriculture in areas with natural constraints;  
4B-2: Increasing the share of organic production;  
6A-1: Increasing investment in non-agricultural sectors of rural areas;  
6A-2: Development of entrepreneurship in rural areas;  
6B-2: Improvement of the technical infrastructure;  
6B-3: Improvement of the tourist infrastructure;  
6B-4: Developing Local Capacity for Sustainable Development;

**These needs are in three main priorities:**

P2: Improving the viability of farms and the competitiveness of all types of farming in all regions; promoting innovative agricultural technologies and sustainable forest management;

P3: Promoting the good organization of the food chain, including – processing and marketing of agricultural products, animal welfare and risk management in agriculture;

P6: Promoting social inclusion, poverty reduction and economic development in rural areas.

The identified needs cover six out of the sixteen priority RDP areas, 2014-2020.

**The main objectives defined in the CLLDS** are in line with the objectives of the EU rural development policy and the RDP for the period 2014-2020, and, in particular, with two of them:

1. Improving the competitiveness and balanced development of agriculture, forestry and manufacturing;
2. Social and economic development of rural areas, providing new jobs, reducing poverty, social inclusion and better quality of life.

The developed Strategy reflects the objectives of the higher levels, setting them on a local / municipal level, in compliance with the needs studied and the analysis that sets the direction of development, namely investments in the economy - modern and competitive agriculture, including biologically environmentally friendly and innovative, energy-efficient, job-creating, higher-income industries; improving the quality of life in the populated areas through investment for public works and public services.

***Compliance with policies at regional, district and local level.*** The Strategy for CLLD, worked out for the LAG's territory complies with:

***Regional Development Plan for the South Central Area – at Level 2*** - for the period 2014-2020, which outlines the importance of balanced development, seeking to overcome the disparities between regions and municipalities, restoring the disturbed balance between rural areas and urban centers and more opportunities for successful inter-municipal cooperation. The need to increase the investment attractiveness in the search for new economic initiatives and partners has been established. Preservation of the natural and cultural heritage is presented as a pre-requisite for the social and economic development of the region.

***Regional Strategies for Development of Haskovo and Kardzhali Districts*** for the 2014-2020 period aim to make the regions an attractive place to live and do business. Their objectives cover a variety of

challenges for the regions, respectively the municipalities that draw them up: 1) achieving a competitive economy, based on the existing traditions and the available resources; 2) improved quality of life; 3) developed tourism, using the natural, cultural and historical resources; 4) enhanced and improved interaction between the different beneficiaries - administration, business and civil society.

***The Municipal Plans for Development of the Municipalities Stambolovo and Kardzhali, 2014-2020 and other local strategies.*** The CLLD Strategy reflects and complements the objectives and priorities of the Municipal Development Plans for Stambolovo and Kardzhali for the period 2014-2020, the municipal programs in the sphere of social services and work with the minority and the vulnerable groups from the population. The LAG's Strategy provides investment and logistical support for the development of economic activities on the territory with a priority on modern and competitive agriculture and processing of agricultural products, support for modernization of small production facilities, diversification and quality improvement in the service sector, construction or renovation of small-scale infrastructure, including for use by the vulnerable and minority groups of the population in the municipality. It also corresponds directly to the objectives for conservation and the efficient use of natural resources and cultural heritage, for balanced economic growth, renewal of public spaces, and improvement in the human resources and social development.

A particular focus is placed on policies for deinstitutionalization and desegregation, as well as on the support for policies, aimed at the young people and the care for people with disabilities and the elderly. The CLLD strategic framework supports the achievement of the objectives at municipal level and in the long run - the concept for the development of the two municipalities, ensuring the connection and taking into account the specific characteristics of the territory.

#### **4.4. Description of the innovative characteristics of the Strategy**

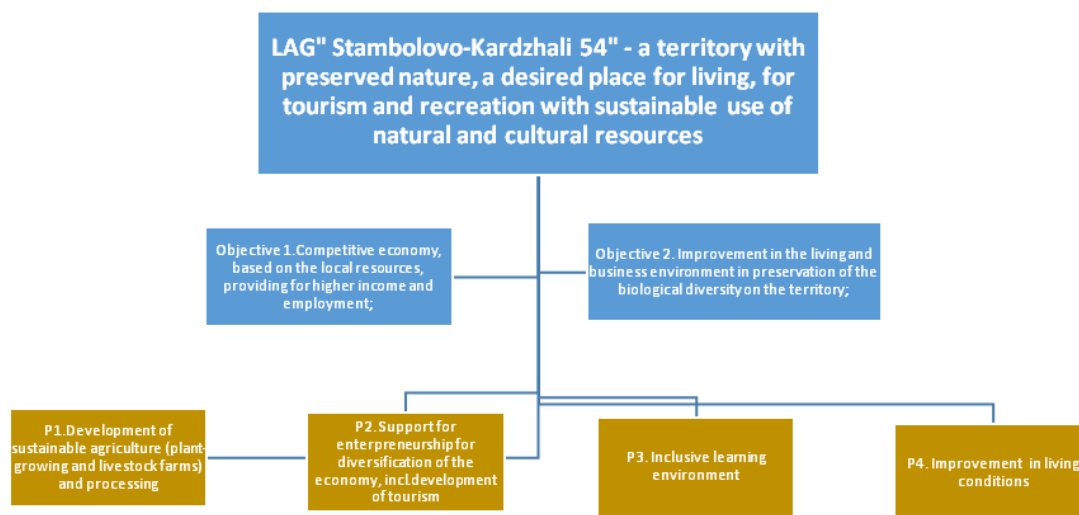
The Territory of the LAG "Stambolovo - Kardzhali 54" will apply for the first time a development approach, based on the wide participation of the various interested groups on the territory. In this sense, the implementation of the CLLDS itself is an innovative approach to local development. The CLLDS itself seeks to implement in an innovative way a solution to the problems of the territory. In the agricultural sector and partly in the non-agricultural sector, the Strategy integrates measures under the Thematic Sub-Program for Small Farms, trying to bring out agricultural products to the market for those farms that are in the sphere of natural exchange. We expect that the support for them will further promote the development of agriculture on the territory. The Strategy seeks targeted support in the so-called "sensitive" agricultural sectors that are novelties for the territory where people have traditionally grown tobacco and are thus expected to develop new crops - essential oils and medicinal herbs, perennial crops, etc., which, in the long run, will lead to change and diversification towards new cultures. The public infrastructure resource is relatively poor, and aims to mainly support the tourist supply and partly – the vulnerable groups on the territory.

The cultural, historical and natural heritage of the territory will be used for the purpose of expanding the tourist supply through exposure and appropriate socialization. This will also be done through the implementation of measure 7.6, in compliance with the conditions and the possibilities of the EU Regulation № 1305. The innovative character of the Strategy is complemented by the project selection criteria, outlined in the individual measures that give priority to innovation-enhancing projects, improving resource efficiency and introducing new practices and approaches.

The Strategy involves financing from more than one fund and besides the measures upon the RDP, it includes measures/operations from the EOP and OPSEIG.

#### **4.5. Hierarchy of the objectives - including objectives for the end products or results:**

The goal hierarchy is visualized through the block diagram below, where the two main objectives of the strategy are presented, the priorities of the CLLDS, the work, which will lead to the achievement of the main goals and the realization of the vision



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in respect to the territory in the long term.

**Specific objectives (SO)** are formulated under each of the priorities. The achievement of the specific objectives will be ensured through interventions from one or more measures.

#### **P1. Development of sustainable agriculture (plant and livestock) and processing**

### P1. Development of sustainable agriculture (plant-growing and livestock farming) and processing;

SO1. Increase in the income from plant growing and livestock farming by transition to new species and organic agricultural practices;

SO2. Support and addition of value to agricultural products from the sensitive sectors;

M.4.1

M.4.1.2

M4.2

#### **P2. Support for entrepreneurship to diversify the economy, including development of tourism**

### P2. Support for entrepreneurship for diversification of economy, including development of tourism

SO3. Diversification of the tourist products and the offering on the grounds of the natural and the cultural assets of the territory;

SO4. Support for non-existent or insufficient services on the territory, including healthcare and social services;

SO5. Support for production creating new employment;

M6.4.2

M7.6

M6.4.1

M6.4.2

M6.4.1

M6.4.2

### P3. Inclusive learning environment

#### P3. Inclusive learning environment

SO6. Improvement in the quality and in the access to pre-school education

SO7. Educational integration of students from the ethnic minorities;

Sub-measure 1 „Support for pre-school education and preparation of children in unequal status“

Sub-measure 2 „Educational integration of students from marginalized communities“

### P4. Improving the living environment

#### P4. Improving the living environment

SO8. Improvement in the look of the settlements;

SO9. Building of infrastructure for tourism and recreation for public use;

SO10. Preservation of the endangered species on the territory;

M7.2

M7.5

M7.6

Investments in conservation activities for maintenance/improvement of the status of the species and their habitats.“

M7.6

The implementation of CLLDS of LAG”Stambolovo- Kardzhali 54”aims to finance thirty-one project proposals from twenty-nine beneficiaries on the territory, focusing primarily on the further development of public infrastructure, the diversification of the tourist supply on the territory, support for agriculture and the processing of agricultural produce in the sensitive sectors, and creating employment. It aims to create fifteen job placements. The implementation of these projects will have a positive impact on more than twelve thousand people (61%) from the population on the territory.

### 5. Description of the measures:

*(not more than 4 pages for each measure)*

#### Measures and activities for each of the funds separately:

**RDP  
(EAFRD)**

#### Description of the general conditions, applicable to more than one measure

The objectives of the CLLDS for the period 2014-2020 of LAG„Stambolovo – Kardzhali 54“are planned to be achieved through the application of 11 measures from 3 programs in total – **RDP**(eight measures), **OPSEIG** (two measures) and **EOP** (one measure).Seven of the measures, financed by the **EAFRD** are within the scope of the **RDP, 2014 - 2020** and one - from **Regulation (EC) № 1305/2013**(7.6). The selected measures, financed by the **EAFRD** are investment measures and meet the conditions and requirements in Art.15 and Art.16 of Regulation № 22 from 14.12.2015for application of sub-measure 19.2 "Implementation of

Community-led Local Development Strategy Operations" of Measure 19 "Community-led Local Development" of the Rural Development Program (RDP) -2020, issued by the Minister of Agriculture and Foods. The implementation of CIW measures will comply with and apply the requirements, set out in point 8.1 "Description of the general conditions, applicable to more than one measure" of the Bulgarian Rural Development Program 2014-2020, approved by the Implementing Decision of the European Commission from 26.05.2015.

**The general conditions** for application of the LDS measures of LAG „Stambolovo – Kardzhali 54“ are linked with:

**1. Territorial coverage** - the projects and the activities under the measures of the CLLDS are applied throughout the territory of the LAG, which covers the area within the administrative boundaries of the Municipality of Stambolovo and 54 settlements from the Municipality of Kardzhali (check p.1.1). *The operations under the CLLDS, funded by EAFRD are/shall be implemented on the territory of the rural area (the Municipality of Stambolovo) and on the territory of the 54 settlements in the Municipality of Kardzhali (covered by the LAG) when the projects contribute to the development of the respective rural area .*

The applicant / beneficiary of financial assistance must have a permanent address - for natural persons, and main seat and management address - for sole traders and legal entities, within the LAG's territory and must perform the project activities within the LAG's territory.

*The requirement for main seat and management address do not apply to the Municipality of Kardzhali, as part of its territory is included in the scope of the CLLD strategy.*

**2. Eligibility of project costs** –The eligible investment costs are described for each measure individually. Eligible for support, for measures financed by the EAFRD are also general costs, related to the relevant project preliminary surveys, fees, architects, engineers and consultancy fees, environmental and economic project sustainability consultations, project feasibility surveys. The total costs of the project may not exceed 12% from the total eligible project investment costs. The total costs may have occurred not earlier than 01/01/2014.

**Only costs incurred after the submission** of the application for support by the beneficiary of the LDS, excluding the total costs, are considered eligible.

**Financial assistance** under the measures is granted in the form of reimbursement of actually incurred and paid eligible costs.

**No financial support will be provided** for the construction and renovation of accommodation with more than 20 accommodation premises with value of the financial assistance above the equivalent of BGN 50 000, VAT included under a project, financed entirely or partially by the EAFRD.

Expenditure shall be eligible for EAFRD funding only where the SAF has actually paid the aid in question by 31 December 2023.

**3. Ineligible project costs** - The LDS defines as ineligible costs for investments and activities referred to in Art. 21 from Ordinance No. 22, namely:

- **for interest on debts**; for the purchase of non-built-up and built-up land, worth more than 10

% of the total eligible costs of the respective operation; for value added tax, other than non-recoverable; for ordinary replacement and maintenance; for interest and commissions, profit of a leasing company, costs for interest on re-financing, operating and insurance costs under a leasing contract; for leasing, in addition to a finance lease, in which the beneficiary becomes the owner of the asset not later than the date of filing an interim or final payment request for the same asset; for overheads; for insurance; for purchase of second-hand equipment; carried out before 1 January 2014; for contributions in kind; for investment in agriculture - purchase of production and payment rights, purchase of animals, purchase of yearly plants and their planting; for an investment that is known to have a negative impact on the environment; prior to the submission of the application for financial assistance, regardless of whether all related payments have been made, except for the costs of feasibility studies, fees, architects, engineers and consultancy services paid after 1st January 2014; for construction and installation works and for the establishment of permanent crops, carried out before a site visit by the LAG; requests for financing, when they exceed the ones determined under Art. 22, par. 4 of Regulation 22 on Reference Costs.

Ineligible expenditure on measures / operations under **EOP and OPSEIG** is expenditure, indicated as ineligible in the respective programs.

**4. Requirements for environmental projects** – for projects and activities that include investment support, a positive Environmental Impact Assessment (EIA) decision is required, except where this is not required by the Protection of the Environment Act (PEA). Projects falling under Natura 2000 sites, prior to their approval, will be checked for compliance with the provisions of the Biodiversity Act and the relevant secondary legislation for its implementation.

In the case of investment projects, the Environmental Impact Assessment (EIA) or a decision on the environmental impact assessment, pursuant to the PEA is/shall be carried out by the relevant structures of the Ministry of Environment and Waters (MEW) – Regional Directorate of the MEW on the territory, covering the LAG. For projects with investments, the respective structures of the MEW will also assess the compatibility of the project with the subject and objectives of the protection of the protected areas, in compliance with the Ordinance on the conditions and the procedure for assessing the compatibility of plans, programs, projects and investment proposals with the subject and the conservation objectives of protected areas.

In order to prevent and minimize any possible negative effects on the landscape, it is necessary when implementing projects under measures 4, 6, 7 from CLLDS 2014-2020 to rehabilitate damaged areas and for afforestation of territories with suitable plant species if there is an irregularity with the terrain.

**5. Advance payments – beneficiaries of projects**, involving investment support, may request from the Funding Agency an advance payment of up to 50% of the public support. Advance payment for activities, supported under measure 7, sub-measures 7.2, 7.5 and 7.6. is up to 12% of the value of the approved public funding for general expenses in case there are documents from the procedure for the selection of the contractor (s) under the PPP. The difference up to



50% from the amount of the approved public funds under the project is paid after all procedures have been completed and a contract for the selection of contractor (s) under the PPP has been signed. An advance payment to the beneficiaries is made after the establishment of a bank guarantee or another equivalent guarantee, amounting to 100% of the amount of the requested advance payment.

**Advance payments are eligible upon measures related to CLLDS, as follows:**

**Measure 4 „Investments in material assets“**with sub-measures 4.1. Investments in physical assets, as well as the sub-measure under the Thematic Sub-program for Small Farms; 4.2. Investment in processing / marketing of agricultural products;

Sub-measure 6.4. Investment support for non-agricultural activities (including the sub-measure under the Thematic Sub-program for Small Farms)

**Measure 7 "Basic services and renovation of rural villages"** with sub-measure 7.2. Investments in the creation, improvement or extension of all types of small-scale infrastructure, sub-measure 7.5. Investments for public use in recreational infrastructure, tourist infrastructure and sub-measure 7.6. Studies and investments, related to the restoration and improvement of the cultural and natural heritage; The advance payments under measures, related to EOP and OPSEIG are eligible subject to the terms of the respective programs.

***General conditions for the applicants under sub-measures 4.1, 4.2. and 6.4 of the LDS***

Presentation of a business plan (BP) that demonstrates improvement in the activity of the holding / in the economic viability by applying the planned investments and activities, detailed in the presented BP.

***General conditions for applicants' projects under measures 7.2, 7.5 and 7.6. of the LDS***

*The projects should be in line with the priorities of the municipal development plan of the given municipality for the period 2014-2020, which is certified by a decision of the municipal council.*

***For measures from the strategy for CLLD, which are measures / operations, financed by the operative programs, the conditions, set out by the respective MA in the guidelines under § 3 of Decree No 161 on the general requirements for the strategies of the respective program are applied.***

#### **M04 — INVESTMENTS IN MATERIAL ASSETS**

The financial assistance under the measure will focus on tangible and intangible investments in agricultural holdings on the territory. In the CLLDS, the measure will be implemented through sub-measures: 4.1. , 4.1.2 and 4.2. ***Sub-measure 4.1 "Investments in agricultural farms"***

##### **1. Description of the objectives and the scope of the sub-measure**

**Sub-measure 4.1 "Investments in agricultural farms"** aims to enhance the competitiveness of agriculture on the territory of the local action group by: 1. restructuring and developing the available physical capacities on the farms; 2. promoting the introduction of new technologies in the production and modernization of physical capital; 3. preservation of the environmental components; 4. complying with the European Union (EU) standards and improving the

conditions on farms; 5. encouraging cooperation between farmers.

Assistance under the sub-measure will focus on modernizing farms, including restructuring and modernization of farms from the sensitive sectors, with difficult access to the market and the organic production through modernization of the physical capital, intangible assets, related to the organization and management of farms, new and energy-saving technologies, improved pre-production and storage. The introduction of new technologies in the production and modernization of physical capital will favour the increase in labour productivity. Through the support of the measure, the objective is to expand the farms of young farmers, to ensure sustainable development of agriculture and guarantee the change of generations in agriculture.

## **2. Eligible activities**

**Under sub-measure 4.1.** "Investments in agricultural farms" projects will be supported that lead to improvement of the overall activity of the farm by:

1. Integration of new products, processes and technologies and renewal of the available production tangible and / or intangible assets; or
2. Encouraging cooperation with producers and processors of agricultural products; or
3. Conservation of the environmental components, including reduction of harmful emissions and waste; or
4. Increase in the energy efficiency in agricultural farms; and / or
5. Improvement in the working conditions, improvement of the hygienic, veterinary, phytosanitary, environmental and other conditions of production; or
6. Improvement in the quality of agricultural products; or
7. Providing for possibilities for production of organic agricultural products.

## **3. Eligible Costs**

(1) The eligible costs within the farm are in accordance with Article 67 from Regulation (EU) No 1303/2013 of the European Parliament and of the Council as of 17th December 2013, laying down the common provisions of the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down the general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Regulation (EC) No 1083/2006 of the Council; - financial assistance under the measure is provided in the form of reimbursement of actually incurred and paid eligible costs for:

1. construction or renovation of buildings and other immovable property, used for agricultural production, including those, used for the preservation of environmental components;
2. purchase, including financial leasing, and / or the installation of new machinery, equipment and facilities, necessary to improve the agricultural production process, including the protection of the environmental components, the receipt of heat and /or electricity, necessary for the agricultural activities of the economy and improving the energy efficiency, the storage

and the preparation for sale of agricultural produce;

3. establishment and / or re-planting of permanent crops, including perennial plantations of dessert vines, honey-related tree species for honey production, other fast-growing shrubs and tree species, used to produce bio-energy;

4. costs of meeting newly introduced EU standards;

5. purchase of: equipment, attachment inventory for bee-keeping and equipment, necessary for the production of honey and other bee products, as well as for the breeding of mother bees, including through financial leasing;

6. expenditure to help comply with existing EU standards - for young farmers, receiving financial support under sub-measure 6;

7. purchase of land, necessary for the implementation of the project in connection with the construction and /or modernization of buildings, premises and other tangible assets, intended for agricultural production activities and / or for the creation and / or re-planting of permanent crops;

8. purchase of buildings, premises and other immovable property, necessary for the implementation of the project, intended for agricultural production activities on the territory of a rural area;

9. purchase, including by financial leasing, of specialized agricultural transport vehicles, such as: trucks, milk collection tanks, refrigerated vehicles for the transport of produce, vehicles for transporting live animals and poultry;

10. costs for rehabilitation of existing and the construction of new irrigation systems and equipment, including the construction of new and improvement of existing farm networks, water abstraction facilities, including wells and water storage facilities, as well as the purchase of technical equipment for their operation, including new pipelines, drip irrigation systems, sprinkler systems, pumping stations, water storage techniques / equipment, etc .;

11. costs for achieving compliance with internationally recognized standards, relating to the introduction of quality management systems on farms, introduction of good production practices, preparation for certification;

12. purchase of software, including through financial leasing;

13. for know-how, acquisition of patent rights and licenses, registration of trademarks and processes, necessary for the preparation and implementation of the project;

14. project-related costs, incl. project preliminary studies, fees, architect, engineer and consultant fees, consultancy for environmental and economic sustainability of projects, technical feasibility studies on the project, carried out both in the process of preparation of the project before the submission of the application for support and at the time of its implementation, which may not exceed 12 % of the total eligible costs of a project, included in items 1 to 13, having in mind that the eligible design costs are calculated on the grounds of the eligible costs for the project site.

#### **4. Eligible beneficiaries**

Farmers (agriculture producers) /Physical and juridical entities/:

1. The respective applicants should be registered farmers in accordance with the Farmers Support Act;
2. The minimum standard production volume of the applicant's holding/ farm must be no less than EUR 8,000;
3. Candidates, legal entities, shall prove their income from agricultural activity and / or income from services, directly related to agricultural activity and / or the processing of agricultural production and / or participation and support upon the unified payment scheme based on size of land lots;
4. Candidates should submit a business plan (BP), which demonstrates the improvement in the farmer's activities by implementing the planned investments and activities, detailed in the presented BP.

The eligibility criteria upon item 3 do not apply to applicants with rural area projects, established up to 1 year before applying for investment projects in: the livestock sector, the fruit and vegetables sector, the production of "essential oil and medical plants".

#### **5. Financial parameters of the projects**

The minimum amount of eligible costs for a project proposal is **within EUR 5,000**. The maximum amount of eligible costs per applicant for the implementation period of the Strategy is in the range of **EUR 200 thousand** and the maximum eligible costs for a project cannot exceed **EUR 100 thousand**.

#### **6. Assistance intensity and grant amount**

The financial assistance amounts to 50% of the total amount of eligible costs, which may be increased by 10% for:

1. projects, submitted by young farmers;
2. integrated projects, including those, relating to mergers of producer organizations;
3. projects, implemented in the area of disadvantaged areas;
4. projects for collective investment, submitted by legal entities, involving 6 to 10 farmers.
5. investments, entirely related to the implemented commitments under measure 11 "Organic farming" under the RDP 2014-2020 or similar commitments under measure 214 "Agro-environmental payments", sector "Organic farming" from the RDP 2007 - 2013.
6. collective investment projects, submitted by legal entities, involving more than 10 farmers and /or groups / producer organizations.

The maximum combined support for an individual beneficiary project is not more than 60% of the total eligible costs.

The maximum combined support for collective investment projects is no more than 70% of the total amount of the eligible expenditure.

### 7.Criteria for assessment of the projects and their weight (points/ score)

1	The project provides support for the sensitive sectors in agriculture - fruit and vegetable production, essential oil and medical plants, dairy livestock;	20
2	The project is for organic production;	20
3	The project provides additional job placements;	20
	The project provides for 2 new work places/ job placements;	10
	The project provides for 3 or more new work places/ job placements;	20
4	The project involves a young farmer who has received support for the establishment of farms for young farmers and semi-subsistence farms (small farms) during the period 2007 - 2013 and 2014-2020 and hasnot received support under measures 121 and 4.1 from the Investment Activity Program, in order to ensure continuity in agriculture.	20
5	The project increases the energy efficiency of the farm	10
6	The project leads to the introduction of farm innovations	10
	<b>Total</b>	<b>100</b>

### *Sub-measure 4.1.2. "Investments in agricultural farms/holdings upon the Thematic Sub-program for Development of Small Farms"*

#### **1. Description of the objectives and the scope of the sub-measure**

Sub-measure 4.1.2 aims to increase the viability and the stability of small farms on the LAG's territory by: 1. restructuring and developing of the available physical capacities on farms; 2. promoting the introduction of new technologies in the production and modernization of physical capital;

#### **2. Eligible activities**

Upon this operation, tangible and intangible long-term investments are promoted to improve economic sustainability and farm performance. The following types of activities will be supported:1. modernization or increase of physical capital in order to reduce direct costs of production, increase labor productivity and quality or expand production; 2. improvement of pre-market preparation or storage of products (such as equipment for cleaning, sorting,

packaging of products and buildings for specialized storage and treatment, ventilation, insulation and cooling); 3. creation and / or replanting of perennial crops, dessert vines, honey-related tree species for honey production and fast-growing shrubs and wood species for bio-energy production; 4. reduction of energy consumption; 5. production of bio-energy for the needs of the agricultural holdings/ farms; 6. investments in machines, equipment and equipment for environmental protection; (7) compliance with newly introduced Community standards, applicable to the respective farms.

### **3. Eligible costs**

(1) The eligible costs within the farm upon the thematic sub-program for small farms are:

- Construction, acquisition and improvement of real estate, including through leasing;
- Purchase of new machinery, equipment and equipment, including computer software, up to the market value of assets, including through leasing;
- Buying lawnmowers, buying crushers (attachment inventory that directly chops small shrubs and compost them), buying portable dryers and more.
- The total costs, related to the relevant project feasibility studies, fees, fees for architects, engineers and consultancy services.

### **4. Eligible beneficiaries**

Farmers with economic size of their farm/s between 6 000 and 7 999 EUR, measured in standard production volume and whose output is in one of the sectors – “fruits and vegetables” and “essential oils and medicinal plants”. Applicants must have received at least 33% of their total income for the previous year from agricultural activities.

***No beneficiaries approved under measure 112 “Making of young farmers” from the RDP 2007-2013 will be funded.***

### **5. Financial parameters of the projects**

The minimum eligible cost for a project proposal is € **1,250**. The maximum eligible cost for a project proposal is € **25,000**. The maximum combined support for collective investment projects and integrated projects won't be more than 90% of the total amount of eligible costs.

### **6. Assistance intensity and grant amount**

The financial aid is up to 60% of the total amount of eligible costs; The amount of financial assistance shall be increased by 10 % but the maximum combined funding may not exceed 80% in the following cases:

- For projects, submitted by young farmers - 10%;
- For collective investment or integrated projects, involving support under more than one measure - 10%;

- For projects with investment in areas with nature-related and other specific limitations upon Article 33 - 10%;
- For projects, supported by the EIP for agricultural productivity - 10%;
- For investment projects to implement activities upon Article 28 and Article 29 - 15%.
- Projects, integrating the horizontal priorities for innovation, environmental protection and recovery, including organic production, resource saving and adaptation to climate change - 10%.

#### **7. Criteria for assessment of the projects and their weight (points/ score)**

1	The project is/involves organic production.	30
2	The project provides for additional employment.	30
	2 new work places/ job placements are created through the project;	15
	3 or more new work places/ job placements are created through the project;	30
3	The project increases the energy efficiency of the farm.	20
4	The projects leads to the introduction of innovations to the agricultural farm;	20
	<b>Total</b>	100

#### **Sub-measure 4.2 "Investment in processing / marketing of agricultural products"**

##### **1. Description of the objectives and the scope of the sub-measure**

Sub-measure 4.2. "Investment in processing / marketing of agricultural products" aims at improving the overall activity, economic efficiency and competitiveness of the enterprises in the food processing industry through: better use of the factors of production; introduction of new products, processes and technologies, including short supply chains; improving the quality and safety of food and its traceability; achieving compliance with European Union (EU) standards; improving environmental protection.

**Financial assistance is provided for investments in the following selected production sectors, related to the processing / marketing of agricultural products:**

1. milk and dairy products, including poultry eggs, with the exception of production, processing and / or marketing of products that resemble / substitute milk and dairy products;
2. meat and meat products;
3. fruit and vegetables, including mushrooms;
4. bee honey and bee products except for the production, processing and / or marketing of products that resemble / substitute honey and bee products;
5. cereals, millet and starch products except for the production, processing and / or marketing of bread and pasta

articles;

6.vegetable and animal oils and fats, excluding the production, processing and / or marketing of olive oil;

7.technical and medicinal crops, including oilseed rose, herbs and cotton, excluding the production, processing and / or marketing of tobacco and tobacco products, sugar and confectionery;

8.prepared foods for farm animals (fodder);

9. grape must, wine and vinegar.

**Financial assistance is provided for investment and energy production by processing primary and secondary biomass from plant and livestock products.**

## **2.Eligible activities**

Projects that improve the overall business of the enterprise are supported by: 1. Introducing new and / or upgrading existing capacities and improving their use and / or introducing new products, processes and technologies, and / or reducing the cost of production, and / or compliance with newly introduced EU standards and / or improving cooperation with raw materials producers and / or environmental protection, including reduction of emissions and / or waste, improving energy efficiency in enterprises and / or improving safety and hygiene conditions of production and labor and / or improving the quality and safety of food and its traceability, and / or improving the possibilities for the production of organic food by processing primary agricultural organic products.

## **3.Eligible costs**

In accordance with Article 67 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17th December 2013, laying down the general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, and repealing Regulation (EC) No 1782/2003 of the European Parliament and of the Council on the European Regional Development Fund, the European Maritime and Fisheries Fund and the European Maritime and Fisheries Fund; No 1083/2006, the financial assistance under the measure is granted in the form of reimbursement of the eligible costs actually incurred and paid:

1.For construction, acquisition and upgrading of buildings and other immovable assets, related to the production and / or marketing, including those, used to preserve environmental components;

2. For purchase, including financial leasing, and / or installation of new machinery, equipment and equipment, necessary to improve the manufacturing process of the processing and marketing, including for:

(a) processing, packaging, including refrigeration, freezing, drying, storage,



etc. of raw materials or output;

(b) production of new products, introduction of new technologies and processes;

(c) conservation of environmental components;

(d) production of energy from renewable energy sources for company's own needs, including through the processing of plant and animal primary and secondary biomass;

(e) improving energy efficiency and improving and controlling the quality and safety of raw materials and food;

3. For purchase of land, necessary for the implementation of the project in connection with the construction and / or modernization of buildings, premises and other tangible assets, intended for production activities;

4. For purchase of buildings, premises and other real estate, necessary for the implementation of the project, intended for production activities on the territory of a rural area, according to an Annex;

5. For purchase, including financial leasing, of specialized means of transport, including refrigeration, for the transport of raw materials or finished products, used and produced by the enterprise;

6. Building / modernization, including equipment, owned by the applicant, located on the premises of the enterprise and directly related to the production process, including through financial leasing;

7. For tangible investments to help comply with the newly adopted EU standards, in compliance with Annex 1 to Section 8.2 of the RDP 2014-2020, including through financial leasing;

8. Expenditure to achieve compliance with internationally recognized management systems standards, costs of introducing good manufacturing practices, quality management systems, and certification preparation in enterprises only when these costs are part of a joint project of the applicant;

9. For purchase of software, including through financial leasing;

10. For know-how, acquisition of patent rights and licenses, registration of trademarks and processes, necessary for the preparation and implementation of the project;

11. Project related costs, including preliminary project studies, fees, fees for architects, engineers and consultants, consultations on the economic sustainability of projects, carried out both during the project preparation phase before the application for assistance and during its implementation, which may not exceed 12 % of the total eligible costs of a project, included in items 1-10.

#### **4. Eligible beneficiaries**

**Farmers** who are registered upon Ordinance No. 3 of 1999 for establishing and

maintaining a register of farmers (State Gazette No. 10 of 1999); whose farm has a minimum standard production volume of not less than the BGN equivalent of **EUR 8000**.

**Recognized** producer groups or organizations or those, approved for financial assistance under Measure 9. "Establishment of producer groups and organizations" - RDP 2014-2020;

*Sole proprietors and legal entities other than the applicants upon p. 1 and 2.*

*Candidates must be registered under the Commerce Act or the Cooperative Act.*

#### **5.Financial parameters of the projects**

The minimum amount of the total eligible costs per project is the **BGN equivalent of EUR 15,000** and the maximum amount is the BGN equivalent of **EUR 100,000**.

#### **6.Assistance intensity and grant amount**

Financial support for approved projects amounts to 50 % of the total amount of eligible costs for projects, submitted by micro, small or medium-sized enterprises, and for projects, submitted by large enterprises, the financial assistance is 40 % of the total amount of the expenditure, eligible for financial assistance.

#### **7.Criteria for assessment of the projects and their weight (points/ score)**

1	The project is for investments in assets for storage, processing, packaging, cooling, freezing and drying of products produced on the territory of the LAG;	40
2	The project is for processing of biological products.	20
3	The project introduces new processes and technologies aimed at protecting the environment.	10
4	The project promotes employment through the creation of jobs and the preservation of existing jobs	30
	up to 2 new work places/ job placements are opened upon the project	10
	from 2 to 5 new work places/ job placements are opened upon the project	20
	more than 5 new work places/ job placements are opened upon the project	30
	<b>Total</b>	<b>100</b>



## **MEASURE 6 DEVELOPMENT OF HOLDINGS AND ENTERPRISES**

Objectives of the measure: to promote employment and to open new workplaces as well as to preserve the existing ones; to reduce seasonal fluctuations in employment; to promote the start-up and to develop non-agricultural activities in the rural areas. In the CLLD Strategy, the measure will be implemented through sub-measures 6.4.1 and 6.4.2.

### **6.4.1 Sub-measure "Investments in support of non-agricultural activities"**

#### **1. Description of the objectives and the scope of this sub-measure**

This sub-measure will enhance the investments in non-agricultural activities that are essential for the development of rural competitiveness. Investment activities will be encouraged, opening of workplaces will be fostered and the diversification of non-agricultural activities will be accelerated. This measure aims at helping the utilisation of the tourist potential development, combining local natural and cultural values.

#### **2. Eligible activities**

This sub-measure provides support for investments in non-agricultural activities aiming at: the development of tourism (construction and renovation of tourist sites and development of tourist services) – project support for renovation or construction of accommodation with up to 20 accommodation places. Production or sale of products, not included in Annex 1 of the Treaty on the Functioning of the European Union (regardless of inputs and materials); development of services in all sectors (eg childcare, elderly people care, people with disabilities, healthcare services, accounting and auditing services, veterinary services and services based on IT, etc.; energy production from renewable sources for the individual consumption of establishment; crafts development (including the provision of services related to the participation of visitors in craft activities) and other non-agricultural activities; NO projects shall be financed to carry out agricultural activities or the result of which is a product included in Annex I to the Treaty on the Functioning of the European Union;

Financial assistance will NOT be provided for gambling, financial services, golf, sectors and activities declared ineligible by the Commission Regulation (EU) No 1407/2013, dated 18th December 2013, with respect to the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, production of energy from renewable energy sources for sale;

NO financial support will be provided for the construction and renovation of tourist sites and development of tourist services in resorts and settlements along the Black Sea coast and in mountainous resorts with developed mass tourism.

#### **3. Eligible costs**

(a) construction, acquisition or improvement of immovable property; (b) purchase, including the lease of new machinery and equipment up to the market value of the assets; (c) total costs related to the costs of items (a) and (b), such as payment to architects, engineers and consultants, consultancy payment with regard to environmental and economic sustainability, including feasibility studies; (d) intangible investments: acquisition and creation of computer

software and acquisition of patents, licenses, copyrights and trade marks. The expenses under item "c" may not exceed 12% of the amount of expenditure under items "a", "b" and "d".

NO financial support will be provided for the construction and renovation of accommodation with more than 20 accommodation units and value of the financial assistance above the level equivalent of BGN 50 000, VAT included, under a project that is financed entirely or partially by the EAFRD.

Current costs are not eligible for support.

#### **4. Eligible recipients**

Farmers (the farms of the applicants - farmers must have a standard production volume of more than EUR 8 000; micro-sized enterprises registered as sole traders or legal entities under the Commerce Act, the Cooperatives Act or the Religious Denominations Act, Natural persons registered under the Crafts Law.

#### **5. Financial parameters of the projects**

Minimum value of the total eligible project costs – **5 000 Euro**.

Maximum value of the total eligible project costs – **150 000 Euro**.

#### **6. Assistance intensity and grant amount**

The financial assistance may not exceed 75% of the total eligible expenditure subject to the "minimum aid" rules and to the conditions of the Commission Regulation (EU) N: 1407/2013, dated 18th December 2013 on the application of Articles 107 and 108 the Treaty on the Functioning of the European Union on de minimis aid.

#### **7. Project evaluation criteria and their weight (points)**

1	The project supports the absorption of tourism development potential;	20
2	The project suggests production activities;	25
3	The project opens new workplaces:	30
	the project opens up to two workplaces	10
	the project opens three to five workplaces	20
	the project opens six and more workplaces	30
4	The applicant has been active on this territory for at least 1 year prior to the application date;	5
5	The project suggests services	20
	<b>Total</b>	<b>100</b>

#### **6.4.2 "Investments in support of non-agricultural activities under the thematic sub-program for small-size farm development"**

##### **1. Description of objectives and scope of this sub-measure**

The application of sub-measure 6.4.2 aims at expanding the activities of farms with non-

agricultural ones, which in turn will increase their sustainability and support the process of their restructuring.

## **2. Eligible activities**

Under this sub-measure, investments are supported to start or develop non-agricultural activities in rural areas, including:

Development of rural tourism (construction and renovation of tourist sites and development of tourist services) - Projects for renovation or construction of accommodation with up to 20 accommodation premises are supported; Local crafts (including the provision of services related to the participation of visitors in craft activities); Processing and marketing of agricultural products, not supported under Art. 18 and where the end product is not included in Annex I; Manufacture and/or processing of non-agricultural goods and materials; Provision of services to all economic sectors and the population (eg: childcare, elderly people care, people with disabilities, health services, accounting and auditing services, veterinary and IT-based services, etc.); development of "green economy" technologies, including renewable energy for the individual farm consumption.

Actions, that result in agricultural activities or the result of the activity is a product listed in Annex I to the Treaty on the Functioning of the European Union, are not financed;

## **3. Eligible costs**

(a) Construction, acquisition and improvement of real estate, including through leasing; (b) Purchase of new machinery, equipment and devices, including computer software, up to the market value of the assets, including through leasing; (c) Total costs of the relevant feasibility study, fees, fees for architects, engineers and consultancy services; d) Purchase of know-how, patent rights and licenses, trademarks and processes necessary for the preparation and implementation of the project.

The expenditure under item "c" may not exceed 12% of the amount of expenditure under items "a", "b" and "d". Current costs are not eligible for support.

## **4. Eligible recipients**

Registered farmers with economically sized farms, measured in a standard production volume of 2 000 to 7 999 euro.

(The applicants must have received at least 33% of the total income for the transitional year financed from their agricultural activities).

## **5. Financial parameters of the projects**

Financial parameters of the projects – 2 000 €bpo.

Maximum value of the total eligible costs of the project – 50 000 €bpo.

## **6. Financial assistance intensity and amount**

The financial assistance is up to 85% of the total eligible cost amount.

## 7. Project evaluation criteria and their weight

1	The project suggests production activities;	30
2	The project opens new work places:	30
	the project opens up to two work places	15
	the project opens three or more work places	30
3	The project leads to diversification of the tourist supply	20
4	The project introduces innovative models, practices, processes	20
	<b>Total</b>	<b>100</b>

### MEASURE 7 MAIN SERVICES AND RENOVATION OF RURAL AREAS

Assistance under this measure will be provided to enable settlements on the LAG territory to become more attractive to business and for life by maintaining and stimulating their economic, social and cultural development, building the missing or rehabilitated existing technical and social infrastructure. Granted activities of a beneficiary, eligible for funding through the community-led local development strategy, will not be eligible for the same beneficiary under measure 7 and vice versa.

The Local Action Group is an eligible beneficiary of financial support from the CLLD strategy for activities under measure "Basic services and village renewal in rural areas". The maximum amount of financial support for LAG for measures financed by the EAFRD is up to 10% of the budget of the CLLD strategy by EAFRD. LAG is an eligible beneficiary of financial assistance if: 1. the project for which it is applying for a grant is in the public interest; 2. none of the members of the collegiate supreme body and of the collective management body and a related party within the meaning of § 1 of the Additional Provisions of the Commerce Act is not a contractor or subcontractor of the project activities, and 3. no other grant proposal under the procedure has been received.

#### Sub-measure 7.2 "Investments in the creation, improvement or expansion of all types of small-scale infrastructure"

##### 1. Description of objectives and scope of this sub-measure

The investment under the measure aims at improving or expanding all types of small-scale infrastructure, including investments in renewable energy and energy saving

##### 1. Eligible activities

Construction, reconstruction and/or rehabilitation of new and existing municipal roads, streets, sidewalks, and facilities and devices;

*The activities are eligible for support if the plumbing systems are constructed or reconstructed or no water supply systems are planned or reconstructed for a period of seven years from the date of application. The activities for reconstruction and/or rehabilitation of existing municipal roads and their facilities and equipment are eligible for support if they are part of the municipal roads indicated in Decision No 236/13.04.2007 of the Council of Ministers for an approval of a list of municipal roads and if the technical documentation provides for the*

*construction and laying of underground broadband Internet.*

Construction, reconstruction and/or rehabilitation of water supply systems and facilities in agglomerations in rural areas with less than 2 000 inhabitants; no further construction of the sewerage network (including waste water treatment facilities) in agglomerations in rural areas of less than 2 000 inhabitants; Construction and/or renovation of areas for wide public use, intended for the sustainable fulfillment of public needs of municipal significance; Construction, reconstruction, repair, equipment and/or furnishing of social infrastructure to provide services that are not part of the process of deinstitutionalization of children or adults, including means of transport; Reconstruction and/or renovation of municipal buildings where public services are provided to improve their energy efficiency; Construction, reconstruction, repair, equipment and/or furnishing of sports infrastructure; Construction, reconstruction, repair, restoration, purchase of equipment and/or furnishing of objects related to cultural life, incl. mobile ones, as well as activities on vertical planning and improvement of adjacent spaces; Reconstruction, repair, equipment and/or furnishing of municipal educational infrastructure of local importance in rural areas.

## **2. Eligible costs**

(a) Construction, including leasing, or improvement of immovable property; (b) Purchase or lease of new machinery and equipment, furnishing up to the market price of the asset; (c) Total costs relating to the above, such as fees for architects, engineers and consultants, consultancy fees relating to environmental and economic sustainability; (d) Intangible investments: the acquisition or development of computer software and the acquisition of patents, licenses, copyrights, trademarks. Expenditure under item "c" shall not exceed 12% of the amount of expenditure under items "a", "b" and "d". Operational costs, relating to the provision of services, are ineligible for support under this sub-measure. Costs, other than those referred to in point (b) relating to the lease, such as the lessor's margin, interest-rate reimbursement costs, administrative costs and insurance costs, are not eligible for support under this sub-measure.

## **3. Eligible recipients**

Municipalities on the LAG territory (provided that the Kardzhali Municipality projects contribute to the rural area development) for all eligible activities under this sub-measure with the exception of activities related with the installation completion, without new sewerage network construction (including sewage treatment plants) in agglomerations in rural areas of less than 2 000 inhabitants; Non-profit legal entities for activities related to social and sports infrastructure and cultural life; Cultural centers for activities related to cultural life; Water supply and sewerage operators for activities related to the construction, reconstruction and / or rehabilitation of water supply systems and facilities in agglomerations in rural areas of less than 2 000 inhabitants and activities related to the installation completion, without construction of new sewerage networks (including sewage treatment plants) in agglomerations in rural areas of less than 2 000 inhabitants.

## **4. Financial parameters of the projects**



Minimum value of the eligible costs – 50 000 euros.

Maximum eligible project cost – 200 000 euros.

### **5. Financial assistance intensity and amount**

For municipalities, NGOs and cultural community centers, 100% grant is envisaged in case there is no revenue generation. When the revenue generation potential is established, the amount of funding is determined on the basis of cost and benefit analysis. In cases where the amount of eligible investment costs is up to € 50 000 for a single site with established revenue generation potential, the foreseen grant is 100%. For water and sewerage operators, the amount of funding is determined on the basis of an approved individual analysis (benefits - costs) for the concerned region.

### **7. Project evaluation criteria and their weight (points)**

1	The project is for construction and/or reconstruction of infrastructure in a settlement outside the municipal center;	40
2	The project is for construction and/or reconstruction of infrastructure serving settlements with a high proportion of young people up to 29 years of age;	10
3	Population number that will benefit from improved basic services and scope of territorial impact.	40
4	The project introduces innovative technologies or investments with ecological effect.	10
	<b>Total</b>	<b>100</b>

### **Sub-measure 7.5 "Investments for public use in recreation and tourist infrastructure"**

#### **1. Description of objectives and scope of this sub-measure**

Utilization of tourist resources in the LAG territory through support for recreational infrastructure, tourist information and small-scale tourist infrastructure for public benefit.

#### **2. Eligible activities**

Construction, reconstruction, repair, purchase of equipment and/or furnishing of tourist information centers; Construction, reconstruction, repair, purchase of equipment and/or furnishing of centers for presentation and exhibition of the local natural and cultural heritage; Construction, reconstruction, repair, purchase of equipment and/or furnishing of art and crafts centers for tourist purposes; Construction, reconstruction, repair and purchase of facilities for tourist attractions that are related to the local natural, cultural and/or historical heritage and provide services for cognitive or educational purposes; Construction, reconstruction, repair and purchase of facilities for tourist infrastructure (information boards and direction indicators for tourist sites and routes, safety facilities, bicycle and hiking trails).

*Activities related to the preservation, promotion and development of the cultural heritage of sites of national and international importance are not eligible for support under this sub-measure. Activities, carried out in resorts and settlements on the Black Sea coast and in mountain resorts with mass tourism, are not eligible for support under this sub-measure.*

#### **3. Eligible costs**

(a) Construction, including leasing, or real estates improvements; (b) Purchase or lease of new machinery and equipment, furnishing up to the market price of the asset; (c) Total costs relating to the above, such as payment to architects, engineers and consultants, consultancy fees relating to environmental and economic sustainability; (d) The following intangible investments: acquisition or development of computer software and acquisition of patents, licenses, copyrights, trademarks.

*Expenditure under item "c" shall not exceed 12% of the amount of expenditure under items "a", "b" and "d". Operational costs associated with the provision of services are ineligible for support under this sub-measure. Costs other than those referred to in point "b" relating to the lease, such as the lessor's margin, interest-rate reimbursement costs, administrative costs and insurance costs are not eligible for support under this sub-measure.*

#### **4. Eligible recipients**

Municipalities on the LAG territory; Non-profit legal entities based on the LAG territory.

#### **5. Financial parameters of the projects**

Minimum value of eligible costs - € 10 000.

Maximum value of project eligible costs – € 100 000.

#### **6. Financial assistance intensity and amount**

For beneficiaries, municipalities and NGOs, in case there is no revenue generation, the financial support for the activities under the sub-measure is 100% of the total amount of eligible financial support costs. When the revenue generation potential is established, the amount of funding is determined on the basis of cost and benefit analysis. In cases where the amount of eligible investment costs is up to € 50 000 for a single object with an established revenue generation potential, the foreseen funding is 100%.

#### **7. Project evaluation criteria and their weight (points)**

1	The project is implemented in a settlement with a population of over 200 inhabitants	40
2	The project opens at least 5 work places when performing the eligible activities;	30
3	The project provides environmental improvement and achieves environmental impact.	30
	<b>Total</b>	<b>100</b>

#### **Sub-measure 7.6. Surveys and investments related to the maintenance, restoration and improvement of the cultural and natural heritage of the villages**

*This sub-measure will be implemented according to the requirements and conditions of Regulation (EC) No 1305/2013.*

##### **1. Description of objectives and scope of this sub-measure**

This measure intends to preserve the spiritual and cultural life of the LAG population. It also

aims at preserving the cultural identity and traditions, at preserving and promoting the LAG natural heritage in order to ensure the quality of life of the population. The preservation of the cultural and spiritual life of the population is of great importance for the development of the LAG territory. The cultural and natural heritage will be preserved and developed in the cultural centers – community cultural centers, libraries, schools, museums, religious temples, etc. The conservation and promotion of cultural and natural heritage will have a beneficial sustainable impact in terms of environmental protection as well.

This sub-measure will provide grants for tangible and intangible investments and activities for the restoration, preservation and promotion of cultural traditions and identity of the population, and the preservation and promotion of natural resources and wealth on the LAG territory, including religious temples and adjacent spaces.

## **2. Eligible activities and costs**

Tangible and intangible investments are supported, if they lead to:

### **A/ Researches, maintenance, restoration, promotion and improvement of cultural heritage:**

- Support for restoration, repair and/or reconstruction of buildings of religious significance, including activities on vertical planning and improvement of adjacent spaces.
- Preparation and organization of local cultural events such as folklore festivals and fairs, events, happenings, etc.
- Studies and compilation of materials in connection with the identification and/or documentation and/or research, and/or preservation of the intangible cultural heritage elements;
- Creating, preserving or enriching ethnographic, natural and historical collections;
- Activities related to research, preservation and promotion of authentic folklore and local traditions, restoration of holidays, customs and food;
- Creating and supporting of clubs (workshops for parents and children, groups in interests) for different generations to study, preserve and promote cultural heritage - local culture, lifestyle, culinary history, traditions including - music and fine arts, traditional crafts, customs and rituals, unwritten tradition;
- Participations in festivals, workshops, exhibitions, seminars, etc. for the presentation of local customs, traditions, folklore and elements of the local intangible cultural heritage.
- Reviving and communicating different aspects of cultural traditions and heritage and promoting them by organizing and conducting events in connection with local cultural customs and traditions, such as: temporary and permanent thematic exhibitions; festivals, congresses, seminars, concerts, thematic concerts and contests; Movies, video clips or multimedia repositories; developing and disseminating information materials other than regular brochures (thematic studies, photo archives, catalogs, etc.); design and presentation of models, restoration of elements of traditional costumes or objects from the traditional lifestyle;
- Buying inventory, equipment, furniture such as musical instruments, costumes, showcases,

racks, decors, interactive boards, multimedia, laptops, lighting, audio, video equipment, computer configurations/stage requisites type of art, rehearsal and stage wear and more.

- Adding to library fund with library materials, purchasing books, graphics, electronic documents, and others.

**B/ Maintenance, restoration and improvement of the natural heritage:**

- Conservation, restoration, improvement and maintenance of natural heritage and rural landscapes, including natural landscapes, landmarks and areas of particular importance to the local community (including Natura 2000 sites), valuable natural formations, plants, tree species and animals, hundred-year-old trees;

- Joint projects of the residents of more than one city or representatives of different generations for: running of clubs/circles/schools and other initiatives to inform and involve the population in the conservation of natural elements and protected species as an integral part of the rural landscape; identification of the local landscape features; organization of discovery and entertaining activities for waste cleaning; enriching and preserving the rural landscape in and out of the populated areas.

- Restoration and improvement of small-scale recreational and leisure infrastructure, for example: shelters, information and signboards, paths, etc.

**3. Eligible recipients**

Local divisions of religious denominations registered under Art. 20 of the Religious Denominations Code or recognized as a legal person by virtue of Art. 10 of the same law. Non-Profit Legal Entities (NGOs) based on the LAG territory, including community cultural centers registered under the Community Centers, Schools and Kindergarten Act; municipalities.

*No financial support will be provided under the CLLDS under sub-measure 7.6 "Studies and investments related to the maintenance, restoration and improvement of the cultural and natural heritage of villages" under the RDP 2014-2020 of grant applicants, that have been given financial support under sub-measure 7.6 "Studies and investments related to the maintenance, restoration and improvement of the cultural and natural heritage of villages" under the RDP 2014-2020.*

**5. Financial parameters of the projects**

Minimum eligible costs - 1000 EUR. Maximum value of the eligible project costs – 30 000 Euro.

**6. Financial assistance intensity and amount**

The financial support for activities under this sub-measure is 100% of the total amount of eligible costs and 75% when revenue generation potential is identified.

**7. Project evaluation criteria and their weight (points)**

1	The project will be implemented by NGOs	50
2	The project keeps local traditions and customs	50
	<b>Total</b>	<b>100</b>

**Operational Program "Science and Education for Smart Growth" (ESF)**

**Measure "Providing access to quality education in small settlements and hard-to-reach areas"**

The use of the tools of the CLLD approach in the framework of the CLLDS of LAG will be implemented while maintaining the specific objectives and priorities of the OP SESG as well as the horizontal principles of the ESIF implementation policy.

Support from OP SESG for the LAG territory will be implemented under Priority Axis 3 "Learning environment for active social inclusion", investment priorities: № 9ii "Socio-economic integration of marginalized communities such as the Roma minorities" by **operation/measure entitled "Ensuring access to high quality education in small towns and hard to reach areas."** The main objective of this operation is to support the social inclusion of children and students from marginalized groups by improving their access to quality education.

The specific objectives of the operation are: to improve the quality of pre-school and school education, incl. vocational education in small settlements; to improve the access to pre-school and school education, incl. vocational education in small settlements; to reduce the number of those who are not attending schools, dropouts and early school leavers.

The eligible target groups for this operation are:

- children and students from the marginalized groups, including Roma minorities;
- parents/guardians of marginalized groups, incl. Roma minorities.

Eligible are the costs for children and parents/guardians, that are not representatives of the marginalized groups and which are necessary in order to achieve integration effect.

**The period of application** of the measures under the OP SESG operation under the CLLDS is 2017-2023.

**The duration of the projects** financed under the measures of the operation is no more than 36 months for each project.

Eligible beneficiaries under OP SESG can apply only with one project proposal under IP "Social Economic Integration of Marginalized Communities, such as the Roma Minorities", to the CLLD Strategy.

The operation is applied in demarcation with other programs and demarcation with other operations within the OP SESG, according to the provisions of the "Guidelines for Strategies for the CLLD" of the MA of OP SESG.

All schools on the LAG territory are working on the "Your School Hour" (Tvoyat Chas) Project, funded under the OP SESG. The implementation of other projects under the same or other European programs will extend extracurricular activities, improve individual students' competencies and expand the local capacity. This is why projects under this measure will seek opportunities to enrich what has been achieved. Only in this way will the optimization of the extra-curricular process on the territory and the development of the students' knowledge and skills be promoted.

The eligible recipients/partners must have their headquarters and management address on the

LAG territory and must carry out their projects on the same territory.

The partnership under the measure is mandatory.

Eligible beneficiaries under SESG OP can apply only with one project proposal under IP "Socio-economic Integration of Marginalized Communities such as the Roma Minorities" to the CLLD strategy.

MIG Stambolovo - Kardzhali 54 is not eligible for this measure.

**Innovative approaches when solving the identified problems of the target groups, including innovative approaches for this territory.**

The solution of the identified problems of the target groups will be found for the first time through a local development policy suggested by the stakeholders, describing their understanding of the problems and the suggested ways for solving them. The identified measures are recognized by the local community as adequate and relevant. The strategy provides an opportunity for the specific beneficiaries/applicants and their partners to propose projects that include a set of activities that best meet their needs or achieve the corresponding goals.

**Demarcation with other programs**

The demarcation of the SESG OP 2014-2020 with other programs is detailed in Section 8. "Coordination between the Funds, the EAFRD and EMFF and coordination with other national and EU funding instruments, as well as with the EIB". In order to meet the demarcation and non-overlapping requirement, LAG will strictly follow these guidelines and will reflect all demarcation lines specified in the Guidelines.

The submission of project proposals as well as the LAG evaluation process will take place in the Management and Monitoring Information System (MMIS 2020).

Within the CLLDS framework of LAG Stambolovo - Kardzhali 54, the operation will be implemented through two sub-measures:

**1. Sub-measure name**

*Sub-measure 1 "Support for pre-school education and preparation of disadvantaged children"*

**2. Description of the objectives and the compliance of the measure with the identified problems in the area**

The objective of the measure is:

- a) to create conditions for helping children from the ethnic minorities and/or marginalized social groups to be educated as competent citizens and to contribute to their successful professional, social and personal realization.
- b) to achieve real and lasting results in the educational integration of children from the ethnic minorities at pre-school age (3-6 years) up to their enrollment through the development of working models, including: maximum inclusion in kindergartens, focusing on compulsory education, integration of children from the minority groups in host schools and in preparatory

groups in municipal schools, support for first class enrollment, working with parents from all ethnic groups, etc.

The measure corresponds to the following problems, identified in the analysis:

- lack of or poor conditions for the involvement of adolescents in various organized forms of education and training;
- unsuccessful educational integration of pre-school children from the marginalized communities;
- the Bulgarian language is not the mother tongue of more than half of the children entering the education system, respectively the level of knowledge is low and creates barriers to free communication and absorption of the material at school;
- insufficient skills of teaching staff to work in a multicultural environment in some of the kindergartens and schools;
- teaching process that lacks the modern educational forms and methodology in order to enable overcoming of the existing barriers.

### **3. Scope of this sub-measure**

(Priority Axis: 3 "Educational Environment for Active Social Inclusion", Investment Priority: No 9ii "Social and Economic Integration of the Marginalized Communities as the Roma Minorities", Specific Objective 1 to IP 9ii: "Increasing the number of successfully integrated children and students, with the help of the educational system, from the marginalized communities, including the Roma minorities")

This measure will be implemented on the territory of all settlements from the Municipality of Stambolovo and 54 settlements from the Municipality of Kardzhali, falling within the territorial scope of LAG Stambolovo - Kardzhali 54.

The eligible target groups for the measure are:

- children from the ethnic minorities and/or marginal groups;
- parents.

Participants may also be children who are not representatives of the marginalized groups for the purpose of achieving action implementation integration effect.

For the objectives of this measure, the definition of "children from the marginalized groups" the "Methodology (criteria system) for determining the belonging to the marginalized groups" as specified in the MA Guidelines for OP SESG, approved by the corresponding authority of the program will be used.

### **4. Eligible activities**

1. Further training, if necessary, in Bulgarian language for children that the Bulgarian language is not a mother tongue;
2. Support of an appropriate educational environment for the inclusion of the Roma minority children through gradual admission to kindergartens and preparatory groups in municipal

schools outside the Roma minority neighborhoods (including their transport from the Roma minority neighborhoods or registration reception centers to a school or kindergarten within the settlement);

3. Improving the educational environment in kindergartens and preparatory groups in the municipal schools where children from ethnic minorities are trained in order to improve the quality of the training and to improve its results;

4. Improving the educational environment in kindergartens and preparatory groups in the municipal schools outside the Roma minority neighborhoods in cities where integrated children from ethnic minorities are trained;

5. Provision, if necessary, psychological support for children from the ethnic minorities;

6. Encouragement of the communication and joint activities between children from different ethnic groups, trained in separate kindergartens and in the preparatory groups in the municipal schools on the territory of the settlement;

7. Activities aimed at preserving and developing the cultural identity of children from the ethnic minorities and their peers in an integrated multicultural environment;

8. Provision of support to families from the vulnerable ethnic minorities/disadvantaged families to educate their children in kindergartens when being 3 years old with a view to their early socialization;

9. Encouragement of the parents' participation in the educational process;

10. Working with parents from vulnerable families, families in a disadvantaged situation being members of the ethnic minorities that prevent their children from attending compulsory pre-school preparation when attending a regular kindergarten;

11. Working with parents, regardless of their ethnic origin, to explain the benefits of educational integration and acceptance of diversity;

12. Overcoming negative public attitudes based on ethnic origin and cultural identity and developing a program for cultural and social integration or a municipal program for educational integration of children and students from the ethnic minorities;

13. Project implementation and management activities;

14. Information and publicity activities in line with the Beneficiary's Unified Handbook on the Implementation of the Information and Communication Rules 2014-2020.

All eligible activities should be implemented for the first time or have complementary and/or upgrading influence on programs, granted so far in the field of integration of ethnic minority students, funded by the national budget, the EU budget and other grant programs. These may be complemented by the Application Guidelines, provided they are eligible under the MA of OP IC instructions.

## **5. Eligible recipients**

- municipalities;
- kindergartens; municipal schools with preparatory groups;



- non-profit legal entities for public benefit activities

The following partners are eligible under this measure:

- municipalities;
- kindergartens; municipal schools with preparatory groups;
- non-profit, public-interest entities registered and operating on the LAG territory for at least 12 months prior to the submission of the CLLDS.

## **6. Eligible costs**

I. Staff expenses

II. Material costs

III. Service charges

IV. Expenditure on conducting and participating in events

V. Expenditure on information, publicity and visualization

VI. Organization and management costs

The specific eligible costs will be further detailed in the application guidelines section, "application terms" section.

The eligible costs are determined on the basis of the requirements of Chapter 5, Section I of the Law on Management of EU Structural and Investment Funds, the applicable secondary and national legislation and the provisions of Regulation (EC) No 1303/2013 laying down the common provisions for the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down the general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Regulation (EC) № 1083/2006 of the Council.

## **7. Ineligible costs:**

The following types of costs are ineligible for the measure:

- expenditure on fixed assets;
- commissions, as well as interest on debts;
- costs for construction and assembly works;
- the costs for developing and adopting a municipal action plan in accordance with the regional Roma minorities integration strategy or a municipal program for educational integration of children and students from the ethnic minorities;
- transport service costs to be compensated according to the Ordinance on the conditions and procedure providing funds to compensate for the reduced revenues being the result of the application of road transport prices, provided for in the normative acts for certain categories of passengers, for subsidizing public transport on unprofitable bus routes in the inland transport and transport in mountainous and other regions and for the issuance of documents for

transportation services, accepted with Decree № 163, dated 29.03.2015 of the CM.

- unexpected costs;
- costs for purchasing land and buildings;
- costs for project proposal development consultancy services;
- contributions in kind;
- currency exchange loss;
- refundable VAT costs;
- expenditure on project activities, the implementation of which started before the signing of the grant contract;

Subject to Art. 57, par. 2 of the LMEUSIF, projects or activities that are physically completed or fully executed before the submission of the application form by the beneficiary, no matter whether or not all related payments have been made by the beneficiary, are not eligible costs.

#### **8. Minimum and maximum amount of eligible project costs subject to the CLLD Strategy**

Budget of the measure - BGN 287 thousand

Minimum amount of eligible costs per project is BGN 50 000.

Maximum eligible project costs are equal to the BGN equivalent of EUR 200 thousand.

#### **9. Financial assistance intensity**

This measure does not require co-financing by the beneficiaries. The grant is 100%.

#### **10. Project evaluation criteria and their weight**

The technical and financial evaluation of the projects is carried out according to the "Methodology for Technical and Financial Assessment of Project Proposals under the Project Procedure by LAG with the Implementation of Measures of the SESG OP in the CLLD Strategy", set out in the MA Guidelines for the implementation of the CLLDS.

#### **Specific project selection criteria**

1	The project will be realized on the territory of more than one settlement	50
2	The project includes activities that promote communication and joint events among children from different ethnic backgrounds	50
	<b>Total</b>	<b>100</b>

#### **1. Name of this sub-measure**

*Sub-Measure 2 "Educational Integration of Students from the Marginalized Communities"*

#### **2. Description of the objectives and compliance of the measure with the identified problems in the area**

The aim of this measure is to help pupils from the marginalized communities grow as full

citizens and achieve successful professional, social and creative realization.

The measure corresponds to the following problems, identified in the analysis:

- early school leaving for students from the marginalized communities (including Roma minorities);
- educated young people leave the territory, which worsens the educational structure of the population;
- part of the students leave school very early as a result of the growing Roma community in recent years;
- the Bulgarian language is not the mother tongue of more than half of the students in the educational system, respectively the level of command is low and creates barriers to free communication and absorption of the lessons in school;
- insufficient teaching staff skills to work in a multicultural environment in most schools;
- the teaching process is not supplied with modern teaching methods and practices to enable the overcoming of the existing barriers.

### **3. Scope of this sub-measure**

(Priority Axis: 3 "Educational Environment for Active Social Inclusion", Investment Priority: No 9ii "Social and Economic Integration of the Marginalized Communities as the Roma Minorities", Specific Objective 1 to IP 9ii: "Increasing the number of successfully integrated children and students from the marginalized communities, including Roma minorities, through the educational system").

This measure will be implemented on the territory of all settlements, included in the Municipality of Stambolovo and 54 settlements from the Municipality of Kardzhali, falling within the territorial scope of LAG Stambolovo – Kardzhali 54.

The eligible target groups for this measure are:

- students from marginalized communities;
- young people;
- parents.

Participants may also be students that are not from the marginalized groups in order to achieve integrational effect with the implementation of this procedure.

For the purpose of this measure, the definition of "children from marginalized groups", specified in the "Methodology (system of criteria) for determining the marginalized group belonging", detailed in the MA Guidelines of OP SESG, approved by the MC of the program, will be used.

### **4. Eligible activities**

1. Additional Bulgarian language training for pupils for whom the Bulgarian language is not a mother tongue;

2. Additional activities for students from the ethnic minorities threatened to drop out of school;
  3. Reintegration of young people under 18 into the education system who have already dropped out of school;
  4. Ensuring an appropriate educational environment for the inclusion of the Roma minority students from ethnically separated schools through gradual admission to schools outside the Roma minority neighborhoods (including transportation from and to Roma minority residential areas in towns to school, if needed);
  5. Improving the educational environment in schools outside the Roma neighborhoods in cities where integrated ethnic minority students are educated;
  6. Activities aimed at preserving and developing the cultural identity of pupils from the ethnic minorities and their peers in an integrational multicultural environment;
  7. Provision, if necessary, of psychological support for pupils from the ethnic minorities;
  8. Provision of support for ethnic minority students to continue their education at upper secondary level and to successfully complete their secondary education;
  9. Encouraging the participation of parents in the educational process;
  10. Working with parents from the ethnic minorities who prevent their children from attending regular classes;
  11. Working with parents, regardless of their ethnic origin, to explain the benefits of the educational integration and acceptance of diversity;
  12. Overcoming the negative public attitudes based on ethnicity and cultural identity (including by conducting informational campaigns aimed at preventing discrimination based on race, ethnicity or religion).
  13. Project organization and management activities
- 2) Information and publicity activities in line with the Unified Handbook of the Beneficiary on the Implementation of the Information and Communication Rules 2014-2020.
- All the eligible activities should be implemented for the first time or have complementary and/or upgrading effect on the programs funded so far in the field of integration of ethnic minority students funded from the national budget, the EU budget and other grant programs. They can be supplemented with the application guidelines, provided they are eligible according to the instructions of the MA of OP IC.

#### **5. Eligible recipients/partners**

- municipalities;
- schools subject to the Law on National Education;
- non-profit-making, public-interest entities registered and operating on the LAG territory for at least 12 months prior to the submission of the CLLDS.

#### **6. Eligible costs**

##### **I. Staff expenses**

II. Material costs

III. Service charges

IV. Expenditure on conducting and participating in events

V. Expenditure on information, publicity and visualization

VI. Costs for organization and management

The specific eligible costs will be further detailde in the application guidelines section, "application terms" section.

All the eligible costs are defined on the basis of the requirements of Chapter 5, Section I of the LMEUSIF, the applicable secondary legislation and national legislation and the provisions of Regulation (EC) No 1303/2013, laying down the common provisions for the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down the general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Regulation (EC) № 1083/2006 of the Council.

#### **7. Ineligible costs:**

- expenditure, financed by other operations, programs or any other financial schemes derived from the national budget, from the Community budget or from another grant scheme;
- fines, financial penalties and dispute settlement costs;
- commissions and currency exchange loss as a result of foreign currency exchange;
- the cost of recoverable VAT;
- purchase of tangible fixed assets - new and second-hand;
- the cost of guarantees, provided by a bank or another financial institution;
- interest on debts, excluding grants, related to interest-rate subsidies or subsidies for guarantee fees;
- expenditure related to the purchase of infrastructure, land and immovable property;
- expenses for consultancy services related to the preparation and/or completion of the financial support application.

On the grounds of Art. 57, par. 2 from the LMEUSIF, costs for projects or activities that are physically completed or fully implemented before the submission of the application form by the beneficiary are not eligible, no matter whether or not all related payments have been made by the beneficiary.

#### **8. Minimum and maximum amount of eligible project costs to the CLLD strategy**

Budget of the measure - 300 thousand BGN

The minimum amount of eligible costs per project is BGN 50 000.

The maximum eligible cost for a project is the BGN equivalent of EUR 200 thousand.

**9. Financial assistance intensity**

This measure does not require co-financing by the beneficiaries. The grant is 100%.

**10. Project evaluation criteria and their weight**

The technical and financial evaluation of the projects is carried out according to the "Methodology for Technical and Financial Assessment of Project Proposals under the Project Selection Procedure by the LAG for the Implementation of Measures of the OP SESG in the CLLD strategies" set out in the MA Guidelines for the implementation of the CLLDS.

**Specific project selection criteria**

1	The project will be implemented on the territory of more than one settlement	50
2	The project includes activities for additional Bulgarian language education for pupils that the Bulgarian language is not a mother tongue	50
	<b>Total</b>	<b>100</b>

**Operational Program "Environment" (ERDF)****1. Title of the measure**

*"Improving the Conservation Status of Natura 2000 Species through the CLLD Approach"*

**2. Description of objectives**

"Improving the conservation status of species (and habitats) of the Natura 2000 network on the territory of LAG Stambolovo - Kardzhali 54 that are reported to be in an unfavorable condition"

**3. Scope of this measure**

Protected zone code	Name of the protected area	Priority	Number and title of the measure	Taxonomy	Species Code	Species Name	Area (ha)
BG0001032	Eastern Rhodopes	F2	M 109 - Investments in conservation activities to maintain / improve the conservation status of species and natural habitats.	Mammals	1302	Rhinolophus mehelyi	1594, 2655
BG0001032	Eastern Rhodopes	F2	M 109 - Investments in conservation activities to maintain / improve the conservation status of species and natural habitats.	Mammals	1308	Barbastella barbastellus	239, 2078
BG0001032	Eastern Rhodopes	F2	M 109 - Investments in conservation activities to maintain / improve the conservation status of	Mammals	1323	Myotis bechsteinii	107, 3353

			species and natural habitats.					
							<b>TOTAL AREA</b>	<b>1594, 2655</b>

**4. Eligible activities**

a. Performing direct conservation activities for species and/or habitats reported in unfavourable-poor condition;

b. Construction/reconstruction/rehabilitation of infrastructure necessary for the restoration of species and/or habitats reported to be in unfavourable-poor condition.

The eligible activities concern all types mentioned in point 3 Scope of the measure. These eligible activities are not exhaustive. LAG may include other eligible activities in the 2014-2020 OPE guidelines and other indicative actions as directed by the Managing Authority of the 2014-2020 OPE.

Candidates with draft proposals to the CLLD strategy can include ineligible activities in their project proposals, provided they do not foresee them being funded by the 2014-2020 OPE. Expenditure on the implementation of these activities is ineligible and should be indicated as such in the budgets of the project proposals.

**5. Eligible recipients**

- Non-profit legal entities registered under the Non-Profit Legal Entities Act for the purpose of carrying out socially beneficial activities with headquarters and management address on the territory of LAG "Stambolovo - Kardzhali 54"
- Municipalities from the territory of LAG "Stambolovo - Kardzhali 54".

**6. Eligible costs**

I. Costs for construction and installation works

II. Expenses for tangible assets

III. Costs for intangible assets

IV. Service charges

V. Charges

VI. Material costs

VIII. Staff expenses

VIII. Expenditure on conducting and participating in events

IX. Indirect costs

X. Non-refundable VAT

XI. Ineligible costs

XI. Ineligible costs

The specific eligible costs will be further detailed in the application guidelines of the "Application Conditions", part of the 2014-2020 OPE.

## 7. Maximum amount of eligible costs for a project to the CLLD strategy

The maximum eligible project cost is subject to the OPE 2014-2020 application guidelines

## 8. Financial assistance intensity

The intensity of financial assistance is defined in the application guidelines for OPE 2014-2020.

### 1. Project evaluation criteria and their weight

The selection of the project proposals under this measure will be carried out according to the methodology and evaluation criteria - Annex 3 to the Guidelines of the MA "Methodology and criteria for evaluation of project proposals by procedures "improvement of the conservation status of species in the Natura 2000 network through the CLLD approach" Operational Program "Environment 2014-2020".

Criterion		Maximum Points
1.	Conformity and complementarity	14
2.	Methodology and work plan	16
3.	Difficulties and risks	2
4.	Applicant's capacity	5
5.	Sustainability	9
6.	Financial evaluation	6
TOTAL		52

## 8. Financial plan:

### 6.1. Indicative allocation of funds under programs/funds and measures: (no more than 2 pages)

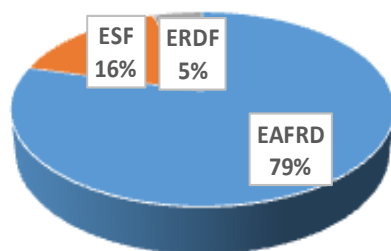
Measure code	Measure title	Total for the strategy period	
		BGN	%
	<b>Measures, financed by RADP 2014-2020 (EAFRD)</b>	<b>2 816 350</b>	<b>76.0%</b>
4.1	Investments in agricultural holdings	704 100	19.0%
4.1.2	Investments in agricultural holdings by thematic sub-program for development of small farms	164 300	4.4%
4.2	Investment in processing/marketing of agricultural products	146 600	4.0%
6.4.1	Investments in support of non - agricultural activities	862 500	23.3%
6.4.2	Investments to support non-agricultural activities under the thematic sub-program for the development of small farms	156 500	4.2%



7.2	Investments in creating, improving or expanding all types of small-scale infrastructure	586 750	15.8%
7.5	Investments for public use in recreational infrastructure, tourist infrastructure	195 600	5.3%
	<b>Measures that are not part of RADP 2014-2020, but are included in Regulation (EC) № 1305/2013 (granted by EAFRD)</b>	<b>117 390</b>	<b>3.2%</b>
7.6	Surveys and investments related to the maintenance, restoration and improvement of the cultural and natural heritage of the villages	117 390	3.2%
	<b>Measures, granted by OP SESG (ESF)</b>	<b>587 000</b>	<b>15.8%</b>
1	"Support for pre-school education and preparation of disadvantaged children"	287 000	
2	"Educational integration of students from the marginalized communities"	300 000	
	<b>Measures, granted by Environment OP (EFRD)</b>	<b>187 075</b>	<b>5.0%</b>
	Investments in conservation activities to maintain/improve the conservation status of species and natural habitats.	187 075	5.0%
	<b>TOTAL FOR PROJECTS UNDER THE CLLD STRATEGY:</b>	<b>3 707 815</b>	<b>100%</b>
	<i>Current spending and promotion of a community-led local development strategy (25 percent of the total public expenditure of the EAFRD, including the cost of sub-measure 19.2 and sub-measure 19.4)</i>	977 900	25%

6.2. Financial budget justification and fund allocation subject to programs and measures:  
(no more than 2 pages)

Fund structure of CLLDS subject to the funds



The local development policy of the LAG Stambolovo - Kardzhali 54, expressed in the CLLDS will be financed by three funds ESIF - EAFRD, ESF and ERDF. The budget structure shows the leading role of EAFRD, which will provide nearly four fifths (79%) of the financial resource for the Strategy. Within this meaning, EAFRD is a lead fund. The ESIF will provide 16% of the resource,

while the ERDF will provide 5% of the funds necessary for the implementation of CLLDS.

The structure of the budget, under the CLLDS measures, is in line with the defined priorities of the local development policy. The funds are allocated among three measures and eight sub-measures financed by the EAFRD. Seven of the sub-measures are covered by the RDP 2014-2020. The only

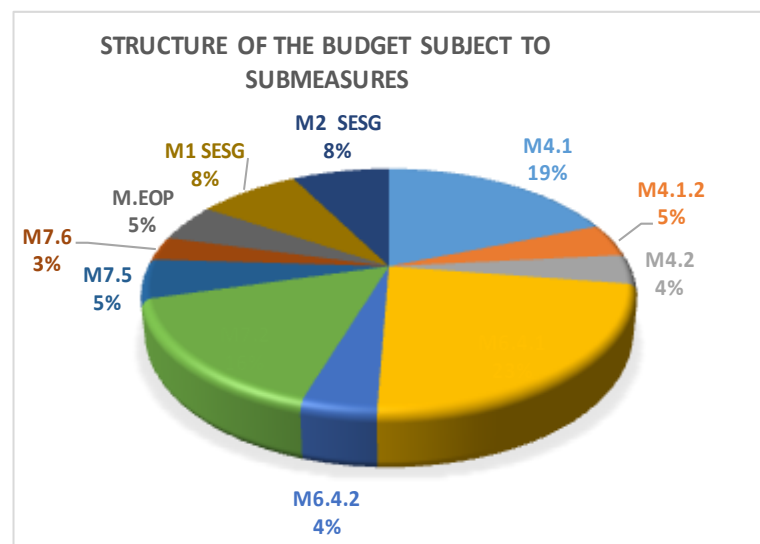
measure that will not apply according to RDP conditions is sub-measure 7.6. "Studies and investments related to maintaining, restoring and improving the cultural and natural heritage of the villages", which includes a wider range of beneficiaries, eligible activities and costs. The ESIF will finance two measures within the scope of the OP SESG and the ERDF will provide resources for one measure from the OPE.

The budget allocation for the three main measures under the RDP (M4, M6 and M7) included in the CLLD, shown in the diagram, clearly illustrates the directions of the planned interventions. In the LAG strategy, the resource is balanced between the three measures. 27% of the budget is earmarked to support the development of the agricultural sector; approximately the same share (28%) and 24% public infrastructure are allocated for diversification into non-agricultural activities.

The focus on the business development support is clear. More than half (55%) of the Strategy's resource is allocated to it. The distribution of the CLLDS funds under the sub-measures shows a concentration of the resource in three of them. The highest relative share of all sub-measures falls under sub-measure 6.4.1, where 23% of the total resource is allocated. Supported by means of the sub-measure 6.4.2. - 4% actually account for more than a quarter of the funds under the Strategy for non-agricultural activities.

The development and modernization of agriculture is the sector that receives the next largest support from the budget. About a quarter (24%) of the total budget is also allocated to it. 4% of it is for projects under the thematic sub-program for small farms. Sub-measure 7.2, which will support the improvement of the living environment, by means of projects for the completion and expansion of small-scale infrastructures, structurally is third with 16% of the total budget. The lowest share of sub-measures financed by the EAFRD is sub-measure 7.6 - 3% and sub-measure 7.5 - 5%. Measures, funded by the ESIF, have total 16% of the resource, while the ERDF measure has only 5%.

The allocation of funds, by priority, is focused on diversifying tourism supply and supporting local entrepreneurship in order to provide new services and to open new workplaces. The priority focused on the development of sustainable agriculture and processing also receives significant support from the budget of the Strategy.



Up to 24% of the total budget is dedicated to completing public infrastructure and improving the living environment. Priority "Inclusive Learning Environment" also receives solid support - 16%. The distribution of the resource in the four priority areas as well as in the two main objectives of the LLDS is balanced and corresponds to the needs of the territory derived from the worked out analyses, respectively the resource between the private and the public beneficiaries of the LLDS.

1. An action plan showing how goals have been translated into action:  
(no more than 4 pages)

The CLLDS framework is structured around two main objectives, divided into four priorities and ten specific objectives, which will result in meeting the identified and selected key needs within the LAG territory. Six measures (eleven sub-measures) are included in the strategy to achieve the objectives of the strategy, which will finance projects within the scope of the eligible actions under each measure (detailed in point 5) through their allocated financial resources. The CLLDS will be co-financed by the EAFRD, the ESIF.

The terms and procedure for granting financial support from the LAG Strategy are in line with *Chapter Five. Coordination in connection with project approval to a CLLD Strategy, Decree of the CM N: 161, dated 4th July 2016, laying down rules for coordination between the Program Authorities and the Local Action Groups as well as the Local Fisheries Action Groups in relation to the implementation of the COMMUNITY-LED LOCAL DEVELOPMENT for the period 2014-2020. The local initiative group shall develop a unified, non-discriminatory and transparent procedure for selection of projects to the strategy of the CLLDS according to the procedure and requirements set out in Section I. Selection of projects to the CLLD strategy of the same chapter.*

The selection of projects under each measure will be carried out in compliance with the selection criteria set for each measure and in accordance with a transparent and pre-announced procedure for all potential beneficiaries. The selection of projects will be carried out periodically by one or a group of sub-measures of CLLDS.

For an equal number of points of the projects financed under the CLLDS, priority will be given to the first placed in the Information System for Management and Surveillance of Structural Instruments (ISUN).

No later than November 30 of the previous year, the MB of LAG will approve and publish on the LAG website an indicative timetable for the approvals of the relevant measures/sub-measures of the CLLD strategy for the next calendar year. The LAG Managing Body takes a decision to declare a project selection in line with the indicative timetable and approves an invitation to receive applications from potential recipients of financial assistance.

In the year of approval of the LLDS, the MB of LAG will adopt an indicative timetable for project acceptance within two months of signing an agreement for the approval of the CLLDS if it is possible to implement projects through the same.

The project admission period is determined by a decision of the LAG Managing Body but can not be shorter than 1 month.

In order to implement the Strategy, LAG will maintain a filing system and archive, from which the acts of the LAG bodies can be traced, will inform, consult and assist the preparation of projects of the potential applicants and perform all other activities specified in the applicable legal acts.

All approved EAFRD grant projects shall be implemented within 24 months from:

1. the date of signing of the grant contract to applicants who are not contracting authorities within the meaning of the Public Procurement Act;
2. the date of notification to the grant beneficiary about the decision on the coordination/refusal to agree on the last time procedure for the selection of a project contractor when the beneficiary is a contracting authority under the PPA.

The Local Action Group and the grant recipients in implementing the CLLD strategy will ensure the publicity of their activities and sources of funding in line with the requirements set out in the Beneficiary's Unified Handbook on Implementing the Information and Communication Rules 2014-2020, N: 2 of the National Communication Strategy for the programming period 2014-2020.

To ensure publicity about its activities, the LAG will also publish the following information on its website:

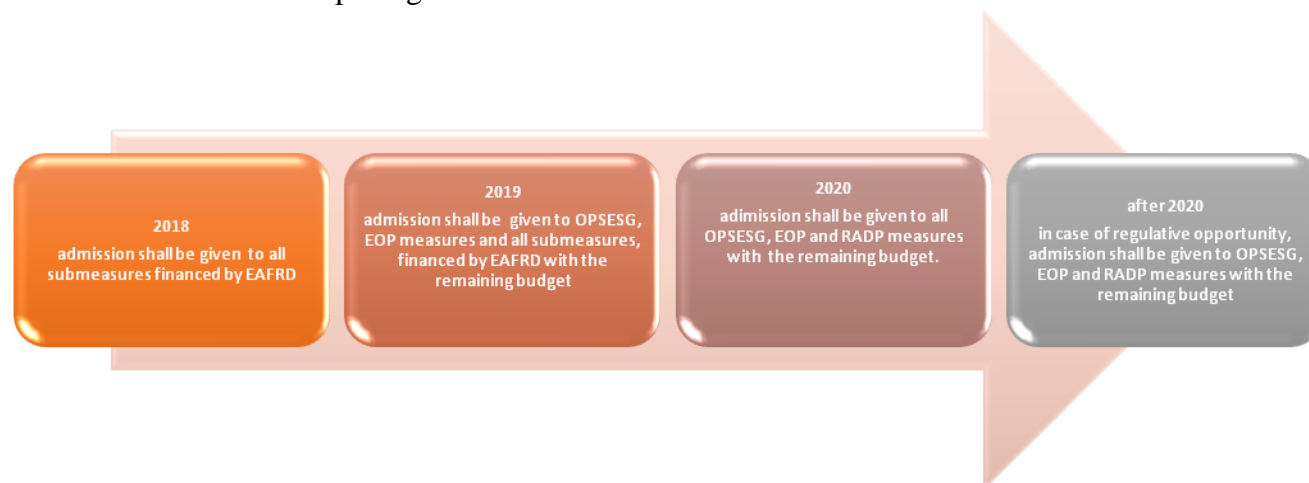
1. the approved CLLD strategy, the originally approved budget and any subsequent amendments;
2. all decisions and minutes of meetings of the collective management body and the collegiate supreme body;
3. an up-to-date list of the members of a collegiate supreme body and of the members of the collective management body containing the address of the natural persons or the registered office and management address of the juridical entity, the sector of which it is a representative and the group of stakeholders it represents;
4. LAG statute and its amendments;
5. a public procurement register containing information on selected contractors, activities, duration and value of the orders;
6. profile of the buyer according to Art. 22b PPL;
7. a list of the natural and legal persons with whom the LAG has concluded a contract as well as the subject of the concluded contract;
8. electronic register of the projects submitted under the CLLD strategy;
9. any declarations of absence/conflict of interest of the members of the project selection committee;
10. project evaluation criteria;
11. the decisions of the project selection committee and of the collective management body for approval of the projects;
12. all rules for the LAG work;
13. activity reports and financial reports on the LAG activities, presented to the Central Register at the Ministry of Justice;
14. annual reports on the implementation of the CLLD strategy, presented to the lead EAFRD fund.

The indicative timetable for implementation of the CLLDS application activities is outlined in the following table.

Activity	Target group	Time frame						
		2017	2018	2019	2020	2021	2022	2023
1. Conducting an information campaign to promote the CLLDS, its objectives, priorities, measures and expected results	General public, applicants / beneficiaries							
2. Organizing and conducting training seminars for capacity building of potential beneficiaries	General public, applicants / beneficiaries							
3. Organizing and conducting training	Local leaders and LAG							

seminars for capacity building of local leaders and the LAG team	team								
4. Preparation of documentation and procedures for individual measures	LAG team								
5. Announcement of indicative acceptance of measures, reception, evaluation and contracting of projects	LAG team, CMB, potential beneficiaries								
6. Monitoring on the implementation of approved projects	LAG team, beneficiaries								
7. Monitoring on the progress of the implementation of the CLLDS and reporting annually to the MA of the RADP 2014-2020	LAG team, LAG BM								
8. Technical and financial management of the CLLDS, regular submission of payment requests to the NAF for reimbursement of spent funds and provision of financial resources for pre-financing of the activities of the strategy management	LAG team LAG BM								

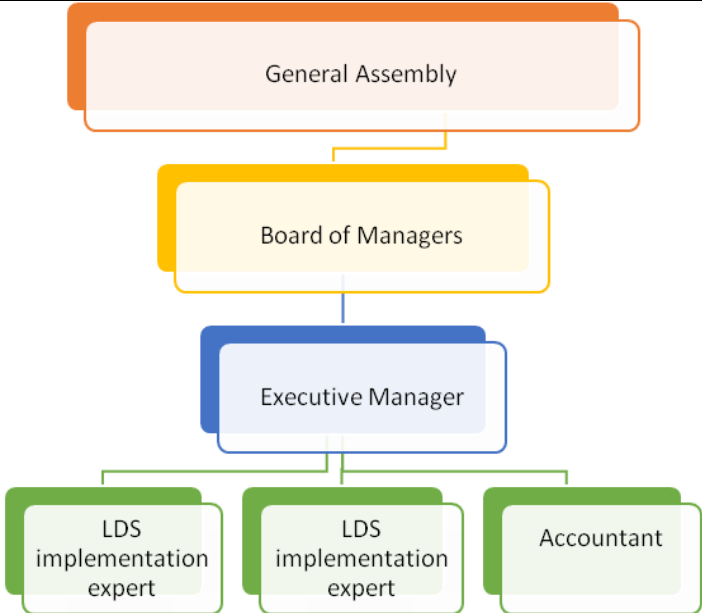
#### Indicative timetable for opening the CLLDS measures



2. Description of the management body and monitoring of the strategy, showing the capacity of the local initiative group to implement the strategy, and a description of the specific assessment arrangements:

(no more than 12 pages)

#### 8.1. LAG organizational structure:

<p>- <i>organizational structure/scheme.</i></p>	 <pre> graph TD     GA[General Assembly] --&gt; BM[Board of Managers]     BM --&gt; EM[Executive Manager]     EM --&gt; L1[LDS implementation expert]     EM --&gt; L2[LDS implementation expert]     EM --&gt; A[Accountant] </pre>
<p>8.2. LAG management:</p>	
<p>- <i>management and control bodies,</i></p>	<p>The bodies of LAG STAMBOLOVO - KARDZHALI 54 are:</p> <ol style="list-style-type: none"> <li>1. General Assembly;</li> <li>2. Board of Managers;</li> <li>3. Executive Director;</li> </ol> <p>The association includes representatives of various local community stakeholders in its collegiate bodies. Representatives of the public sector, representatives of the business sector and representatives of the non-profit sector in the collective supreme body and in the collective LAG Board of Managers do not exceed 49 per cent of the voting members.</p> <p><b>The LAG General Assembly</b> consists of thirty-two members, two of them (6.25%) representing the public sector - Municipality Stambolovo and 54 villages of the Municipality of Kardzhali. Fifteen members (46.87%) are representatives of the business sector, as well the same number (fifteen) (46.88%) are representatives of the non-profit sector. The General Assembly has seven out of eight identified stakeholder groups (except schools and kindergartens). Two of the three identified vulnerable groups have their own representation in the collective LAG supreme body - elderly and disabled people (see the attached declarations). Representatives of the Bulgarian and Turkish ethnic communities participate in the LAG General Assembly. The various territorial denominations are represented in the supreme collective body.</p> <p>Residents, companies and NGOs in 23 settlements on the LAGs territory participate in the association. Due to the specific nature of the territory (many in number, small and sparsely populated areas) their share is 28.75% of all settlements (80) but, on the other hand, all bigger settlements have their own</p>

representatives.

**The General Assembly** is the collective supreme body of the Association and has the right to take decisions on all matters of its activity. It consists of all members of the Association. The General Assembly: amends and supplements the Statutes; adopts other internal acts; elects and dismisses the members of the Board of Managers; dismisses the members of the Board of Managers; accept members in cases of refusal by the Board of Managers; takes a decision to open and close branches; decides on the transformation and termination of the Association; adopts an annual report on the activity and financial statement of the Association according to the requirements of Art. 40, para 2 of the Law on Non-Profit Legal Entities; adopts a report on the activities of the Board of Managers; adopts basic guidelines and a program for the Association's activities, including the Community-led Local Development; adopts the budget of the Association, including the budget for the LD Strategy under the CLLD approach; decides on the debt and the amount of the membership fee or the property contributions and the order of their collection; cancels the decisions of the other bodies of the Association that contradict the law, the statutes or the internal acts regulating the activity of the Association; adopts the rules and order for performing activities, beneficial for the public; takes other decisions provided in the Statute.

The decisions of the General Assembly are binding for the other bodies of the Association.

**The Board of Managers** is a LAG collective governing body. The BM consists of 5 (five) people - members of the Association. The members of the BM are elected for a term of five (five) years. In the election of the BM members, the following conditions are met: the share of representatives of the public sector - the local authorities/representatives of the business sector and of the representatives of the non-profit sector in the collective managing body - the BM of the Association should not exceed 49 the percentage of members of the BM; the BM members - natural persons and the representatives by law and mandate, including when a member is a legal person, should not be related persons within the meaning of § 1 of the Additional Provisions of the Commerce Act with another member of the BM of the Association.

**The Board of Managers:** represents the Association, through its Chairman or Vice-Chairman, as well as determines the volume of representative power of its individual members; manages the activity of the Association when it does not meet the General Assembly, ensuring the implementation of its decisions; decides on the admission, dismissal and exclusion of members of the Association under the terms and conditions of the Statutes; ensures the implementation of the decisions of the General Assembly; disposes of the property of the Association in

compliance with the requirements of the statutes; prepares and submits to the General Assembly a draft budget for the Local Development Strategy; adopts the annual maintenance budget for the LAG team and office; prepares and submits to the General Assembly a report on the activity of the Association; determines the order and organizes the performance of the activities of the Association, including the ones in the public interest, and it is responsible for them; defines the address of the Association; it is responsible for the process of preparation and follow-up of an integrated community-led local development strategy in line with the requirements of the community-led local development measure and the MAF regulations; adopts internal rules for the functioning of the Project Selection Committees, which define the principles, requirements and procedures for evaluating and selecting projects for a Community-led local development strategy; adopts plans, programs and projects, implemented by the Association and forms the management teams, responsible for their implementation; decides to participate in other organizations; elects a chairman and a deputy chairman of the Association from among its members, fulfills the obligations laid down in the Statute.

Specific functions of the BM: draws up and accepts the organizational structure and the state, rules and procedures for the functioning of the executive bodies of the Association, including implementation of the local development strategy; elects and releases the executive and operational units of the Association, including the Executive Manager, whose functions and responsibilities are regulated in his job description; assigns expert boards and/or committees by delegating their powers to evaluate project proposals funded by the Association through the Local Development Strategy under the CLLD approach or other funding programs in accordance with the provisions of the relevant managing authorities that fund the Strategy; approves or rejects decisions to fund projects under the Local Development Strategy or other funding programs; elects representatives of the Association in national and European networks of rural areas; takes decisions on application and partnership participation in projects funded by national, European and other international donors;

**The Chairperson of the BM** has the following powers and responsibilities: organizes the implementation of the decisions of the General Assembly and of the BM; takes decisions on all matters not within the exclusive competence of the General Assembly and the BM; convenes and directs the meetings of the BM and supervises the preparation of minutes of meetings; organizes the activities for the tasks implementation of the Association and ensures the proper management and preservation of its property; prepares the materials for the meetings of the General Assembly and the BM, organizes these meetings; organizes management, monitoring and control over the quality performance of the contracts, projects and



	<p>other obligations of the Association; represents the Association in the country and abroad, including before state bodies, institutions and authorities; performs public representational functions of the Association at national and international level, where there is no representative of the Association, elected by the BM; carries out the coordination and interaction between the bodies of the Association; signs contracts, in the country and abroad, on behalf of the Association in connection with the implementation of the Association activities; appoints and dismisses the Executive Manager of the Association and the members of the team; signs preliminary agreements and employment contracts for the team of the Association for the Community-led Local Development Strategy, prepares job descriptions for all posts.</p> <p>In the absence of the Chairperson or if they fail to fulfill their duties, their functions shall be exercised by the Deputy Chairperson.</p>
<p>- description of the position and requirements to the Executive Manager and the staff.</p>	<p><b>The Executive Manager</b> is appointed with a decision of the BM of the Association, subject to the requirements of Art. 13, para 3 of Ordinance N: 22 / 14.12.2015, issued by the Ministry of Agriculture and Food. The Executive Manager is in charge of the implementation of the Local Development Strategy, and their powers are defined in the employment contract. They will perform the functions assigned to them by the BM and will ensure the implementation of the decisions of the BM. The Executive Manager participates in the meetings of the BM with a consultative voice.</p> <p>The Executive Manager prepares and proposes for adoption by the BM a strategic and annual plan for the work of the Association as well as an annual budget project; assists the process of raising funds for the activities of the Association; signs contracts with external contractors related to the project activity of the Association and manages the expert and administrative staff of the Association; organizes and manages the current activity of the Association; develops the required by law or BM policies to ensure management and monitoring of the activities and results achieved by team members; organizes the realization of the activities on the various projects and monitors the implementation of the project plans; the EM is responsible for the implementation of the approved project budgets, ensuring that the project funds are used appropriately and legally; participates in the verification of the activities carried out by the beneficiaries on the spot.</p> <p><i>The Executive Manager must have: completed higher education, at least a Bachelor's degree; general professional experience of at least 5 years; managerial experience for at least two years; experience in implementing of a project, program or strategy worth over BGN 100,000, funded by the EU or by other international donors.</i></p>

	<p><b>The Expert on the implementation of the CLLDS</b> provides methodological assistance in the implementation of the LDS and advises the potential CLLDS beneficiaries. Prepares and organizes the LAG tasks related to the provision of information to potential and approved recipients of support under the CLLDS.</p> <p><i>The expert must have: completed higher education, at least a Bachelor's degree and a total professional experience of at least two years.</i></p> <p>The Association will appoint two experts for the implementation of LDS, which will be located in the office of the Association in the village of Stambolovo and will carry out activities both on the territory of Stambolovo Municipality and for the whole LAG territory.</p> <p><b>The Accountant</b> is responsible for the efficient management of the funds and the funds for the implementation of the CLLDS in compliance with the Bulgarian accounting standards, the requirements for accountability and management of funds of organizations, registered in public benefit activity and the requirements of the MAF PA. In order to take up this position, the accountant will have to meet the requirements of Art. 18 of the Accountancy Act. For these activities, the Association plans to hire an external company that meets the requirements of the Accountancy Act.</p> <p>The LAG employees can not be associated individuals with the members of the collective BM or the supervisory authority of LAG.</p>
8.3. Capacity of the local initiative group to implement the CLLD strategy:	
<p>LAG "Stambolovo - Kardzhali 54" has a spacious office available in the municipal center - Stambolovo, located in a central and communicative place. The office has all the necessary premises for its normal functioning - a business hall, an assembly hall and store premises. The office is accessible for disabled people. Both municipalities have provided financial resources to LAG, amounting to thirty thousand leva (more than 3% of the management budget share) in order to cover the operating and other expenses of the Association (see the enclosed documents). The office of the Association is supplied with computer and other office equipment for every employee who will be recruited immediately after signing of the grant contract.</p> <p>The establishing of a working and efficient team is very significant for the LAG capacity as well as the creating of good working relationships, understanding and trust. All the work, information meetings, seminars, public hearings, conferences and trainings held during the preparation of the LDS set a good start. The building of capacity will continue by ensuring good communication and coordination of the actions. This will facilitate the development of LAG information channels - web pages, information events and meetings, consultations, etc., their active use, maintenance of an up-to-date list of contacts with interested parties, sending of invitations for events, written information, etc. The LAG team members, who have preliminary employment contracts signed, have the necessary education and</p>	

qualification to successfully fulfill the LAG assignments. The Executive Manager has rich management experience and has been involved in managing large projects co-funded by the ESIF, as well as Leader approach experience. The same is valid for the CLLDS implementation experts.

LAG will use internal rules in its work on the implementation of the CLLDS in five main areas, which will ensure the effective management of the strategy, the distribution of tasks among the LAG employees and an action timetable:

1. Internal rules for the implementation of LDS concerning information and publicity activities, preparation of project proposals in accordance with the objectives of the LDS (informing, consulting and assisting the preparation of projects of the potential applicants, preparation and publication of a call for proposals for projects on the territory of the LAG, acceptance and registration of applications, creation and maintenance of a data base for the received LDS projects, their status and movement);
2. Internal rules for project evaluation and ranking (verification of administrative compliance and eligibility of projects, verification of the justification of proposed costs, lack of double funding and artificially created conditions, technical expert evaluation and project classification, preparation and holding of meetings of the project selection committee to the relevant LAG; submission of certified copies of the applications and accompanying documentation approved by the Project Selection Committee to the LAG, to the MA of the OP responsible for the check of the compliance with the procedures described in the LDS, the eligibility criteria of the applicant and the eligibility criteria of the project and the planned costs; written notification to the applicants about the approval or rejection of the project application; signing of contracts with the approved grant applicants);
3. Internal rules for monitoring and evaluation of the implemented projects (monitoring of the implementation of the projects, carrying out on-site visits, assisting the approved applicants in the preparation of payment orders to the MA of the OP and the Paying Agency and preparation of reports on performance reporting; to RA and MA of the OP of lists of approved and rejected projects after completion of the work of the project selection committee, sending certified copies of concluded contracts);
4. Internal rules for the monitoring and evaluation of the overall implementation and effect of the implemented Strategy (preparation of an annual report with regard to the implementation of the CLLDS, as well as other reports and references for the implementation of the LDS, required by the Managing Authorities of the OP and the RADP, not later than 15th February of the next calendar year, an annual report on the implementation of the Local Development Strategy, informing the Managing Authorities in due time of problems arising from the implementation of the Strategy).
5. Measures have been taken and internal rules have been drawn up concerning the avoidance of conflicts of interest as a key point in building trust and achieving transparency in the work of the Association.

#### 8.4. Description of the monitoring and evaluation system:

The process of monitoring the implementation of the Community-led local development strategy is based on the overall framework of the Rural Development Program, the OP SESG and OPE and the internal rules, systems and procedures established by the Association. The monitoring and evaluation of the strategy is a continuous process of purposeful and continuous collection of information related to the implementation, analysis of this information and its use for management purposes. Monitoring as well as evaluation arrangements are necessary not only as a formal requirement for cost justification but also as an instrument that provides useful information for the local partnership management. This tool enables you to assess what is effective and what is not in order to adapt the Strategy to the changing conditions. The monitoring and evaluation system aims to provide reliable information on the budget parameters and the results of the implementation of the LDS in order to facilitate informed management decisions.

### **Monitoring system (observation)**

With the help of the monitoring information on the contracted funds, grant projects and the immediate outcomes of their implementation will be collected. The observation system aims to acquire and to structure comprehensive information on the LDS implementation course. The information will be aggregated/collected by:

- The sessions of the LAG Managing and Supervisory Bodies, as well as the LAG additional bodies;
- The working sessions of the LAG employees and team;
- Prepared and sent calls for project proposals;
- The questions, asked by beneficiaries on the phone or e-mail;
- The interest shown in the calls for proposals;
- The project applications submitted to individual calls;
- The monitoring of the implementation of approved and financed projects;
- On-site visits;
- Assisting the grant applicants in the preparation of payment requests to the Paying Agency and drafting project implementation reports;
- Send to MA of OP and RADP lists of approved and rejected projects after the completion of the project selection procedure;
- Certified copies of the signed contracts;
- Data on the economic development of the individual sectors within the LAG territory as well as the socio-economic characteristics of the territory (data source will be NSI, the analyzes of the Agro-statistics Directorate at MAF, including the Farm Accountancy Data System - FADS);
- Information from the data base from the RD Directorate, covering key statistics.

The data collection activities will be organized as a continuous process during the implementation of the LDS.

For the purposes of monitoring, LAG will prepare and maintain an up-to-date computerized database reflecting basic indicators such as: number and value of applications submitted, number and value of approved applications, number and value of contracts, number and value of submitted payment

requests, number and value of approved payment requests, number and value of successfully completed projects.

Data collection will be done by the LAG staff. Directly involved in the updating of the database will be the LDS implementation experts. The Strategy beneficiaries will provide monitoring data when completing the support applications. The LAG Executive Manager will be responsible for the data collection.

### **Evaluation system**

The LAG assessment of the LDS implementation will be based on the control over the project implementation and the LDS contracts.

The evaluation system will contain information on the progress and implementation of the Strategy grant projects. It will include the following parameters: date of sending the notification letter to the beneficiary for an on-the-spot inspection, Assignment Order of two LAG experts to carry out the inspection, verification inspection report. There are three types of inspections:

- focal inspection;
- multilateral inspection;
- inspection subject to a signal.

Site inspection will be carried out for every LDS project at least once during the implementation period. The inspection will be carried out by two LAG employees. A protocol will be issued for every inspection.

The data from the project LDS implementation assessment and the implementation of the projects in conformity to the LDS will become part of the annual progress reports.

### **Self-assessment system**

Special attention will be paid to the **self-assessment** of the Association. This is also necessary because of the significant role the local community should play in the implementation of community-led local development.

LAG will carry out self-assessment (performance evaluation) on the LDS implementation in line with the progress in the LDS implementation through the baseline indicators as well as the budget indicators, product/activity indicators and LDS results indicators. The assessment will be based on the information gathered through the monitoring system.

Self-evaluation of the work of the LAG bodies and of the LAG executive team in the implementation of the LDS will be carried out by the LAG team (including members of the BM), attracting active members to participate. The LAG Executive Manager will be responsible for the evaluation.

A self-assessment timetable will be prepared, which will be in line with the LDS schedule of activities and the preparation of the annual progress reports. The self-assessment process will be initiated at least once a year and its results will become part of the annual progress report.

LAG will attract LAG members, to the self-assessment process, guided by the principle of widespread participation of stakeholders. Other LAG experts can be attracted to introduce partnership element in the assessment as well as external experts. For the self-assessment purposes, a flexible mix of tools will be

used: data analysis, interviews, surveys, brainstorming, focus groups, best practices, and other LAG experience.

LAG self-assessment process will go through the following stages:

1. LAG identifies the need to assess an aspect of the implementation of the LDS, decides to start the self-assessment process and selects the evaluation methods.
2. LAG prepares the evaluation questions and a preliminary plan for their resolution.
3. The data needed for the self-assessment is collected.
4. The data is analyzed, conclusions and answers to the previously formulated evaluation questions are prepared.
5. The LDS and the LAG activities are changed/redirected according to the results of the evaluation and the recommendations made as where necessary the corresponding administrative procedures are carried out.

In order to improve the LDS work and the share of experience, the LAG Executive Manager, after the completion of the self-assessment process, prepares and submits to the MA of the OP and NSN a description of the process and the results of this self-assessment. The results of the self-assessment are included in the annual reports on the LDS performance.

#### **Risk assessment**

Obstacles to monitoring, evaluation and data collection might be experienced when performing the monitoring procedure. A risk assessment must be carried out. They should be anticipated and steps should be taken to prevent them.

Possible risks may arise when collecting data, monitoring and assessing and they may be the non-compliance with voluntary commitments to provide information on behalf of the beneficiaries due to insufficient information; vitiation of on-the-spot checks due to unclear or non-compliant procedural requirements; lack of objectivity when carrying out the self-assessment procedure. In order to prevent these obstacles, it is necessary to carefully and soberly plan the deadlines for the updating and maintenance of the information database, to clearly and adequately lay down all working procedures, to observe the set deadlines, to take steps in order to raise the beneficiaries' awareness; to attract active LAG members for participation in the monitoring, evaluation and self-assessment processes, while respecting the requirement of non-conflict of interest. When observing the procedures, careful planning, allocation of tasks and adherence to the planned deadlines can prevent serious obstacles to monitoring and data acquisition.

The LAG staff teamwork and the interaction between the LAG executive team and its other bodies will be a prerequisite for timely planning and adherence to timetables and plans.

The responsibility of the LAG staff will be a guarantee of compliance with the requirements of the MA of the OP and the terms of the contract.

Transparency and openness to beneficiaries as well as support work in their application and subsequently in the implementation of the funded projects will guarantee the receipt of the necessary information for completion of the LAG information database.

The arrangements for managing and monitoring of the implementation of the CLLDS, evaluating

progress in implementation and self-assessment will allow timely forecasting and finding a solution for possible future barriers to ensure that the objectives of the Strategy are achieved without any hindrance.

Planning the objectives well and ensuring teamwork will contribute to the overcoming of eventual force majeure and, in the event of delays, it will be possible to catch them up without breaking the deadlines for implementation of the contract.

## 9. Indicators for monitoring and evaluation:

### 9.1. Indicators for the whole CLLDS implementation, including the number of opened workplaces: (no more than 1 page)

INDICATORS OF THE COMPLETE CLLDS APPLICATION				
№	Indicator	Unit	CLLDS end objective	Information resource
1	Number of projects financed under the CLLDS	number	33	LAG database and reports
2	Total volume of investments (public contribution)	th.BGN	3 708	LAG database and reports
3	Projects of agricultural holdings in sensitive sectors	number	3	LAG database and reports
4	Granted integrated tourism projects	number	3	LAG database and reports
5	Public projects implemented outside the municipal centers	number	2	LAG database and reports
6	Number of projects of private beneficiaries	number	21	LAG database and reports
7	Opened workplaces	number	15	Beneficiaries' reports, LAG database
8	Population of the territory benefiting from improved services	number	12 000	База данни, проучвания на територията
9	Number of children, students and young people from marginalized communities (including Roma minorities) involved in the educational integration and reintegration measures	number	195	Beneficiaries' reports, LAG database
10	Number of children, students and young people from ethnic minorities (including Roma minorities) integrated into the educational system	number	120	Beneficiaries' reports, LAG database

11	Area of habitats of species supported to achieve better conservation status	xa	1594	Beneficiaries' reports, LAG database
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## 9.2. Measure Indicators:

The implementation of the measures included in the LAG Stambolovo - Kardzhali 54 Strategy sets indicators for monitoring, guided by the indicators of the individual measures set out in the RADP, OP SESG and OPE and subject to the specific objectives outlined in the Strategy.

The indicators of each measure are set out below:

INDICATORS OF CLLDS MEASURE 4.1. (incl. thematic sub-programme for small farms)				
№	Indicator	Unit	Strategy end objective	Information resource
1	Projects funded under the measure	number	12	LAG database and reports
2	Total volume of investments (public contribution)	th.BGN	868.4	LAG database and reports
3	Volume of investments under the thematic sub-program for small farms	th.BGN	164.3	LAG database and reports
4	Projects of agricultural holdings in sensitive sectors	number	3	LAG database and reports
5	Share of young farmers supported by the measure	процент	20	LAG database and reports
6	Projects creating additional employment	number	5	LAG database and reports

INDICATORS OF CLLDS MEASURE 4.2.				
№	Indicator	Unit	Strategy end objective	Information resource
1	Projects funded under this measure	number	1	LAG database and reports
2	Total volume of investments (public contribution)	th.BGN	146.6	LAG database and reports
3	Projects for processing products, produced on the LAG territory	number	1	LAG database and reports
4	Enterprises that have introduced new products, processes and technologies	number	1	LAG database and reports
5	Opened new work places	number	2	LAG database and reports

INDICATORS OF CLLDS MEASURE 6.4.1				
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<b>№</b>	<b>Indicator</b>	<b>Unit</b>	<b>Strategy end objective</b>	<b>Information resource</b>
1	Projects funded under this measure	number	6	LAG database and reports
2	Total volume of investments (public contribution)	th.BGN	862.5	LAG database and reports
3	Established new manufacture, services, activities on the territory	number	2	LAG database and reports
4	Opened work places	number	6	LAG database and reports
5	Projects using tourism development potential	number	2	LAG database and reports

#### INDICATORS OF CLLDS MEASURE 6.4.2

<b>№</b>	<b>Indicator</b>	<b>Unit</b>	<b>Strategy end objective</b>	<b>Information resource</b>
1	Projects funded under this measure	number	2	LAG database and reports
2	Total volume of investments (public contribution)	th.BGN	156.5	LAG database and reports
3	Established new manufacture, services, activities on the territory	number	2	LAG database and reports
4	Opened work places	number	2	LAG database and reports
5	Projects using tourism development potential	number	1	LAG database and reports

#### INDICATORS OF CLLDS MEASURE 7.2

<b>№</b>	<b>Indicator</b>	<b>Unit</b>	<b>Strategy end objective</b>	<b>Information resource</b>
1	Projects funded under this measure	number	2	LAG database and reports
2	Total volume of investments	th.BGN	586.8	LAG database and reports
3	Projects implemented outside the municipal centers	number	1	LAG database and reports
4	Population on the LAG territory benefiting from the improved services	number	10000	LAG database and reports
5	Constructed/renovated buildings to ensure social services	number	1	LAG database and reports

#### INDICATORS OF CLLDS MEASURE 7.5

№	Indicator	Unit	Strategy end objective	Information resource
1	Projects funded under this measure	number	2	LAG database and reports
2	Total volume of investments	th.BGN	195,6	LAG database and reports
3	Supported new tourist activities	number	1	LAG database and reports
4	Opened temporary work places	number	4	LAG database and reports

#### INDICATORS OF CLLDS MEASURE 7.6

№	Indicator	Unit	Strategy end objective	Information resource
1	Number of projects funded under this measure	number	5	LAG database and reports
2	Total volume of investments	th.BGN	117.4	LAG database and reports
3	NGO implemented projects	number	3	LAG database and reports
4	Cultural heritage preserving projects	number	3	LAG database and reports

#### INDICATORS OF SUBPARAGRAPH 1 "Support for pre-school education and preparation of disadvantaged children" by OP SESG

№	Indicator	Unit	Strategy end objective	Information resource
1	Projects funded under this measure	number	1	LAG database and reports
2	Total volume of investments	th.BGN	287	LAG database and reports
3	<b>For execution:</b> Number of children from the marginalized communities (including the Roma minorities) participating in educational integration and reintegration measure events	number	85	LAG database and reports
4	Number of parents participating in project events	number	15	LAG database and reports

5	<b>As a result:</b> Net enrollment rate in kindergartens	share	80%	LAG database and reports
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**INDICATORS UNDER SUB-PARAGRAPH 2 "Educational integration of students from the marginalized communities" by OP SESG**

<b>№</b>	<b>Indicator</b>	<b>Unit</b>	<b>Strategy end objective</b>	<b>Information resource</b>
1	Number of projects funded under the measure	number	1	LAG database and reports
2	Total volume of investments	th.BGN	300	LAG database and reports
3	<b>As a product:</b> Number of students and young people from the marginalized communities (including the Roma minorities) participating in educational integration and reintegration events	number	110	LAG database and reports
4	Number of parents participating in the project events	number	20	LAG database and reports
5	<b>As a result:</b> Number of students and young people from the marginalized communities (including the Roma minorities), integrated in the educational system	number	80	LAG database and reports

**INDICATORS OF OPE MEASURE "Improving the conservation status of Natura 2000 species through the CLLD approach"**

<b>№</b>	<b>Indicator</b>	<b>Unit</b>	<b>Strategy end objective</b>	<b>Information resource</b>
1	Number of projects funded under this measure	Number	1	LAG database and reports
2	Total volume of investments (public contribution)	th.BGN	187	LAG database and reports
3	Area of species habitats supported to achieve better conservation status	ha	1594	LAG database and reports

4	Conservation activity types	Number	3	LAG database and reports
10. Compliance with the horizontal EU policies: (no more than 2 pages)				
9.3. Gender equality and non-discrimination:				
- gender equality principle application;		<p>The CLLD strategy will integrate horizontal priorities at all stages of implementation by: Raising the awareness of the target groups on innovation and environmental and climate change policy objectives; Stimulating the development of projects that integrate horizontal priorities; Prioritize projects that add value by contributing to horizontal priorities; Monitoring and assessing the contribution of the measures implemented to the horizontal priorities and, if necessary, taking corrective measures in due course. The principle of gender equality, defined as desirable equality between the sexes in all spheres of life, employment, education and social rights has been implemented during the LDS preparation. The implementation of all LDS sub-measures will respect and observe the horizontal principle of gender equality. The following mechanisms will be ensured for its compliance: provision of information in the application forms, evaluation, monitoring during the implementation of the projects, incl. compliance with employment legislation. Under the implementation of all LDS sub-measures, as well as in the selection of participants in project activities, the principle of gender equality will be respected and observed. The opening of work places within the project framework will require the application of the principle of gender equality.</p>		
- contribution to the principle of equal opportunities promotion;		<p>The principle of equal opportunities implies the establishment of a system of special measures designed to compensate for the lagging behind based on origin, age or other characteristics that may lead to the unfair treatment of the individual. The following mechanisms will ensure the observance of the horizontal principle: provision of information in the application forms, evaluation, monitoring during the implementation of the projects, incl. compliance with the employment legislation. The LDS measures, apart from their role in the economic development of the rural area, also play a role in the social development. Especially measure M07 (7.2, 7.5 and 7.6) that will contribute to the sustainable socio-economic development of the LAG territory, related to the existing infrastructure and the quality of the services provided to the local population. The disruption in the volume of investment and the quality of the offered services creates a great incompliance in the quality of life of the village and the city. The lack of equal opportunities directly affects the socio-economic development of the villages on the LAG territory. These factors worsen the quality of life in the villages, cause negative effect on their attractiveness to investors, increase the risk of depopulation of the settlements and result in a socio-economic downturn. To reduce the existing differences between the village and the city with this measure</p>		

	<p>support, small scale infrastructure, public leisure and tourist information infrastructure and the improvement and expansion of basic services, including recreation and sports, will be established, improved or expanded. Thus, the measure will help to limit disproportions in the development and depopulation of part of the territory. Conditions are created for the preservation of the settlements and maintenance of the educational services, as well as the provision of cultural services.</p> <p>The measures under the OP SESG entirely target the creation of conditions for equal access to education for the marginalized and ethnic groups. The measures will need to ensure educational and social integration of vulnerable groups of people on the territory.</p> <p>Through the planned training activities and actions aimed at acquisition of skills and achieving of publicity in the LAG territory, many residents with primary or secondary education will be given the chance to acquire new knowledge and skills in order to enlarge their access to new employment opportunities and make them more competitive on the labor market. This particularly affects the group of women and Roma minorities who live in the area and who are affected by unemployment.</p>
<p><i>- creating conditions for the prevention of discrimination.</i></p>	<p>The principle of prevention of discrimination, referred to in the European directives, means preventing unfavorable treatment of a person on the grounds of sex, race, color, ethnic or social origin, genetic characteristics, language, religion or beliefs, political or other viewpoint, affiliation to national minority, property, birth, disability, age or sexual orientation than another person, treated violently in cases of comparable or similar circumstances. This principle was applied during the preparation of the LDS. The following mechanisms will ensure the observance of the horizontal principle: provision of information in the application forms, evaluation, monitoring during the implementation of the projects, incl. compliance with the employment legislation. In the context of the implementation of all LDS sub-measures, as well as in the selection of project activity participants, the horizontal principle of prevention of discrimination will be observed and respected. The opening of new work places within the projects will require the compliance with the principle of prevention of discrimination.</p>
<p>10.2. Sustainable development (environmental protection):</p>	
<p>When working out the Strategy the principle of sustainable development has been applied in order to ensure the achievement of the goals of modern generations without damaging and risking the next generation future, minimizing the adverse effects of human activity and using natural resources in a way that guarantees their subsequent self-restoration. The principle links economic to environmental effectiveness, incl. the linking of environmental issues affecting the state of natural equilibrium; with economic issues relating to environmental friendliness; and, on the third side, with social issues related to economic and natural living conditions: employment, education and training, health, access to a</p>	

healthy environment, responsible and shared management, and the reduction and elimination of unsustainable patterns of production and consumption.

The implementation of all LDS sub-measures will respect and conform with the horizontal principle of sustainable development and protection of the environment. It will stimulate the development of projects that integrate the principle of sustainable development and environmental protection. Priority will be given to projects that add value by contributing to sustainable development and environmental protection and improving energy efficiency. The monitoring and evaluation of the project implementation will observe the contribution to sustainable development and environmental protection and correspondingly corrective actions will be taken, if necessary. The following mechanisms will ensure the observance of the horizontal principle: provision of information in the application forms, evaluation, monitoring during the implementation of the projects, incl. compliance with the environmental legislation. With the implementation of M04 (4.1, 4.1.2 and 4.2), as well as in the application of sub-measure 6.4. the environmental component protection will be targeted, the improvement of the environmental protection actions as well as the application of environmentally friendly investments. With the implementation of M07 (7.2, 7.5 and 7.6), it is possible to introduce new environmental integration and climate change policy requirements, as well as innovation in building and upgrading infrastructure such as eco-innovation in the field of water supply and water purification in tourism.

By implementing the measure "Improving the conservation status of the species, included in Natura 2000, interventions will be implemented for the protection of species, living on area of 1540 ha.

#### 10.3. Promotion of employment and competitiveness:

The principle of employment support and competitiveness is applied in the LDS preparation, its implementation will be indicated as compulsory in the preparation and implementation of projects within the LDS. Priority will be given to opening of work places, temporary (seasonal) employment. The following mechanisms will ensure the observance of the horizontal principle: provision of information in the application forms, evaluation, monitoring during the implementation of the projects, incl. compliance with the employment legislation. Investments under measures 4.1 and 4.2 are directly related to the increase of agricultural competitiveness. Investments under Measure 6.4, through the selection criteria, will also aim at promoting employment and boosting competitiveness. Support is provided for investment in physical capital for the purpose of opening new work places and improving labor productivity through restructuring and developing of available equipment in farms and businesses, promoting the introduction of new technologies, introducing new products, processes and technologies, including short supply chains. Making better products, better market demand and opening up new market niches will create opportunities for more jobs and will confirm the increased competitiveness of farms and businesses.

Under M07 (7.2, 7.5 and 7.6), the infrastructure development and renewal will increase the attractiveness of the region and will create conditions for preservation of settlements and the provision of work places.

#### 10.4. Compliance with the Structural Funds programs:

ESIF programs have an important contribution to the implementation of the Union strategy for smart, sustainable and inclusive growth and to the achieving of economic, social and territorial cohesion "Europe 2020". This strategy has 5 key objectives: employment, research and development activity and innovation, climate change and energy, education, poverty and social exclusion. All of them (directly or indirectly) have a connection with the tasks of the developed Strategy.

The connection with OP "Transport" 2014-2020 is directed to ecology: reduction of the negative impact on the environment and on human health; pursuit of sustainable development. The OP "Environment" 2014-2020 and the LDS are consistent with two main pillars: building a more competitive low-carbon economy in which resources are used in an efficient and sustainable way; protecting the environment, reducing emissions and preventing the biodiversity loss. OP "Regional Development" has several, although more indirect, points: OPRD Priority 1 "Enhancing Regional Competitiveness Based on Knowledge Economy" is related thematically with the increasing of the sustainability and competitiveness of agricultural holdings (M04); OPRD Priority 2 " Infrastructural Development and Modernization" is in line with M07 (investments in small-scale infrastructure); OPRD Priority 3 "Improving the attractiveness and quality of life in the planning regions" has its local response to the objectives and the predicted results of sub-measure 6.4. "Supporting investments related to non-agricultural activities". The Strategy is in line with the Priority Axis: 3 "Educational Environment for Active Social Inclusion", Investment Priority: No 9ii "Social and Economic Integration of Marginalized Communities as the Roma Minorities", Specific Objective 1 to IP 9ii: "Increasing the number of successfully integrated, through the educational system, children and students from the marginalized communities, including Roma minorities" of OPSESG.