D.3.3. - Strategic Planning

Responsible Beneficiary:

CHAMBER OF SMALL & MEDIUM SIZED INDUSTRIES OF THESSALONIKI (Lead Beneficiary)

with the contribution of:

PB2: SMALL ENTERPRISES' INSTITUTE OF THE HELLENIC CONFEDERATION OF PROFESSIONALS CRAFTSMEN AND MERCHANTS

PB3: GREEK ASSOCIATION OF SUPPLY CHAIN MANAGEMENT

PB4: REGIONAL CHAMBER OF COMMERCE AND INDUSTRY – BLAGOEVGRAD

PB5: RENEWABLE ENERGY SOURCES CLUSTER

https://agrofficiency.eu

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Cooperation Programme Interreg V-A "Greece – Bulgaria 2014-2020".

Table of Contents

A Analysis Phase 4
1 Current Situation Analysis 4
1.1 Project Background 4
1.2 Project Results 6
1.3 Business Support Center Structure (Current) 7
1.4 Business Support Center Vision 8
1.5 Business Support Center Mission 9
1.6 Funding Resources 9
1.7 PESTLE Analysis 9
1.7.1 Greek Side 9
1.7.1.1 Political Aspect 9
1.7.1.2 Economic Aspect 10
1.7.1.3 Social Aspect 13
1.7.1.4 Technological Aspect 15
1.7.1.5 Legal Aspect 16
1.7.1.6 Environmental Aspect 18
1.7.2 Bulgarian Side 19
1.7.2.1 Political Aspect 19
1.7.2.2 Economic Aspect 29
1.7.2.3 Social Aspect 46
1.7.2.4 Legal Aspect 56
1.7.2.5 Environmental Aspect 57
1.8 SWOT Analysis 66
1.8.1 Greek Side 66
1.8.1.1 Strengths 67
1.8.1.2 Weakness 67
1.8.1.3 Opportunities 68
1.8.1.4 Threats 68
1.8.2 Bulgarian Side 69
1.8.2.1 Strengths 69
1.8.2.2 Weaknesses 71
1.8.2.3 Opportunities 72
1.8.2.4 Threats 72
1.9 Stakeholder Analysis 73

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

2 Strategy ... 79
B Planning Phase ... 83
3 Business Support Center Structure ... 83
3.1 Legal framework ... 83
3.2 Organizational Structure ... 83
3.3 Critical Success Factors ... 85
3.4 Human Resources ... 86
3.4.1 Budget Structure ... 86
3.4.2 Develop Staff Competence ... 87
3.4.3 Procedures and tools ... 87
3.4.4 Tools for managing, monitoring and evaluating ... 90
3.4.5 Support Center Capitalization Cooperation Agreement ... 92
4 Business Support Center Services ... 93
4.1 Business Consulting ... 93
4.2 Building synergies ... 95
4.3 Training ... 97
4.4 Circular Economy Observatory ... 99
4.5 Research and reference to resources ... 100
5 Target – Audience ... 101
6 Action Plan ... 103
6.1 Expansion of the BSC's services ... 103
6.2 Promotion of the BSC's services - Dissemination ... 104
7 Timeline ... 106
8 Funding Resources ... 107
9 Evaluation & Feedback ... 108
10 Suggestions ... 112
11 Annexes ... 113
11.1 Annex 1 – Legal framework ... 113
11.2 Annex 2 –Organizational Structure ... 114
11.2.1 Steering Committee ... 114
11.2.2 Enlargement Committee ... 115
11.2.3 Compliance and Audit Committee ... 115
11.3 Annex 3 – Personnel timesheet ... 116
11.4 Annex 4 – Working Timesheet ... 116
11.5 Annex 5 –Approach Plan Template ... 117
11.6 Annex 6 – Design and implementation of networking actions ... 118
11.7 Annex 7 – Evaluation questionnaire ... 119
11.8 Annex 8 – Stakeholder analysis and activity planning regarding the Bulgarian side ... 121

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

A Analysis Phase

1 Current Situation Analysis

1.1 Project Background

Project "Enhancing the Competitiveness and Sustainable Growth in the Agrofood Sector through the promotion of Circular Economy" with Acronym AGROFICCIENCY is implemented under the 6th Call of Cooperation Programme "Interreg V-A Greece-Bulgaria" 2014-2020. The project is related to the enhancement of Cross-Border Cooperation between Greece and Bulgaria with a main objective Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

The programme area is part of the most south-eastern, non-insular area of the EU. Agricultural development is one of the most significant issues in the area, as a great portion of its population is actively engaged in the industry, defining the wider agri-food sector as the heaviest industry in the region. The cornerstone of agricultural development lies in integrating contemporary techniques in the industry's operational processes to improve the agricultural sector's overall productivity and the wider ecosystem.

The CB area is blessed with rich natural resources and fertile, rural areas that show the great potential of exploitation, establishing the wider agri-food value chain as the most promising opportunity regarding the area's economic and social development. Every region in the area has its strengths and weaknesses. Thessaloniki is an industrialized area. There are numerous research centers and chambers with an established network of contacts and members. Bulgaria lacks on the abovementioned but can offer a direct and much needed new market, the market of Black Sea, as well as great know-how on ICT technologies. All regions across the border share a similar microclimates and natural resources and exhibit

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

great scientific and socio-economic potential. However, the area lacks a support mechanism to help the agricultural sector thrive and the local and/or potential SMEs develop. Common-joint problems, common assets and complementary capacity create a breeding ground and a direct need for cooperation and joint confrontation of the problem. SMEs lack contemporary business tools to develop their operation and prosper.

Also, there is a plethora of funding opportunities from either public or private sources that local SMEs could take advantage of but are left untapped due to lack of relevant information. Another problem the area faces due to the lack of a support mechanism is the limited access to contacts necessary for the promotion of products, sharing ideas, learning, and exchanging technical expertise. Entrepreneurs think about starting new business ventures without necessarily having the proper knowledge and professional background needed to ensure their feasibility, with the lack of a business and strategic plan being evident, causing many small businesses that could have otherwise been successful to go bankrupt early on. This is why many businesses fail to attract investors and survive.

Moreover, technology takes giant leaps, but SMEs in the CB area are greatly inadequate of operational digitalization resulting in little to no digital tool integration. AGROFFICIENCY aims to improve support services offered in the CB area by creating a One-Stop-Shop business support center (BSC) that will work in an incubator-like model for the newly established and potential SMEs. This center is going to provide the necessary training, mentoring, one to one consulting and networking during the project's implementation period, giving the means and opportunity to local agri-food SMEs to develop their business tools, generate new ideas, and equip them with all the necessary know-how, properly manage, communicate and plan their operations, while creating a competitive advantage that will make them more enticing to investors. Moreover, the BSC will educate them on cost efficiency strategies and methodologies and promote the integration of Circular Economy and Contemporary Logistics in their operations. The BSC

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

intends to follow a cooperation based approach by acting as a bridge between the 2 countries and promoting innovation in the agriculture sector and its wider value chain, by promoting the value of information exchange and stimulate collaboration and synergies between the end-users of the 2 countries.

The innovative character of the project lies on the fact that it aims to offer a holistic set of services that will be complementary and result in a cohesive result, which is the direct support of newly established SMEs. Its focus on businesses operating in the agri-food chain and its wider ecosystem contributes to its innovative side. The main target group is the local newly established and potential SMEs, since they need holistic and effective support and guidance. Through this project they will be greatly benefited since they will acquire access to a safe environment, which will provide them the necessary knowledge, cost-effective strategies and contacts, helping them lay strong foundations in order to survive and prosper. The Project Partners will also benefit by the programme, by further enriching their portfolios and services and building strong synergies with each other.

1.2 Project Results

The expected result of the project is the enhancement of support services offered to agrifood businesses in the CB area. The result indicator's measurement unit is entrepreneurship barometer is related to the Agri-food sector's performance – state across 5 main pillars of entrepreneurship; Access to Funding, Entrepreneurship Culture, Tax & Regulation, Education & Training and Coordinated Support.

The project by default cannot make changes to Tax & Regulation, as both programme's budget limitations, and implementation horizon, pose as barriers and discourage such interventions. However, the project directly addresses the other pillars, by creating a holistic support mechanism that specializes in supporting SMEs operating in the Agri-food Sector that focuses not only on one of the above-

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

mentioned barriers but contributes effectively to alleviating all of them simultaneously.

The project's Work Plan is designed in such way, that unswervingly addresses issues related with those pillars, that pose as barriers for business survival and development, and affect the entrepreneurship environment in the area. The establishment the BSC will cultivate a breeding ground for the creation, survival and development of SMEs.

The BSC follows two main approaches, to effectively support in key places. Firstly, it follows the incubator approach that aims to train and consult the sector's newly established SMEs and equip them with all fundamental knowledge and business tools to seek funding. Secondly it aims to develop and provide the tools and guidance needed, to become cost efficient by integrating practices of CE and Contemporary Logistics, that will help them cultivate a competitive advantage and boost their growth.

Both approaches use mentorship, training, ICT technologies and networking, to achieve maximum impact and offer applied, substantial support. By doing so the project, directly affects 4/5 parameters of the result indicator and will contribute to its increase by its ending.

1.3 Business Support Center Structure (Current)

Agrofficiency Business Support Center (BSC) will develop as a business within the institutions of the Chamber of small & medium sized industries of Thessaloniki and the and Regional Chamber of commerce and industry of Blagoevgrad and aspires to become an autonomous service provider for SMEs in the agri-food sector. During its pilot operation and under the program, it operates unofficially under the supervision of a person designated "Administrator".

The "Administrator" is an important factor for the BSC's success and will, assume within its responsibilities:

- planning of integrated networking actions according to local needs:

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- gathering the experiences and problems of the BSC Members
- analysis and identification of geographically concentrated industries in the region
- consultation of undertakings, their representatives and other bodies (e.g. OAED, technical and professional chambers, educational institutions, etc.) in order to identify the needs that can be met through networking and to carry out promotional activities for understanding the concept of networking and building trust and cooperation between the parties involved

- technical support for networks established in the market for services for SMEs in the agri-food sector, in order to plan and effectively implement the planned actions
- encouragement of the BSC members and resolution of internal problems between the members and other stakeholders/organizations involved to ensure the success of the BSC's individual actions and the timeliness.

The importance of having an Administrator is mainly related to its role as a motivator of the effort of the members and the coordinator in order to solve the problems that will arise during the implementation process and the formation of relations of trust and cooperation.

BSC's staff will be recruited by the program partners. The external partners will also be contracted with the partner in accordance with the provisions of the JoB.

1.4 Business Support Center Vision

The BSC intends to follow a cooperation-based approach by acting as a bridge between the two countries and promoting innovation in the agrifood sector and its wider value chain, by promoting the value of information exchange and stimulate collaboration and synergies between the end-users of the two countries.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

1.5 Business Support Center Mission

BSC is going to provide the necessary training, mentoring, one-to-one consulting, and networking during the project's implementation, giving the means and opportunity to local agri-food SMEs to develop their business tools, generate new ideas, and equip them with all the necessary know-how, properly manage, communicate and plan their operations, while creating a competitive advantage that will make them more enticing to investors. Moreover, the BSC will educate them on cost efficiency strategies and methodologies and promote the integration of Circular Economy and Contemporary Logistics in their operations.

1.6 Funding Resources

Agrofficiency Business Support Center (BSC) will develop as a business within the institutions of the Chamber of small & medium sized industries of Thessaloniki and Regional Chamber of commerce and industry of Blagoevgrad and aspires to become an autonomous service provider for SMEs in the agri-food sector.

During its pilot operation, it will be funded by the Project "Enhancing the Competitiveness and Sustainable Growth in the Agrofood Sector through the promotion of Circular Economy" with Acronym AGROFICCIENCY which is implemented under the 6th Call of Cooperation Programme "Interreg V-A Greece-Bulgaria" 2014-2020.

1.7 PESTLE Analysis

1.7.1 Greek Side

1.7.1.1 Political Aspect

- EU quality policy provides measures to help producers build on the high-quality reputation of domestic products and promote their unique characteristics, in order to sustain competitiveness, profitability, diversity, development and growth in the rural areas where they are produced and protect local knowledge, skills and jobs.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- A supportive to the above policy tool is the register of protected food names, with products being classified as Protected Designation of Origin (PDO) for the area of production, Protected Geographical Indication (PGI), regarding the origin of raw materials and Traditional Specialties Guaranteed (TSG), which highlight traditional aspects of the production. Products registered under one of the three schemes can be marked with the logo that identifies them. The registration supports the reputation of these products, reduces unfair competition and guides consumers so that they are not misled to distinguish genuine from non-genuine products.
- In May 2020, in the context of the European Recovery Plan to battle economic downturn due to the coronavirus pandemic, the total CAP 2021-2027 funding (Direct Payments and Rural Development Programmes) was reinforced to EUR 391.4 bn from EUR 365 bn in the 2018 proposal, lower than CAP 2014-2020, due to Brexit, emigration and refugee issues, internal and external security, demographics and climate change challenges.
- BREXIT led to financial market instability. Greece – UK partnerships will need to be reformulated.

1.7.1.2 Economic Aspect

- Food prices in Greece have been on an upward trend in recent years, affected by higher demand and global food prices amid a highly competitive international environment. Food prices are affected by fluctuations in demand - for example due to changes in income or population - but also by shifts in production and supply, derived from diverse climate conditions, natural disasters or floods, changing crop yields, trade barriers, oil price fluctuations and speculative pressures on commodity derivatives of raw materials.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

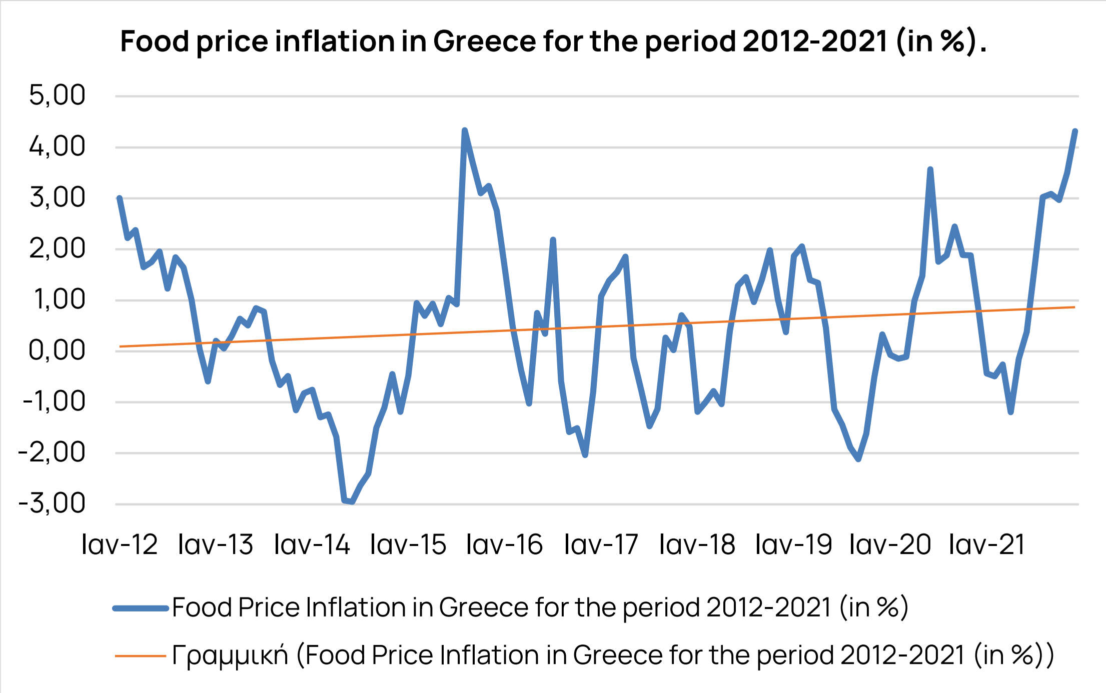


Figure 1. The Food price inflation in Greece for the period 2012-2021 (in%). Data from FAO: https://www.fao.org/faostat/en/#data/CP

- In Greece, the Harmonised Index of Consumer Prices (HICP) increased by 0.5% in 2019, at a lower rate compared to 2018 (0.8%). The changes of the HICP during the last years have been affected by the prices of oils and fats, vegetables, coffee, tea and cocoa, beer and mineral waters, soft drinks, fruit and vegetable juices. In the period 2009-2019, the largest increase was registered in the prices of coffee, tea and cocoa, beer and spirits.
- The producer price index in Greece stands at the lowest level compared to other food price indices, raising from 95.8 units in 2008 to 98.7 units in 2019 and 99.4 units in the first 4 months of 2020. The agricultural commodity price index increased at a slower pace than producer prices.
- Global food prices, also affecting domestic prices, recorded a downward trend in the beginning of 2018 that lasted for a year, due to the trade war between China and USA, primarily evident in the prices of oils and sugar and secondarily in meat.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- In Greece, household expenditure for food and non-alcoholic beverages products accounted for 15.3% of total household expenditure (2017), the second largest after housing, water, electricity, gas and other fuels expenditure (23.1%), close to restaurants and hotels expenditure (14.6%).

- Food and non-alcoholic beverages expenditure increased by 1.4% on an annual basis in 2020, after a two-year fall, reaching EUR 20.8 bn (2010 prices). This increase was relatively lower compared to that of households' total expenditure (1.9%).

- Because of the small-scale and family status of farming, agricultural cooperatives and producers' groups can offer a competitive advantage to small agri-food businesses that employ less than 10 persons and represent 95% of the total number of businesses in the sector. They are autonomous voluntary associations of persons that seek the economic development and promotion of their members, through a co-owned agricultural cooperative enterprise. The National Register of Agricultural Cooperatives lists 600 cooperatives, operating in production, processing and manufacturing.

- Food and beverages are two separate sectors of manufacturing, although they are usually considered as one. The GVA of food, beverages and tobacco industry stands at 2.5% of the total Greek economy GVA (2020).

- Food manufacturing enterprises add up to 15%, out of which 89% are very small (up to 9 persons), 6% are small (10-19 persons) and only 0.4% are large enterprises of over 250 persons (2020 figures). The largest enterprises also have the largest share of total production value (36%), gross value added (40%), turnover (34%) and the second largest share of persons employed (23%).

- In terms of employment, investment and value added, food and beverages manufacture showed signs of resilience during the previous economic

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

crisis, managing to recover at a much quicker pace compared to other sectors.

- Meat manufacture employs 9% of all persons employed in food manufacture, has a 16% share of turnover, 3% of enterprises, 11% of value added at factor cost and 16% of total production value. Meat manufacture counted c. 442 enterprises in 2018, reduced from 510 in 2008. The sector recorded a strong upward trend in its turnover, which has been almost doubled in ten years (current prices, 2008-2018), with an average annual growth rate of 7.1%. It has also recovered the losses in terms of value added at factor cost since 2009, although at a slower pace. The annual average growth rate of its production value lies at a strong 6.9%.
- Exports of agri-food products have surged substantially (51%) over the decade 2009-2019, far more than the imports of the sector (12%), indicating that although there is still import dependence, the sector exhibits a considerable extroversion, mostly evident in aquaculture products. The exports of food and beverages manufacture, consisting the largest part of agri-food exports (94%, 2019), hiked by 70% during the period 2009-2019 and equally by 5.4% on average annually, significantly higher than those of agriculture, forestry and fishing (29% cumulatively).

1.7.1.3 Social Aspect

- Since the outbreak of the COVID-19 pandemic, the agri-food sector of the EU-27 member states has shown resilience compared to other sectors largely hit by the crisis and was supported by the European Commission, in order to provide safe and high-quality food to the European citizens. The Greek farmers and food producers faced difficulties and rising pressure after the introduction of border controls and movement constraints within the EU in order to slow down the spread of COVID-19. The new pandemic crisis has unveiled the importance of a strong and flexible food system

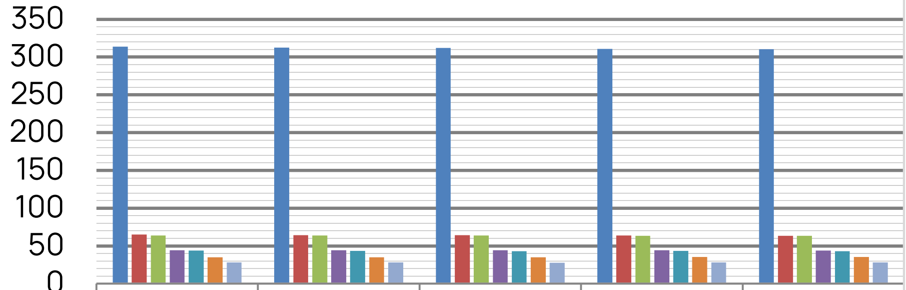
This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

functioning in all circumstances and ensuring access to sufficient food supply, the importance of the restoration of the balance between nature and human activity as people's health, ecosystems, supply chains and consumption patterns are interrelated and the importance of the European Farm to Fork strategy which draws attention to the need for new and better-balanced food systems in order to protect people's well-being and health.

- UNESCO as a "Cultural Heritage of Humanity" has declared Mediterranean diet, a culinary culture of countries overlooking the basin, which counts an over, a century history. In 2013, Greece, together with Cyprus, Croatia, Spain, Italy, Morocco and Portugal were inscribed on the Representative List of the Intangible Cultural Heritage of Humanity. The Mediterranean diet is a nutritional dietic model that consists of a high intake of olive oil, cereals, fresh or dried fruit and vegetables, a medium intake of fish and dairy and a low intake of meat and saturated fat. It also contains condiments, spices, and a moderate intake of wine or infusions.
- The "Greek Breakfast" is an initiative of the Hellenic Chamber of Hotels, which aims at combining the Mediterranean cuisine, gastronomical culture, local products and viands with the Greek hotel guest experience. The Greek breakfast has a high nutritional value and varies from place to place, promoting the local traditional specialties, tastes and products. The basis of the Greek breakfast includes local bread and cheese, olive oil, rusks, traditional yoghurt, honey, tahini, eggs, local pies, fresh fruit, soups.
- In the Greek side of the CB region, the population density appears to have been similar through 2015 to 2019. Thessaloniki, which is part of the metropolitan areas of Greece, has a much larger population density in comparison to the other regions of the CB region from the side of Greece.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Population density in the cross-border region for the period 2015 - 2019.



	2015	2016	2017	2018	2019
Thessaloniki	313,80	312,50	311,90	310,90	310,60
Thasos, Kavala	64,90	64,40	64,10	63,80	63,60
Xanthi	63,90	63,80	63,70	63,40	63,20
Rodopi	44,50	44,40	44,20	44,20	44,00
Serres	43,90	43,50	43,10	43,40	43,20
Evros	35,00	34,90	34,90	35,20	35,20
Drama	28,10	28,00	27,90	28,20	28,20

Figure 2. Population density in the CB area from the Greek side, 2015-2019

1.7.1.4 Technological Aspect

- The food industry during the last years is characterized by innovations oriented towards specialized customer needs and nutritional diets, but also by more transparency and increasing technology usage. Innovations are the result of scientific research and reorganization of production processes, new ideas and methods applied in order to boost competitiveness. In the food industry, innovation and technologies are focusing on increasing the safety, conservation methods, packaging and healthiness of food and beverages, largely determined by digital transformation, climate change and health-focused consumers, in order to meet the challenges, it faces.
- Innovation in the food sector is applied in packaging, methods of eliminating harmful ingredients, non-thermal and in general mild food processing,

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

detection methods for food risk and security management, bio-active food ingredients, functional food and nutrigenomics, reduction of energy use or CO_2 footprint, increased material or water efficiency, recycle waste, improved/changed shape of goods/services.

- Innovations and new technological developments are also applied in farming, such as in new seed production, organic farming, pre-season farming using satellites and sensors for precision agriculture, e-commerce and food logistics and food waste management.

1.7.1.5 Legal Aspect

- Under the adverse conditions caused by the new pandemic, the European Commission supported the agri-food sector by the issuance of guidelines to ensure an efficient food supply chain, introducing green lanes to keep food flowing across Europe and qualifying seasonal workers as "critical'' to secure food sector support, as well as by the introduction of measures directly supporting farmers and rural areas. In particular, by introducing flexible use of financial instruments under rural development with farmers and other beneficiaries from loans or guarantees to cover operational costs of up to EUR 200,000 at very low interest rates or favourable payment schedules, increased advances of direct payments from 50% to 70% and certain rural development payments from 75% to 85%, starting from midOctober, in order to increase the farmers' cash flow. And possible higher state aid with farmers able to benefit from a maximum aid of EUR 100,000 per farm and food processing and marketing companies from a maximum amount of EUR 800,000.
- An additional impact of the COVID-19 spread in Europe has been seen on the legislative process related to CAP reform for 2021-2027.
- Local, traditional products or products of designation of origin and geographical indication, i.e. products with a special registration, consist a

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

typical case of the effort to create a strong local identity. EU quality policy provides measures to help producers build on the high quality reputation of domestic products and promote their unique characteristics, in order to sustain competitiveness, profitability, diversity, development and growth in the rural areas where they are produced and protect local knowledge, skills and jobs. A supportive to the above policy tool is the register of protected food names, with products being classified as Protected Designation of Origin (PDO) for the area of production, Protected Geographical Indication (PGI), regarding the origin of raw materials and Traditional Specialties Guaranteed (TSG), which highlight traditional aspects of the production.

- The CAP 2021-2027 objectives are in line with the European Green Deal and comprise the following: Ensure fair income to farmers, Increase competitiveness, rebalance power in food chain, climate change action, environmental care, preserve landscapes and biodiversity, support generational renewal, vibrant rural areas, protect food and health quality. In Greece, total funding will amount to EUR 18.3 bn.
- The Farm to Fork strategy is a cornerstone of the European Green Deal, which paves the way for Europe to become the first climate-neutral continent by 2050. The strategy is characterized by the key role it gives to food system Research and Innovation, enabling the necessary transitions so that food systems become sustainable along the whole food value chain. A neutral or positive impact to the environment and climate change, which will ensure food security and make healthy nutrition an easy choice for Europeans, is a requirement of the strategy. Farm to Fork strategy will be supported by regulatory and non-regulatory initiatives, with the key tools of Common Agricultural Policy and Common Fisheries Policy.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

1.7.1.6 Environmental Aspect

- The comparative advantages of Greek agriculture lie in the unique climate and soil conditions, the great biodiversity and the local varieties of quality products. Out of the total 32.2 mn cultivated area of Greece, 89% is crops and the remaining 11% is fallow land. The crops area consists of crops on arable land (53%), areas under trees (31%), vines (3%) and garden area (2%).
- The largest share of agricultural production, cultivated and fallow land (21%), is in the Periphery of Central Macedonia, which is the lead national producer of stone fruits (74%), fodder pulses (55%), cereals for grain (31%), pomes (31%), industrial plants (30%) and fodder plants for hay (20%). Thessaly follows, with a share of 14% and a similar production scheme at a smaller scale, leading however in the production of nuts (46%). Peloponnese and Western Greece are the third and fourth largest producers, covering 13% and 12% of agricultural production, respectively. The two regions exhibit a vastly different production structure, leading in the production of watermelons (46%) for Western Greece and citrus fruits (56%) and olive oil (36%) for Peloponnese. Attica, the Ionian islands and the Aegean islands cover only 1% each of total agricultural production.
- Organic farming comprises 9% of the total agricultural area – 6% being fully converted and 3% under conversion. In the EU, organic farming makes up 8% of the total agricultural area. 56% of this land pertains to permanent grasslands, 32% is arable land, used mostly for plants intended for animal feed production, forage or renewable energy production, 10% is olive groves and 2% fruit trees and vines. As with agricultural production, Central Macedonia has the largest share of organic areas (16%), followed by Western Macedonia (14%), Thessaly (13%), Eastern Macedonia (13%) and Crete (13%).

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- The energy used in 2018 in agriculture, forestry and food, beverages, tobacco industry was equal to 4.7% (1.7% and 3%, respectively) of total final energy consumption of the Greek economy, lower than 5.8% in EU-27.

1.7.2 Bulgarian Side

1.7.2.1 Political Aspect

In general terms, through the analysis of the political environment, numerous risks and opportunities can be ascertained, which are revealed to economic entities from the agrarian-food sector, which arise as a result of the political dynamics in the country and on the international scene.

- In the last two years, the political situation in Bulgaria has been strongly determined by the COVID-19 pandemic. This, in turn, directed the efforts of the responsible institutions predominantly towards overcoming the negative consequences of the pandemic and invariably put in the background the attempts at reforms and optimization in sectors such as agrarian and food in order to improve the conditions in which business entities operate in this part of the economy life.
- Other significant problems that accompany and define the political situation are objectified in political instability and in particular in the frequent change of governments. In the period between March 2021 and December 2021, there was a change of 4 governments (two acting and two regular), and in addition, legislative activity was severely limited due to the absence of a functioning parliament. On the other hand, the complex configuration of the governing coalition also poses risks for the Agri-Food Sector, suggesting more points of disagreement, discussion and debate regarding the formulation of specific policies that address its development, as well as its slower reformation and optimization.
- As a key factor at the moment with a strong negative influence is the war in Ukraine, which reflects to a large extent on the Agro-Food Sector. On the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

one hand, because it again shifts priorities in Europe (this time to defense and security), and on the other hand, because the countries involved in the conflict are important producers and suppliers of raw materials and agricultural products globally. As a consequence of the conflict, a large-scale transformation of policies in the European Union is expected, as the priority of the institutions' attention will undoubtedly be the provision of raw material and energy independence, not only from Russia, as is the case, but also in general.

- In view of the fact that Russia and Ukraine are among the leading countries in terms of wheat and sunflower exports, as well as artificial fertilizers, as a result of the political dynamics internationally, an increase in the price of all products is expected (in view of the emerging supply reduction) that are produced from such crops. The uncertainty in the medium and long term period regarding the supply of natural gas leads to difficulties in the production of artificial fertilizers in Bulgaria.

  As industrial agriculture predominates in Bulgaria, the war in Ukraine and the complicating economic relations internationally have significant negative consequences, such as the increased prices of energy sources and raw materials, artificial fertilizers and chemicals used in the agroculture, feed and agricultural production, etc. In addition, logistical connections, already very stretched and troublesome since the beginning of the Pandemic, were further complicated, leading to difficulties throughout the Food Industry Chain.

  This, in turn, will lead to economic difficulties for companies from the Agro-Food Sector in view of rising production costs, which would be critical, especially in relation to the increased prices of energy sources. In turn, this leads to acceleration of inflation and a rise in final prices for consumers, especially food.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

In this sense, there is no doubt that the ongoing war in Ukraine will have a negative impact on all stakeholders in terms of the business processes the Agri-Food Sector in terms of the business processes.

In addition to this, the acceleration of the inflation, which in turn will have negative impact on the purchasing power and demand, and as a result, the turnover of companies, increases the probability of falling into recession, not only in Bulgaria or Europe, but also the rest of the world.

We must note, however, that some branches of the Agro-Food Sector, such as grain production, or the production of technical crops such as sunflower, are very likely to turn out to be profitable, in view of the looming increase in demand and increased prices, mainly on the international markets and a reduction in supply due to the military conflict in Ukraine.

In the next part of the analysis of the political environment, the main policies that public institutions address to the Agro-Food Sector in Bulgaria will be presented as factors that define the situation in the agrarian-food sector and have a direct impact on its development and dynamics.

- The common agricultural policy (CAP) is the basis of all policies in the member states of the European Union. It is based on the principles of free trade within the EU and on the basis of common prices on the one hand. On the other hand, it guarantees preferences for European production on the markets within the Community, and as the last pillar of the CAP, common financial responsibility is defined.

The CAP is oriented towards the achievement of several main objectives. In terms of producers, it is aimed at ensuring an acceptable standard of living for farmers. In relation to consumers, the CAP addresses issues such as food quality and prices, and its role is to provide consumers with quality foods that are affordable. In terms of local communities, the CAP aims to

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

preserve the European heritage in rural areas, and it is also committed to environmental protection.

The most important instruments with which the CAP is implemented are direct payments and the provision of market support to agricultural producers, which represents the first pillar of the CAP, and the rural development policy, which embodies the second pillar of the CAP.

Market support measures provided to economic actors in the agri-food sector include intervention and private storage; system of import and export licenses; export subsidies; quality policy (protected designations of origin, protected geographical indications and foods with traditionally specific character) aids to increase the consumption of certain products (milk); promotional programs; sectoral regimes, etc with the main source of funding for the mentioned measures being the European Agricultural Guarantee Fund (EAGF). At the national level, the states of the Union can also provide financial support for the implementation of the above measures.

The policy for the development of rural areas, which is addressed within the framework of the entire CAP, is aimed at achieving results in the field of increasing the competitiveness of the agricultural and forestry sectors; improving the environment and landscape and improving the quality of life in rural areas and promoting the diversification of their economy. The financing of the rural development policy is implemented through funds and instruments from the European Agricultural Fund for Rural Development (EAFRD), and payments are also made to the budgets of the member states of the Union. For each program period, each member country is obliged to submit its own plan for the development of the agricultural sector within the framework of the CAP for approval by the European Commission.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

It is important to note that at the time of writing this analysis, the strategic plan for the development of the agricultural sector under the CAP for the current programme period presented by Bulgaria has not yet received approval from the EC.

As part of the future development of the agri-food sector is the policy of digitization of agriculture and rural areas. The key is that it emphasizes both the digitalization of the administration of processes by the public sector and the promotion of digitalization in the private sector. The expectations are that the digitization policy will generate results such as increasing the productivity of the business entities operating in the Agro-Food Sector, increasing the added value, achieving better quality and safety of production, as well as optimizing and increasing the economic results of economic entities from the agrarian and food sector.

- An important policy that addresses the development of the agrarian and food sector in Bulgaria is the promotion of organic production, which is defined by the "National Action Plan for the Development of Organic Production". A SWOT analysis was made in the plan, strengths and weaknesses were identified, categorized into several sections, and as a result, three strategic goals were derived:
    - Improving the efficiency of organic production and expanding the national and foreign market of organic products;
    - Maintaining an effective institutional-normative framework for the development of organic agriculture and an effective system of control and supervision;
    - Stimulation of practice-oriented scientific research, education, training and consultancy in the field of biological production;

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- The country also has a policy of regulation regarding the import of agricultural products, which provides for the obtaining of licenses for economic actors suitable for the activity.
- Bulgaria also defines a general policy in the field of fisheries, but its impact is minimal due to the small market share of the sector.
- The Bulgarian institutions also have a policy regarding beekeeping, the main pillars of which are laid down in the current "National Beekeeping Program".
- In Bulgaria, there is also a policy to prevent and reduce food losses. The state implements the National Program for the Prevention and Reduction of Food Losses ", in which goals, measures and actions regarding the problem of food loss are defined, which define the country's policy in the area.

  Its implementation is vital to achieving a better quality of life in several aspects. Food waste is a problem that also has ethical dimensions in the context of the fact that in Bulgaria usually around 20% live below the threshold of poverty, and the group of persons living at risk of poverty is also significant against the background of other EU countries. On the other hand, the problem related to the disposal of food leads to an extremely high pressure on the environment, as far as different natural resources are used for their production, which are limited by their nature. On the other hand, food waste pollutes the environment and in particular its components, and food losses can also lead to a loss of biological diversity.
- Apart from these policies, the program of the governing coalition in Bulgaria envisages policies aimed at "building a middle class of farmers, livestock breeders and processors ".
- Another significant policy that will be followed is oriented towards "encouraging the registration and promotion of products with protected geographical indications, which include protected designations of origin, protected geographical indications and foods of a traditionally-specific

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

character, as well as products produced under a national system of voluntary standards guaranteeing quality, origin, fair remuneration, market access and health processors “.

- Another priority policy is the stimulation of young farmers and livestock breeders and the overall development of family farms in the mountainous regions. In addition to financing, it is envisaged that they will be supported through easier access to municipal and state agricultural land and pastures, the access of young farmers to municipal and pastures.
- Fundamental is expected to be the change regarding direct payments and the setting of a ceiling of up to 100,000 euros per beneficiary with a focus on identifying the final beneficiaries so that more funds can be directed to micro, small and medium-sized farms.
- Policies to reduce the administrative burden and increase transparency in institutions related to the activity of the agri-food sector are also envisaged.
- The leading and foundational policies at the European level are defined within the framework of the European Green Deal (Green Deal). Within this corpus of policies, the following objectives are expected to be achieved:
    - by 2050, there will be no net emissions of greenhouse gases;
    - to separate economic growth from the use of resources;
    - no person or region should be left behind.
- The implementation of the defined goals should lead to benefits for the countries of the community, objectified in clean air, clean water, healthy soils and biological diversity; renovated energy efficient buildings; healthy food at affordable prices; more public transport; cleaner energy and cutting-edge cleantech innovation; more durable products that can be repaired, recycled and reused; future-oriented jobs and training to acquire

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

the skills needed for the transition; sustainable and globally competitive industry.

The specific objectives of the pact in relation to agriculture address processes and issues related to ensuring food security in the face of climate change and biodiversity loss; reducing the environmental and climate footprint of the EU food system; strengthening the sustainability of the EU food system; leading the global transition to competitive farm-to-fork sustainability. The "Farm to Fork" strategy will play a key role in achieving some of the set goals.

In terms of environmental protection, the European Green Deal prioritizes topics dedicated to the protection of biological diversity and ecosystems; reducing air, water and soil pollution; the transition to a circular economy; improving waste management and ensuring sustainability of the blue economy and fisheries sectors.

- Regarding the tax policy in the Agro-Food Sector, it should be noted that the core of the taxation system consists of the following types:
  - Value Added Tax (VAT);
  - Corporate tax (profit tax);
  - Dividend tax.

Before the COVID-19 pandemic, the core of the tax system was simplified and stable over time, regardless of governments and the policies they pursued. The amount of VAT was fixed at 20%, that of profit tax at 10% of profit, and dividend tax was equal to 5% of the value of income generated by dividends.

At the moment, the tax system is undergoing a transformation, as in 2020 the principle of fixed VAT levels was changed, and for baby food and food in restaurants the rate was changed to 9%. The rate remains in effect in 2022.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

The coalition program of the government does not provide a clear program, but gives scenarios such as a temporary reduction of VAT for primary production and a gradual return to the corresponding levels, or a reduction of VAT on goods from the "small basket".

At the time of writing this analysis, the possibility of reducing VAT on bread from 20 to 0% is also being discussed at the political level. On the other hand, it should be noted that with regard to corporate tax, there is a debate between the supporters of the flat system (with a flat tax of 10%) and those of the progressive taxation system, which sets a higher tax rate as the taxable income.

There are also ideas for a flat system of taxation of the profit of economic agents, but at an increased rate (15%). At the moment, there are no clear indications of a formed majority regarding this type of change, but the existence of a debate is an indication of a possible change that will lead to higher taxation in the Agro-Food Sector and a reduction in the profits of economic entities that use it. constitute.

In relation to the dividend tax, it should be noted that many economists and politicians with a pro-market understanding advocate the thesis that the tax should be abolished, but at the moment there are no clear indications of a change in the tax rate and/or its abolition.

In view of the above, it can be concluded that the state of the tax system in its part, including the main types of taxes that are related to the activity of economic entities from the agrarian-food sector, is in the process of transformation, which will lead to the formation of a new identity. The signals and calls for higher taxation of profit are clear, whether it is a flat system with a higher flat rate or a progressive system where larger market entities are taxed at a higher rate. Another important component of this system is the amount of insurance contributions. One of the specifics of the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Agro-Food Sector is that many business entities from the sector operate as natural persons. This suggests that the policy regarding insurance income is a factor that directly affects the activity of economic entities in the Agro-Food Sector, as far as directly determines labor costs. Since by law the state has the right to regulate the levels of the minimum insurance income and the minimum wage, it should be noted that the amount of the minimum wage (MW) is in the process of constant growth. This reflects on the levels of insurance incomes for the various economic activities and the groups of positions characteristic of them, which increases the labor costs of subjects from the Agro-Food Sector. Across research, the minimum wage has increased by 141%, and the average increase is 9%, with the upward trend continuing.

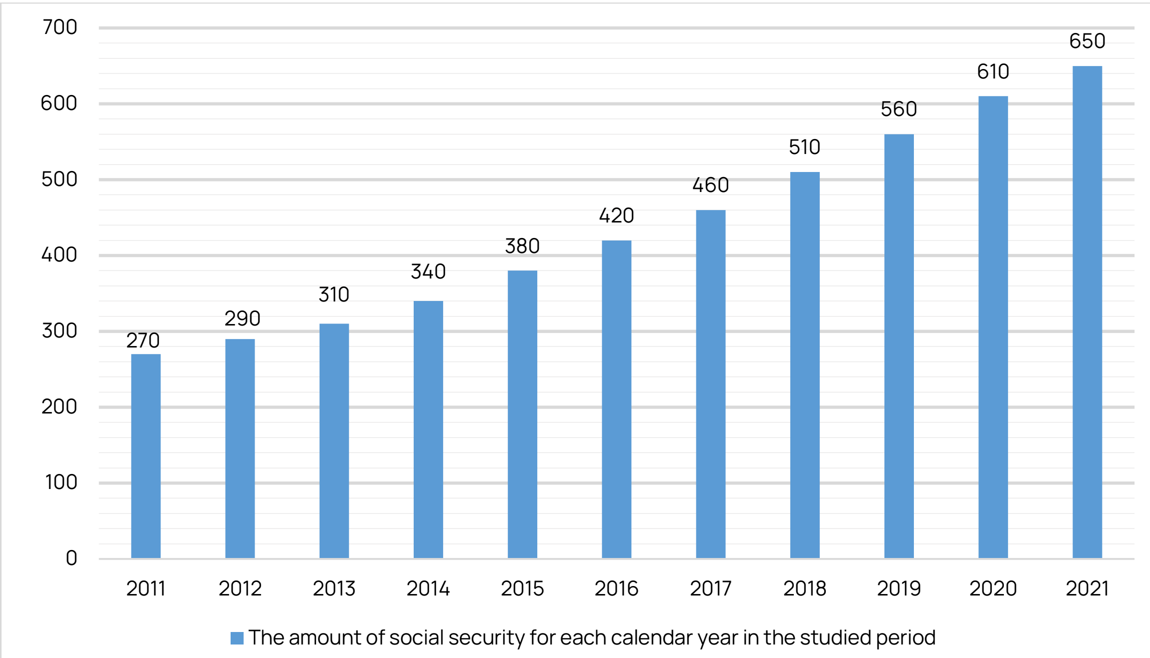


Figure 3. Amount of the minimum wage for the period 2011-2021 in BGN. Source: Infostat, National Statistics Institute

It should be noted that from the point of view of the labor costs of companies from the Agro-Food Sector, this policy causes the most problems where labor costs represent a major component, as well as in small farms. In large enterprises and

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

industries that are automated, it can reasonably be assumed that the policy of increasing the minimum insurance income does not arouse the same concern.

The changes regarding the sharply increasing insurance threshold for farmers from BGN 420 to BGN 710 (Around EUR 363), which is almost a double increase, may also prove problematic. To the greatest extent, this is a problem for the smallest farms, as it will increase their labor costs by about BGN 3,500 (approx. EUR 1790) in one year. In many cases, this can mean a reduction in profits of around 10%, which represents a significant share of economic performance.

In conclusion, it can be noted that the analysis of the political environment cannot account for the presence of either an extremely favorable environment for the development of the Agro-Food Sector, or an extremely negative one. On the one hand, the war in Ukraine represents a powerful social and political cataclysm, which is capable of blocking social development in general. On the other hand, the efforts of the institutions in terms of neutralizing system defects are visible – the high administrative burden, lack of digitization, the provision of financing for micro, small and medium-sized farms and the promotion of competitiveness, reducing the pressure on the environment and strictly following the European policies and practices in the sector, as it is expected that with such steps the development of the Agro-Food Sector will be brought to a qualitatively different level.

1.7.2.2 Economic Aspect

The analysis of the economic environment must begin with the clarification that its condition is not an independent variable but is determined by political dynamics, social, demographic, natural and other processes. External environmental factors, such as the presence of the military conflict in Ukraine, the COVID-19 pandemic, etc. lead to stressing the economic life and generating many prerequisites and conditions for the deterioration of the economic environment.

The gross domestic product (GDP) is the main indicator of the economic development of a certain territory. Although problematic, this tool gives

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

advantages in the study of an economic situation. On the one hand, through the study and interpretation of its values, the degree of economic development of a certain territory can be established, but at the same time, the trends related to GDP reflect what the prospects and pre requisites are for the development of economic life in the studied territory.

- From the data in Figure 2, it can be concluded that, in general, there is a positive economic trend in Bulgaria, which is characterized by a permanent and sustainable increase in the gross domestic product. The only two years over the 11-year period studied to show a year-over-year decline were 2013, where the decline was minimal, and 2020, when much of the economy was shut down due to restrictions imposed during the Pandemic.

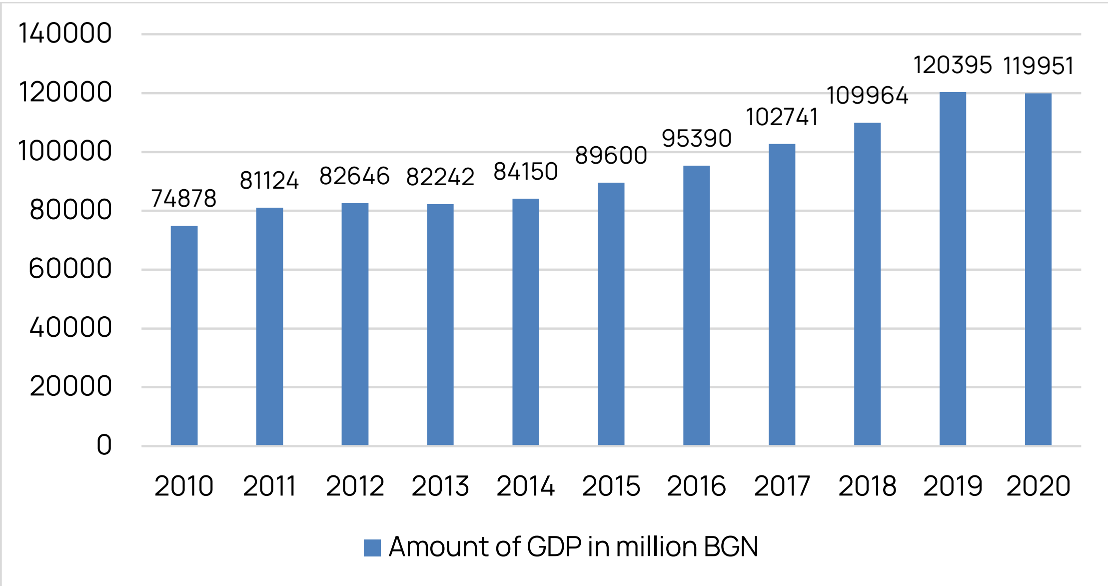


Figure 4. Amount of GDP in million BGN for the period 2010 - 2020 for Bulgaria Source: Infostat, National Statistics Institute

It should be noted that the GDP value of 2020 compared to that of 2010 equals as much as 60%. In view of the upcoming recovery of economies globally on the one hand, the start of the new program period, the implementation of the National Plan for Recovery and Sustainability, the country's gross domestic product is expected to grow significantly in the coming years. In this sense, it can be stated that there are positive

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

prerequisites for economic development for economic entities from the agrarian-food sector.

- Against this background, the analysis of GDP at the local level, respectively for the districts of the Cross-Border Region – Blagoevgrad, Kardzhali, Haskovo and Smolyan. The first finding that can be drawn is that, similar to the processes at the national level, the areas of the cross-border region also experienced a sustained growth in GDP values (clearly visible in Figure 3, below in the text). Each district experienced two declines over the entire 11-year data review period (similar to national trends), although the years of GDP declines differed for each district.

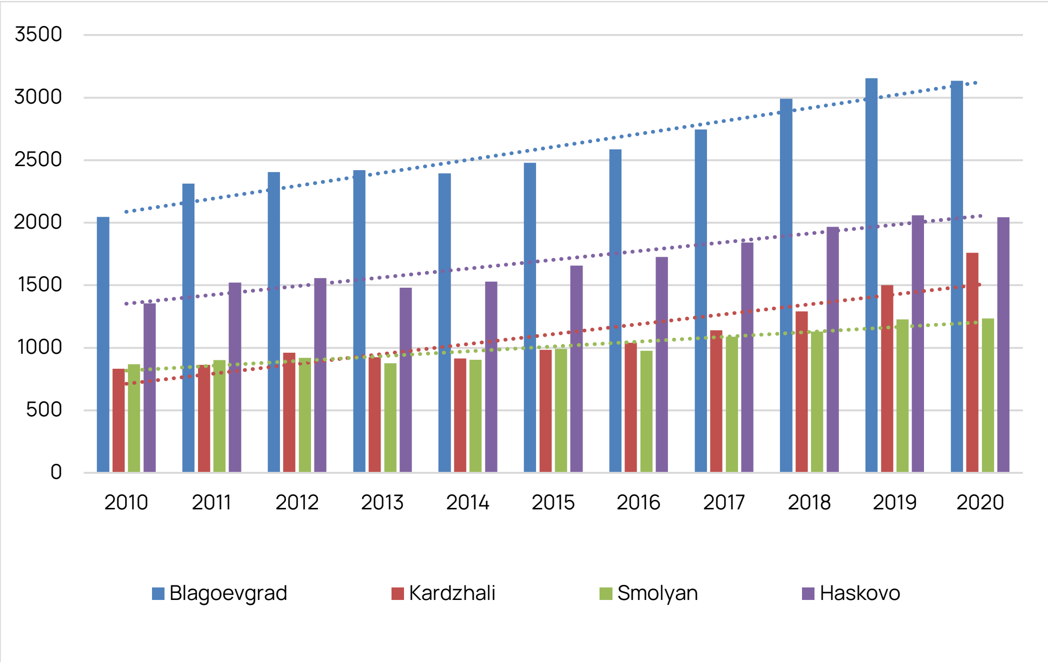


Figure 5. Amount of GDP in million BGN for the period 2010 - 2020 for the districts of Blagoevgrad, Smolyan, Haskovo, Kardzhali. The lines represent the linear trendline in the respective area (by color). Source: Infostat, National Statistics Institute

The data at the local level, however, make it possible to understand the economic development of each of them, by means of a comparative analysis between the progress of the areas themselves and the progress that the country is marking. Such an approach gives reason to conclude that in 3 of

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

the districts in the cross-border region, the increase in GDP is lower than that for the country. In Blagoevgrad and Haskovo, GDP growth from 2010 to 2020 equals 53% and 51%. In Blagoevgrad, the growth is from BGN 2,047 million to BGN 3,134 million, while in Haskovo, the growth is from BGN 1,355 million to BGN 2,043 million. GDP growth in the Smolyan region is the slowest compared to all regions of the cross-border region and equals at 42% compared to 2010 to. There, GDP increased from BGN 869 million in 2010 to BGN 1,235 million in 2020.

The only area in the cross-border region where a GDP increase higher than that of the country is noticed is the Kardzhali region, where the GDP growth is almost 112%, which is a growth that is almost twice that of the country and more than two times compared to the growth of other districts in the cross-border region.

In addition, it is necessary to state that if in 2010 the Kardzhali region had the third largest share of the economy in the cross-border region (16.3%), then in 2020 it is already over 5 percentage points more or 21.5%. Blagoevgrad District continues to have the largest economy in the region – 38.4% relative share, which decreased by almost 2 percentage points from 40.1% in 2010. Exactly a quarter of the economy of the cross-border region is determined by Haskovo district, which is a decrease of 1.6 percentage points compared to 2010. The economy of Smolyan district is now last in the district, marking a drop of almost two percentage points. In 2010, it represented 17% of the entire economy of the Cross-Border Region, while in 2020 it was only 15.1%.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

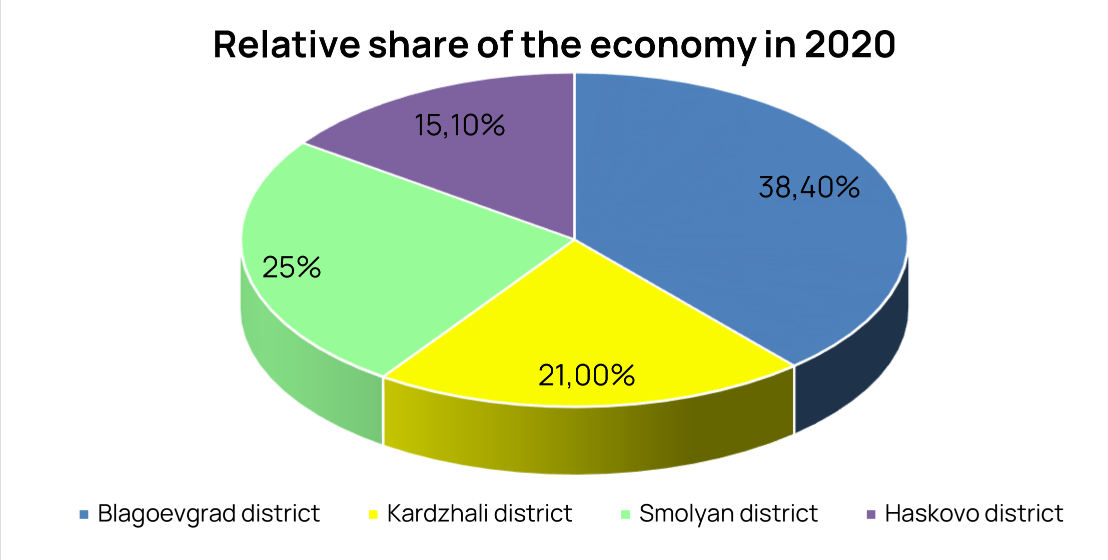


Figure 6. Relative share of the economy of the cross-border region in the districts of Blagoevgrad, Smolyan, Haskovo, Kardzhali as of 2020. Source: Infostat, National Statistics Institute

- The data interpreted in this way allow us to see that there is a positive economic trend, expressed in a permanent increase in GDP in the individual areas of the cross-border region. However, it cannot be ignored that, in general, this process is slower compared to the levels registered for the country. This, in turn, indicates problems in the economic development of the mentioned areas, which will lead to the impossibility of economic entities from the agrarian-food sector to compete successfully in the long-term perspective. And while this applies to the regions of Blagoevgrad, Haskovo and especially Smolyan, it must be said that the development of the economy in the Kardzhali region is a serious prerequisite for the development of the various sectors and industries in it, including and the Agro-Food Sector.
- Another important component of the analysis of the economic environment is aimed at studying trends in terms of GDP per capita. In this sense, interesting comparisons and conclusions can be made compared to the GDP analysis. Similar to the country data, it can be concluded that GDP per capita is increasing in every single area of the Cross-Border Region. The

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

other similarity lies in the fact that only one district registered a higher growth compared to that of the country, and this is again Kardzhali district, where GDP per capita increased by 104% for the period under study. For the country, the increase is 74%. The regions of Smolyan and Haskovo remain relatively close, where the GDP per person of the population has increased by 71%, while here the region of Blagoevgrad is lagging behind, where the increase is 66%.

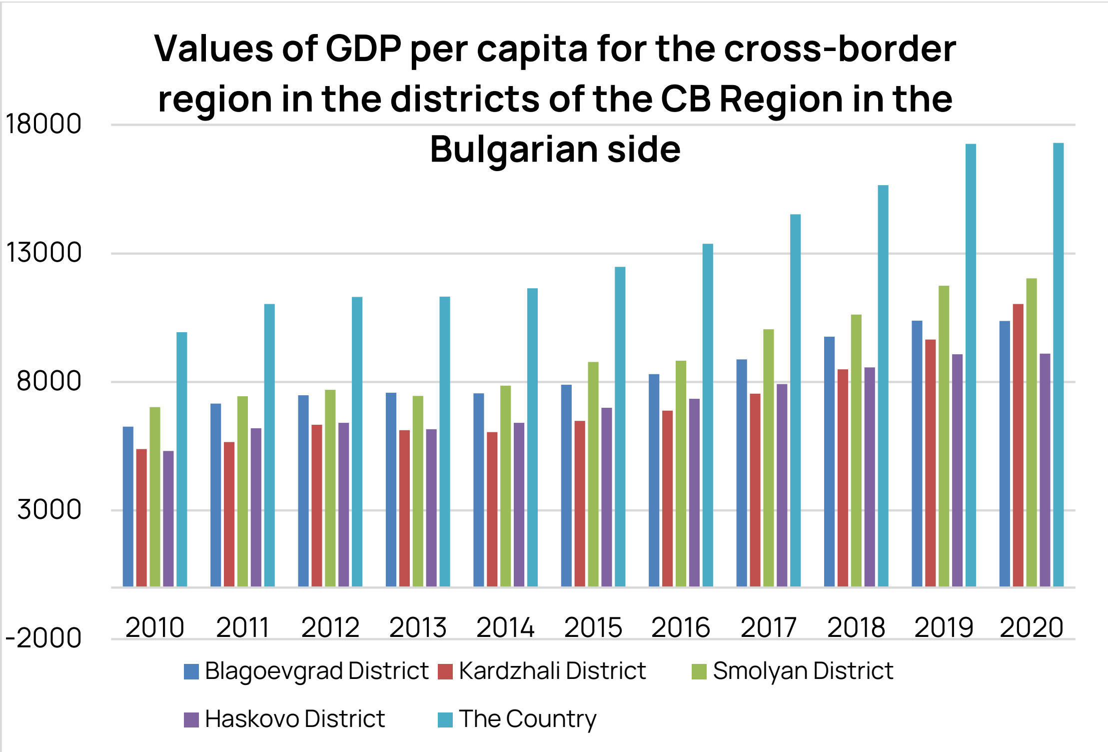


Figure 7. Values of GDP per capita for the cross-border region in the districts of Blagoevgrad, Smolyan, Haskovo, Kardzhali and the country for the period 2010-2020 Source: Infostat, National Statistics Institute.

- Apart from this, it should be noted that the amount of GDP per capita in the country is BGN 17,299, while that of the regions in the cross-border region is much lower. The highest values are for the Smolyan region, which exceeds BGN 12,000, in second place is the Kardzhali region, where the indicator is slightly higher than BGN 11,000. The Blagoevgrad region is third in GDP per capita with BGN 10,381, and Haskovo region ranks last with BGN 9,100.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Against this background, the findings can again be made that, with the exception of the Kardzhali region, the other regions in the cross-border region lag behind the pace of the country, which simultaneously creates conditions and prerequisites for disrupting the dynamics of economic life. Of course, it should be noted here that the indicators in the three areas that emerge as the most problematic can be related to factors internal to business entities - such as weak optimization of work processes, outdated equipment and others, but it can also be associated with a greater share of the gray economy in these areas, which is why lower values should also be registered.
- The positive processes and benefits for society related to the growth of the gross domestic product are particularly visible in the analysis of the purchasing power of the country's population. It, in turn, gives reasons to conclude that at the national level, for the period 2011-2020, a serious increase in the purchasing power of Bulgarian citizens regarding food has been observed. National Statistical Institute (NSI) data shows that the purchasing power of households for the period under study in relation to white bread increased by 50%, while for products such as rice and potatoes by 77% and 55%. The largest increase in the purchasing power of Bulgarian households is in relation to sugar - 199% for the entire period, and in relation to pork and poultry the increase is within 59% and 60%. A serious increase in the purchasing power of dairy products is also noted - for fresh milk, the value of the increase in the purchasing power of households is 44% higher than in 2011, for sour cream by 48%, and for cheese with whole 57%. Only in the case of cheese, the upward trend is not so pronounced. There, the growth compared to 2011 is 19%.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

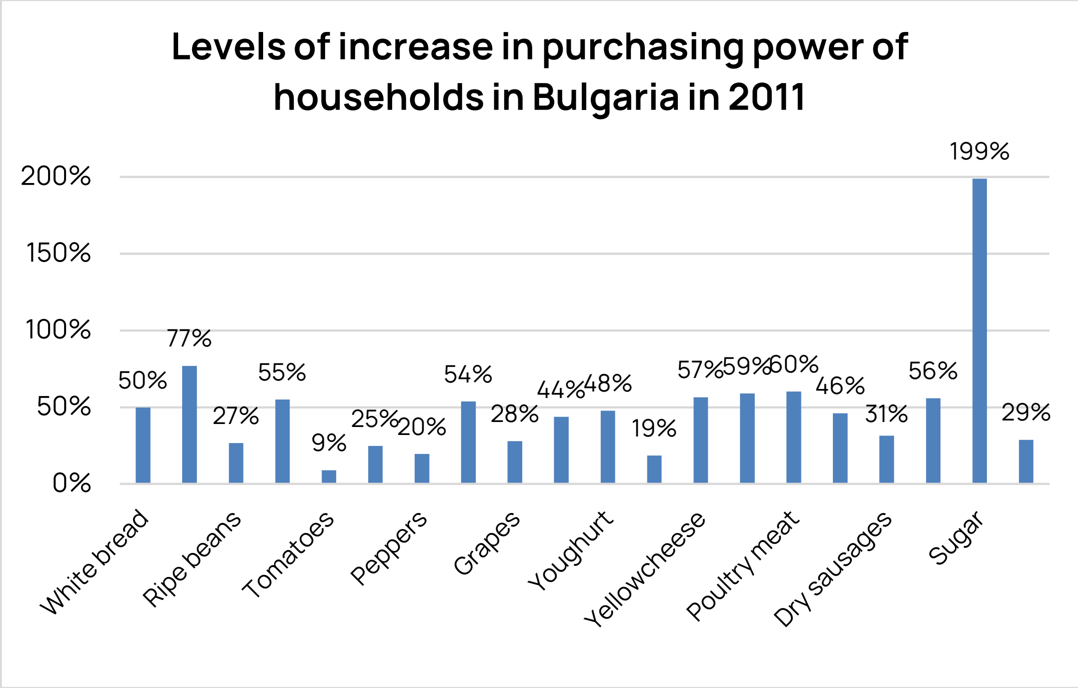
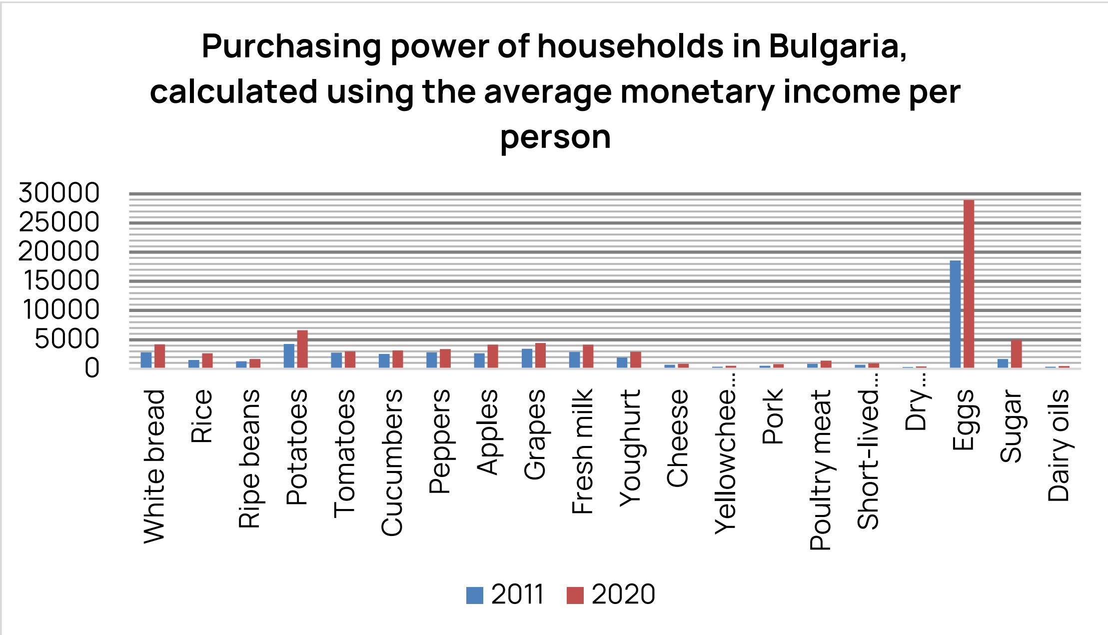


Figure 8. Levels of increase in purchasing power of households in Bulgaria Source: Infostat, National Statistics Institute.

- There is practically no food product that does not increase the purchasing power of Bulgarian households. The lowest reported increase in purchasing power was for tomatoes and was the only one below 10% at 9%.



This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

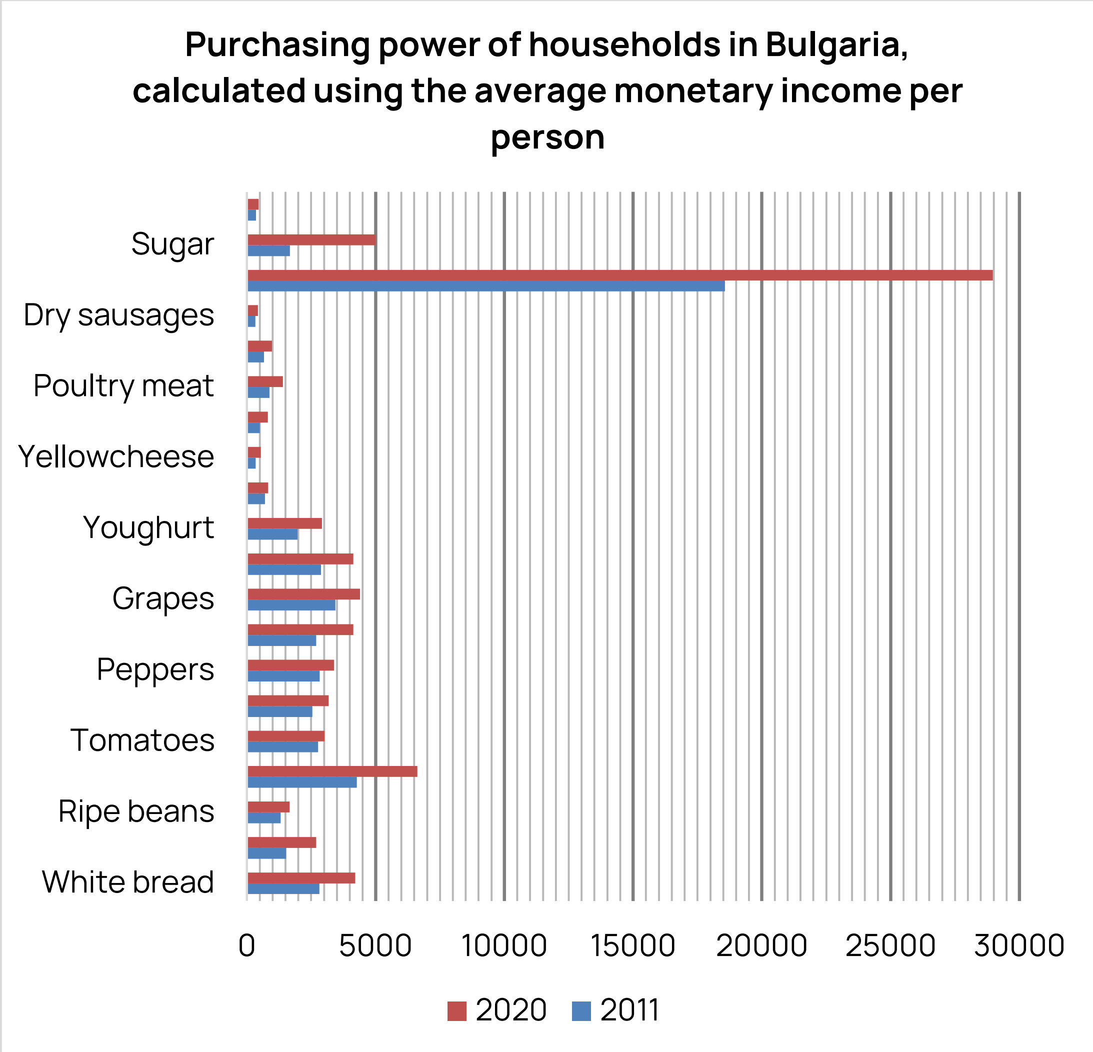


Figure 9. Purchasing power of households in Bulgaria, calculated using the average monetary income per person Source: Infostat, National Statistics Institute.

- In view of the fact that the presented data are at the national level, methodological precision requires it to be noted that no direct conclusions can be drawn for the cross-border region based on them. On the other hand, it can reasonably be assumed that in view of the growth of the economy in all 4 areas of the cross-border region, the purchasing power of households there has also increased. The other reasonable assumption that can be made in the current analysis is that in the cross-border region the growth in purchasing power is likely not to follow the same pace and is slightly slower, as the GDP of individual districts and GDP per capita in the Cross-Border

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Region remain at lower than the national average. The increase in purchasing power is a fundamental factor that has a favorable influence on the development of the Agro-Food Sector. In practice, the increase in the purchasing power of Bulgarian households means that the scale of the market is increasing, which gives the companies from the Agro-Food Sector the opportunity to invest, to grow, to form new market niches, to expand, to generate larger profits and prosper.

- The analysis of the economic environment also examines the inflationary processes unfolding in the country. According to data from the National Statistical Institute (NSI) for the period 2011-2021, 3 years of deflation and 8 years of inflation are considered. Inflation in the researched period moved within moderate limits as the highest measured value was 4.22% in 2011, and the lowest was -1.42%. The average inflation for the period is equal to 1.7%, which indicates the sustainability of the economic system and processes in the country. In this sense, it can be stated once again that the inflation levels for the last 11 years have been stable. This finding is important in view of the historical processes in Bulgaria related to inflation, which know huge values of over 1000% average annual inflation. The introduction of a currency board in the country at the end of the 90s of the 20th century is among the policies that contributed to controlling the large-scale levels of inflation recorded in the past and is a guarantee that similar scenarios are excluded in the foreseeable future.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

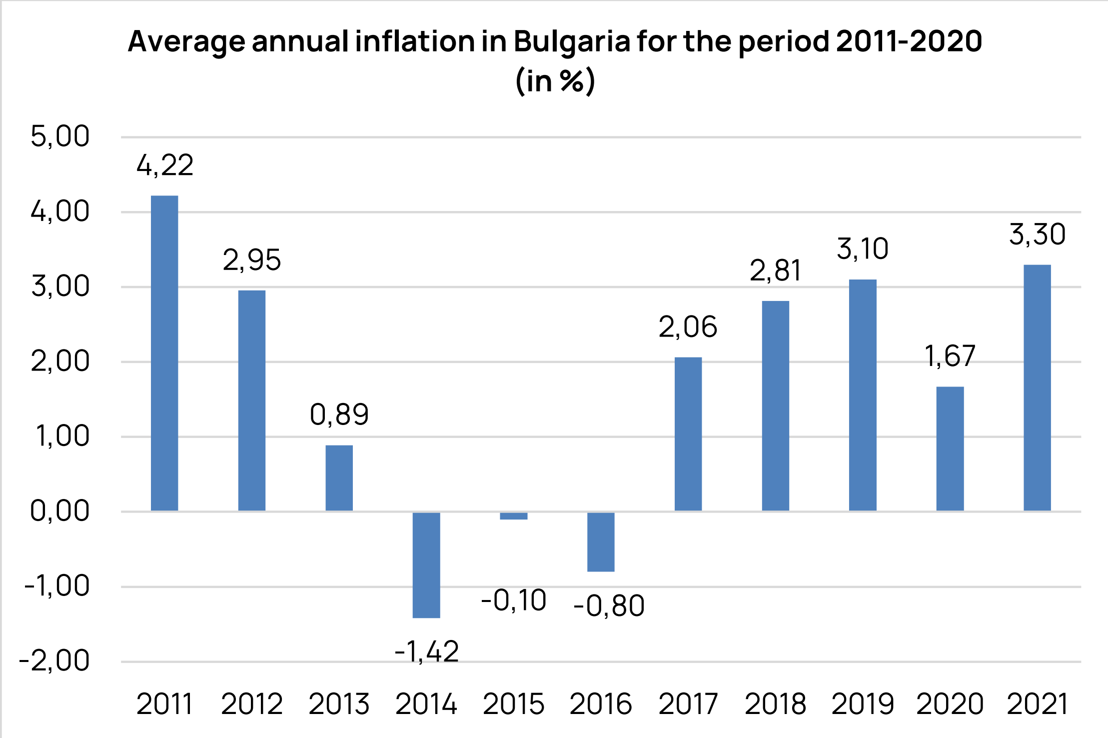


Figure 10. Average annual inflation in Bulgaria for the period 2011-2020 (in %) Source: Infostat, National Statistics Institute

- However, there is also a visible trend towards an increase in the prices of basic goods and services, both in Bulgaria and in Europe and the world. As a result of the pandemic and government policies to promote investments from country to country in various spheres of social and economic life on the one hand and the increase in fuel prices on the other, led to an increase in inflation, which is expected to continue this year as well. The current war in Ukraine is also a factor strongly affecting inflation, considering that both Russia and Ukraine are key producers of raw materials and agricultural products, among the leading producers of grain, and Russia in particular has a significant share in the production and export of energy resources, both for the EU and globally.

As can be seen from NSI data, the average annual inflation for 2021 is 3.3%, and the fact that the price of animal and vegetable oils and fats in 2021 increased by 21.3%, the price of bread and cereals makes a special

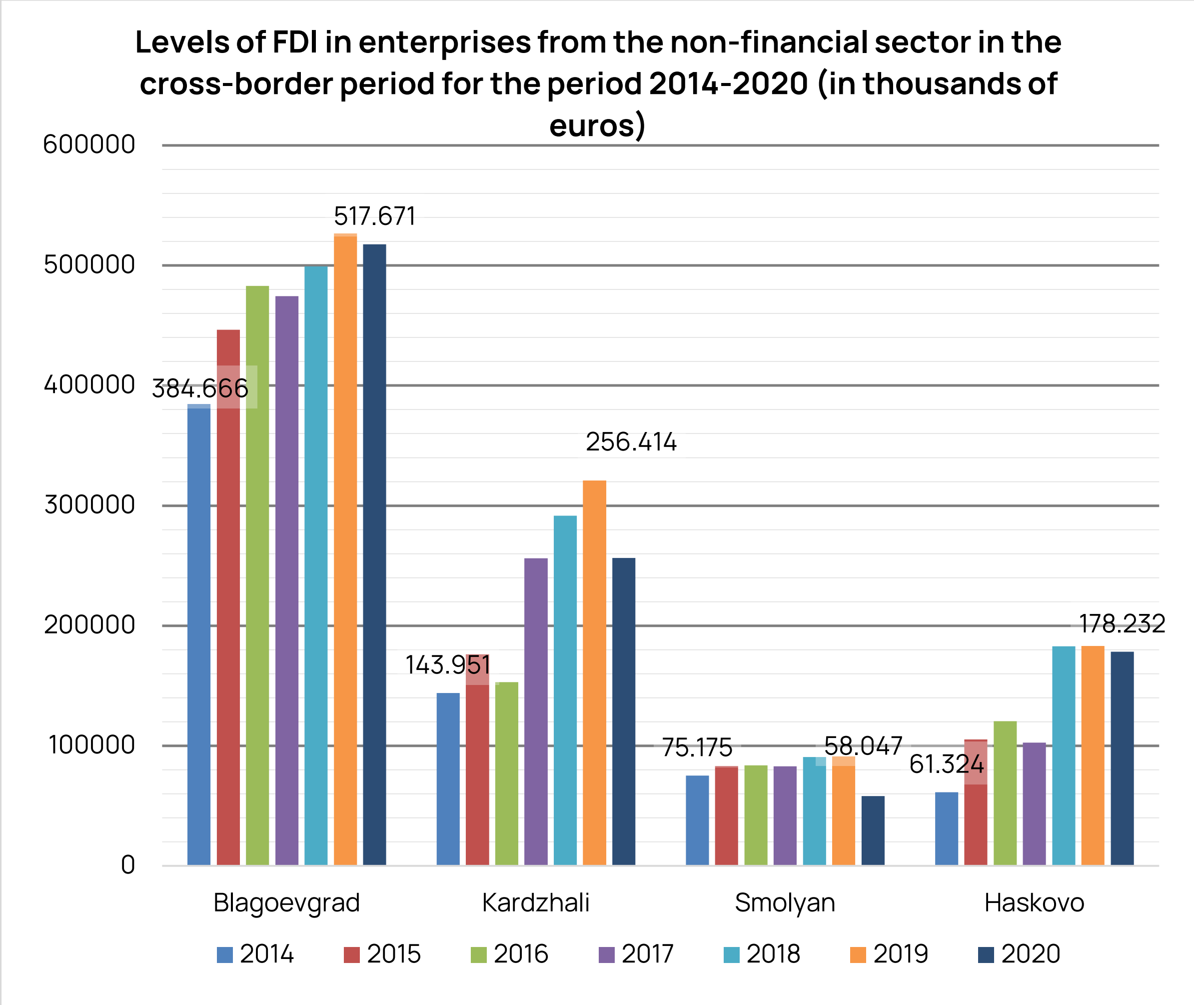
This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

impression food prices rose by 7.6%, and the price of gaseous fuels increased by 38.3%.

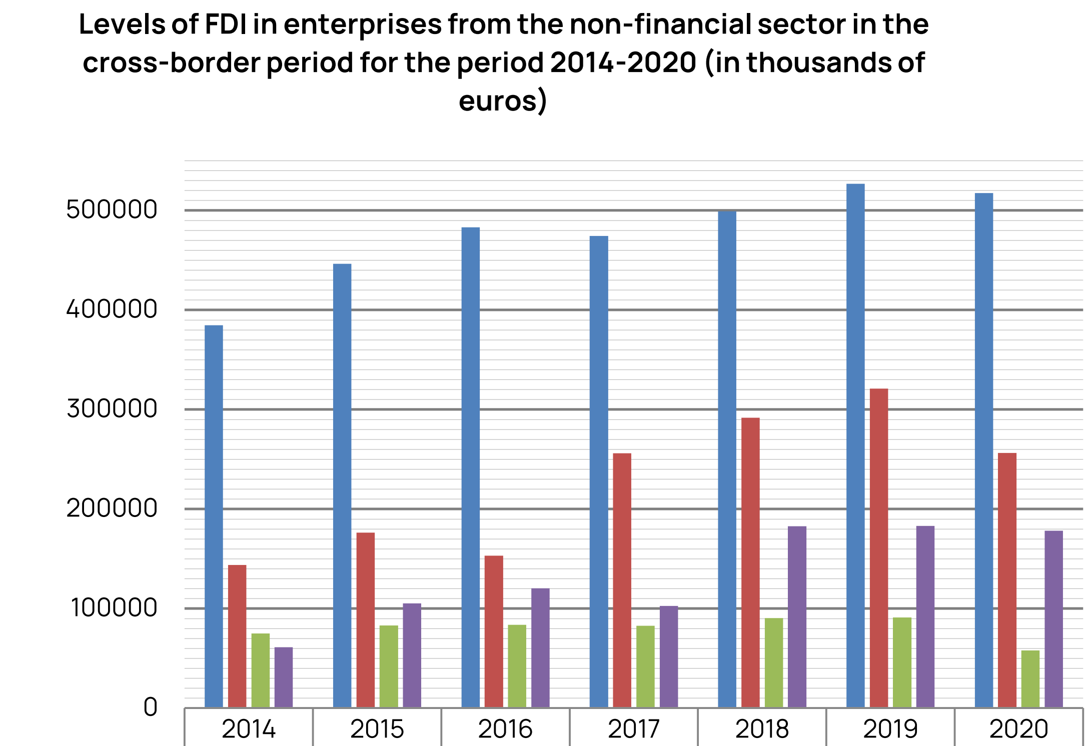
Rising inflation generates negative effects on the development of the Agro-Food Sector in several dimensions. On the one hand, the increase in the prices of goods directly affects the purchasing power of consumers, which is inevitably reflected in a drop in demand. In parallel with this, there are processes of increasing basic goods and services, which are directly related to an increase in production costs for economic entities from the agrarian-food sector in the cross-border region. This, in turn, creates conditions and prerequisites for slowing down the development and dynamics of economic life in the sector.

The penultimate element of the analysis of the economic environment is devoted to foreign direct investment in the Cross-Border Region. According to the data from the national statistics, an upward trend can be established, which is expressed in an increase in foreign direct investments in the cross-border region for the period 2014-2020.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme



This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme



	2014	2015	2016	2017	2018	2019	2020
Blagoevgrad	384.666	446.364	482.987	474.397	499.327	526.749	517.671
Kardzhali	143.951	176.317	153.124	256.162	291.633	321.008	256.414
Smolyan	75.175	83.064	83.761	82.920	90.633	91.260	58.047
Haskovo	61.324	105.335	120.400	102.671	182.793	183.054	178.232

Figure 11. Levels of FDI in non-financial sector enterprises in the Cross-Border Region for the period 2014-2020 (in thousands of euros) Source: Infostat, National Statistics Institute

- An important stage of the analysis of the economic environment in which the agri-food sector operates consists in the analysis of the available economic incentives for the economic entities of the sector, with which the state leads a policy of promoting activity in this sphere of economic life. The first conclusions that can be drawn are that the share of Foreign Direct Investments (FDI) in the territory of the Cross-Border Region as of 2020 1) in general, FDI is directed mainly in the Blagoevgrad region, and least in the Haskovo region; 2) in general, the level of FDI in the Cross-Border Region is increasing compared to the beginning of the period (with the exception of

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

the Smolyan region); 3) in 2020, on the territory of all regions, the share of FDI decreases.

However, a more detailed analysis reveals the essence of the processes and trends taking place in terms of FDI levels. For example, it can be said that FDI by 2020 is growing in the cross-border region much faster than FDI in the country as a whole. (except Smolyan region). The data show that in 2014 the amount of FDI for the country was EUR 21,581,579.6 thousand, while in 2022 it increased to EUR 26,884,352.0 thousand, which is an increase of 25%. For the same period, FDI levels for Blagoevgrad region increased by 35%, for Kardzhali region by 78%, and for Haskovo region by as much as 191%.

Another interesting fact is that the total amount of FDI for the areas of the Cross-Border Region as of 2020 equals 1,010,363.2 thousand euros against 665,116.7 thousand euros in 2014. This means that the growth of FDI for the Cross-Border Region equals 52%.

As of 2019 (i.e. before the crisis caused by the COVID-19 pandemic), the data on FDI levels is even more positive. As of 2019, FDI levels in the country increased by 17% compared to 2014, while greater growth was observed everywhere in the Cross-Border Region - 37% in Blagoevgrad region, 123% in Kardzhali region, 21% in Smolyan region and 199 % in Haskovo region.

- The economic incentives that are presented to economic entities from the agrarian and food sector at the national level are implemented mainly through the "Program for the Development of Rural Areas" 2014-2020 (or Rural Development Programme – RDP), and the program will have its update for the period 2021-2027. Until now, the RDP has mainly concentrated on providing financing for the "livestock" and "plant breeding" sectors. The program is an instrument through which investments in agricultural holdings can be ensured for material assets, know-how, the increase of their competitiveness and their overall development. Another aspect of the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

support that is provided to economic entities from the agri-food sector consists in the restoration of the potential for agricultural production, which suffered damage as a result of natural disasters or catastrophic events, and the introduction of appropriate preventive measures. A fundamental part of the program are measures to promote organic farming, as well as those related to agro-ecological practices. The program also creates conditions for cooperation in the sector, through the measures to create groups and organizations of producers. The RDP also addresses the problems related to the humane treatment of animals by including measures to control the problem. In the period of its existence, the RDP became the main source of support for farmers in the conditions of the pandemic, when measures were implemented to support the economic entities most affected by the crisis. At present, the 2014-2020 RDP is still being implemented, while the 2021-2027 program is not yet in progress. It, for its part, is expected to continue and build on the efforts and results achieved in the previous two program periods.

- Another important instrument through which economic incentives are provided for the development of economic entities from the agrarian and food sector is the Operational Program "Innovations and Competitiveness" 2014-2020 (OPIC). It should be noted that through it, that part of the industries from the agrarian-food sector that does not carry out activities in the production and processing of food, etc., can receive financial support. Enterprises in the field of packaging and logistics industry, for example, can receive support under it. OPIC supports projects for the implementation of innovations (product, production, etc.), increasing energy efficiency, technological modernization and an overall increase in competitiveness.
- During the new programming period, the program will have a new name, namely "Competitiveness and Innovation in Enterprises" 2021-2027. The program is currently at the stage of public discussion, and from its working

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

version it can be concluded that its profile will remain the same. The program will aim to achieve a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity, and will also, in line with EU policy, seek to achieve objectives that aim at a greener, low-carbon and sustainable Europe with a net-zero carbon transition economy by promoting a clean and fair energy transition, green and blue investments, circular economy, climate change mitigation and adaptation, prevention and risk management and sustainable urban mobility.

- The program for maritime affairs and fisheries, which is the main source of funding for the sector related to water and fisheries, has a minimal character for the development of the agro-food sector in the cross-border region, insofar as its main program is directed to the Black Sea region. Within the new programming period, it will be replaced by a new program – "Maritime, Fisheries and Aquaculture Programme", through which the already upgraded results are expected to be achieved.
- In the short term, the state will also stimulate the sector through the tools and mechanisms of its "Recovery and Resilience Plan for Bulgaria". At this moment, it has not yet been approved, and its latest editions are being implemented in view of the recommendations of the EC. The plan includes a whole section dedicated to green policies and investments, and of particular importance for the Agro-Food Sector will be those related to the technological and ecological transformation of the agri-food sector and the overall improvement of the capacity of economic actors in the sector.
- Through the Fund for the Promotion of the Technological and Ecological Transition of Agriculture, investments will be made in several main areas. Supporting technological and environmental modernization and helping to strengthen the transition to a circular economy will be of key importance.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Another aspect of the support is expected to be aimed at setting up centers for preparation for marketing and storage of fruits and vegetables. Through the possibilities provided by the Plan, activities for the construction/reconstruction and equipment of livestock facilities for breeding and evaluation of male breeding animals will be supported, including extraction of biological material from them and effective water management in agricultural holdings.

In conclusion, it can be noted that although there are crisis events and processes, the economic environment in which the agrarian-food sector operates favors the development of economic entities from the sector. The increasing trends in GDP and GDP per capita indicate the viability and upward trend of the economy both at the national level and in the cross-border region. It is established that inflation in the country is generally within moderate limits, but even if a certain increase occurs, the inflationary processes remain within controllable limits. Increasing purchasing power of a country's population is another factor that indicates the growth potential for companies in the sector. Although far from the country's record levels, FDI is increasing, which, apart from being a positive fact for the economy, gives reason to think that investors' faith in the country is growing. One cannot fail to note the fact that the state provides significant economic incentives for participation in economic life, which suggests the development of companies in the sector.

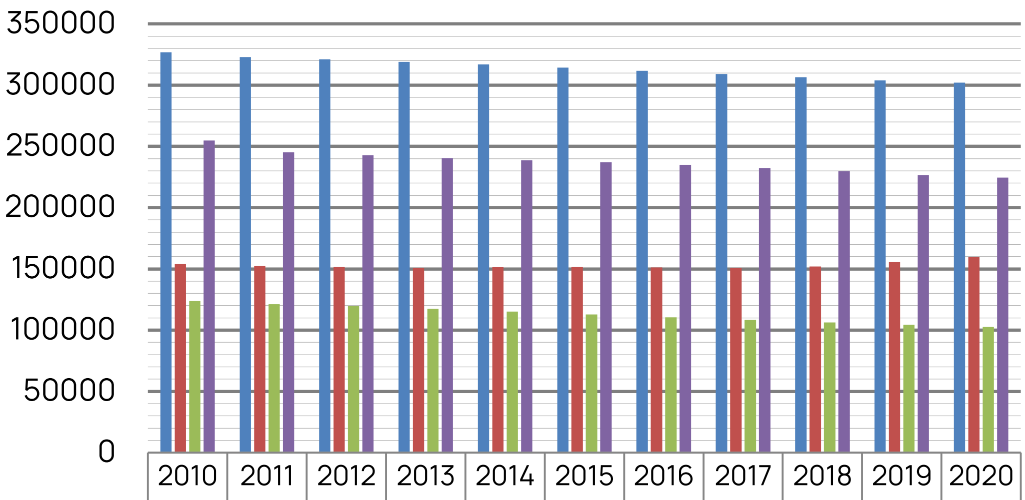
1.7.2.3 Social Aspect

- A main group of factors that indicate the state of the social environment in a society are those related to demographic processes and trends. If the increase in purchasing power is a factor that gives reason to conclude that it is possible for the market for products that are produced within the Agro-Food Sector to increase, indicating the fact that consumers have more funds, then the analysis of the main demographic processes can give an answer to the question of how many people consume and will consume

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

such products. It is necessary to specify that in both cases we are talking about the volume of the domestic market. In this sense, it can be stated that there are prerequisites for the internal market for the agrarian-food sector to shrink, insofar as the population of the country for the period 2010-2020 decreases by 8%, and the population in the cross-border region decreases by 8.2%. In the Blagoevgrad region, the drop is 7.6%, while in the Haskovo and Smolyan regions, it exceeds 10% and equals 11.9% and 17%. For the researched period, only in the Kardzhali region, a population growth of 3.5% was observed.

Population in the cross-border region for the period 2010 - 2020.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Blagoevgrad	326.8	322.8	321.0	319.1	316.8	314.2	311.5	309.1	306.5	303.9	301.9
Kardzhali	154.1	152.4	151.6	150.9	151.3	151.6	151.0	150.9	151.9	155.5	159.4
Smolyan	123.6	121.1	119.6	117.4	115.1	112.7	110.5	108.3	106.3	104.4	102.7
Haskovo	254.7	245.2	242.8	240.4	238.4	237.0	234.8	232.3	229.7	226.7	224.4

Source: Infostat, National Statistics Institute

- The data for the population from the last NSI census, which are preliminary and referable to 2021, indicate that the population of the country as of 2021 is about 6.5 million people, which comes to show that the potential number of users is decreasing. In view of the increasing purchasing power of the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

population, on the other hand, no general conclusions can be drawn about the future development of the internal food market in terms of its volume.

- NSI data on birth rates (number of live births) at the national level also indicate negative demographic trends in the country, with the number of live births falling from 75,513 in 2010 to 59,086 in 2020 (a drop of almost 22%).
- Another negative demographic process that is characteristic of the country is expressed in the number of Bulgarians emigrating abroad. In the period 2010-2020, there is only one year in which mechanical growth was positive. This shows that in only one of the eleven years under analysis was the number of people leaving the country less than the number of people entering it. As this year is 2020, this should in all probability be attributed to the COVID-19 Pandemic.
- The War in Ukraine is a factor that may contribute to the increase in the number of people living in the country, as a result of the arrival of many refugees, but this may be a temporary phenomenon, and at this point precise predictions in the medium and long term about how many of them will remain are not possible.
- In this sense, it can be stated that negative demographic trends have the potential to reduce the volume of the domestic market for the sector on the one hand, as far as it is absolutely realistic that over time the demand for some goods will decrease. This, in turn, can lead to a decrease in turnover and, in the last case, bankruptcies for some companies that are mainly oriented towards the domestic market. On the other hand, negative demographic trends can contribute to the so-called "hunger for personnel", which is one of the main problems facing many companies in the country. In this sense, these processes contribute to reducing the competitiveness of

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

and impossibility to realize the full potential of companies from the agrarian-food sector.

- There are not many factors that attract the population within the districts in the cross-border region. For example, the NSI data for the average gross monthly salary (including annual premiums) for 2021 give reason to register the fact that in the areas of the cross-border region the average gross monthly salary is among the lowest in the country. Kardzhali District is the most advanced of all 4 regions - 20th place (out of 28 regions), while Haskov, Smolyan and Blagoevgrad regions occupy 24th, 25th and 26th place in the country. The values of the average gross monthly salary in the district of Haskovo, Smolyan and Blagoevgrad are extremely close to those of the district of Vidin, which is among the poorest districts not only in Bulgaria, but also in the entire EU, equaling BGN 1,158.00 for Haskovo District, BGN 1,144.00 for Smolyan District, BGN 1,139.00 for Blagoevgrad District. For comparison, the highest value of the average gross monthly salary was recorded in the Sofia region (the capital) and is equal to BGN 2,314.00. The value measured in Sofia is 45% higher than in the Kardzhali region, by 50 % higher than Haskovo district and 51% higher than Smolyan and Blagoevgrad Districts.
- Another aspect that can be a starting point for attracting population is the educational infrastructure and in particular the networks of prestigious higher education institutions in the cross-border region. The most recognizable ones are located in the city of Blagoevgrad and these are Southwestern University "Neofite Rilski" and "American University in Bulgaria”. Apart from this, no other educational institutions of this scale can be distinguished (there are only some branches in Smolyan and Kardzhali), which comes to emphasize that the educational infrastructure within the Cross-Border Region is not sufficiently well developed. This fact combined with other accruals such as income level etc. suggests that future students

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

should primarily choose to study in universities located in better economically developed settlements, including and in Europe.

- Apart from the analysis of demographic factors, the importance of some socio-cultural factors, which determine the state of the Agro-Food Sector to a certain extent, should be emphasized. The main such factor is objectified in the culturally distinct tradition of the Bulgarian population for the cultivation of certain agricultural plantations. The practices of growing agricultural crops are integrated into the life of the Bulgarian population, but the fact that they also have an economic nature should not be overlooked. In villages, small towns and underdeveloped regions, this phenomenon continues to exist to this day, as the main agricultural crops that are grown are potatoes, tomatoes, beans, cucumbers, peppers, etc. vegetables. Fruit growing is also popular, as the cultivation of cherries, peaches, apricots, and plums is particularly widespread in the country. From the perspective of the Agro-Food Sector, this is important because not the entire population is included in the market, as people who grow their own crops resort either rarely or not at all to market goods. To date, the presence of population concentration trends in large and developed economic centers in the country and the abandonment of villages as a preferred place to live expands the market of food products and gives reasons for the rise of the Agro-Food Sector, because on the one hand the size of production for own consumption decreases, and on the other hand, the purchasing power of the population, which is engaged in companies in the country's developed cities, increases.

In conclusion, it can be noted that at the current level of purchasing power, demographic trends in the country create conditions for shrinking the grocery market in view of a declining population. With a more substantial increase in the purchasing power of the population, the market for foodstuffs and products is expected to expand significantly, especially for goods with a higher added value. In

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

addition, the general economic and social development of the Cross-Border Region is not a prerequisite for increasing the population in its territory. On the other hand, the negative demographic processes also play a positive role in the development of the Agro-Food Sector, in a different sense, inasmuch as with the process of depopulation of the villages, the population grows agricultural crops to a lesser extent and becomes dependent on the production of the economic actors operating in the market.

1.7.2.3.1 Technological Aspect

The analysis of the technological environment in which the Agro-Food Sector operates in the Cross-Border Region is simultaneously revealed as an analysis of the technological security and as possible prospects for the development of the sector.

- The first and most characteristic thing with which the technological environment in Bulgaria should be distinguished is in relation to the digitization of the economy. In this sense, it should be noted that the country is in the process of digitizing its economy, and this is one of the priorities of the current government. At the moment, no major successes can be reported in this direction, considering the fact that for 2020, Bulgaria is in last place in the EU in terms of digitalization of the economy, according to the index Digital Economy and Society Index (DESI) . In this sense, the technological environment is expected to be dominated by digitization processes, which will inevitably affect the Agro-Food Sector as well.
- On the other hand, technological progress allows technologies and processes to be implemented, as according to data from one of the largest portals for agriculture (agri.bg) among the most significant innovations in agriculture machine learning, IoT sensors, automation, electronic document flow and drones can be mentioned, and the information portal gives information about each of them, which is applied here.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Promoting the use of drones in industrial agriculture to patrol especially within large agricultural areas has the potential to contribute to detecting problems in relation to arable land in relation to drought areas for example. Other advantages of this technology allow drones to irrigate self-grown crops and also assess plant health. The operation of drones also provides additional opportunities for analyzing areas where crops grow better or worse, which suggests optimizing their care and improving harvests in the long term.
- Autonomous tractors provide another technological opportunity to optimize the activity, especially for industrial farms. With them, agricultural land can be cultivated practically without human intervention. This type of tractor can sow and harvest by itself. In addition, they can take photos and other innovative activities compared to current technologies, such as conducting aerial survey of lands, creating 3D models, as well as thermal imaging and laser scanning. The human factor in the use of these technologies comes down to setting the tractor's work program.
- Within a brief conclusion, the main benefits of the use of unmanned devices can be drawn - they enable farmers to optimize the weak points, in the context of agricultural activity, such as the poor condition of individual participants from the lands, the deterioration of the condition of individual perimeters from the crops sown, maximizing crop yields and comprehensive screening of produce and resources for its production. The useful life of such assets is generally long, suggesting that they can be a long-term investment. Another positive aspect of the activity of these technologies consists in the fact that they can drastically reduce production costs, the automation of certain dimensions of the labor process will lead to a reduction in personnel, which is a negative fact from the point of view of employment.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- On the other hand, machine learning is another innovation that can be implemented in the activities of business entities from the Agro-Food Sector. By exploiting artificial intelligence that functions with the help of neural networks. to collect various data, carry out a process of analysis and synthesis based on them and create, findings, conclusions and recommendations about the production process, better economic results can be achieved in each farm.

  Such an approach is being used in Australia, where machine learning is being used to make coffee crop predictions. By collecting a lot of data for the artificial intelligence technology, it becomes possible to make analyzes of the mineral composition and temperature of the soil layers, as well as the climate.

  Machine learning also makes it possible to develop new varieties more quickly, and also to predict their performance levels in different conditions. This means that at an early stage it is possible to diagnose the various diseases that may affect certain crops and take measures to optimize the production process.

- An important technological point is the integration of IoT (Internet of Things) sensors into the activities of business entities from the Agro-Food Sector. They are a network of smart devices, the purpose of which is dedicated to the collection of various data (for example, on the weather, on the condition of the soil, etc.) and indicators that can be the basis for the preparation of analyzes and forecasts. Another of their functions can be revealed in greenhouses, where these smart device enclosures can independently regulate crop development factors such as temperature, humidity and irrigation.

  In addition, the sensors predict the production volume. This enables farmers to better plan product distribution. When they know exactly how

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

much harvest to expect, I can make an effort to realize it completely without loss.

- Agricultural automation processes also play an important role in improving the potential of agricultural holdings. Automated machines can carry out weeding activities in the sown areas, and in addition they can harvest. A major advantage in this regard is that this also applies to delicate crops, for which human resources are usually used, an undertaking that is on the one hand more expensive and on the other takes more time.
- Another positive of this type of technology is expressed in its ability to monitor quality factors of agricultural production such as temperature, humidity, etc., which may lead to deterioration of its quality and the consequences of this such as price reduction and/or destruction. In this sense, this type of technology is in favor of reducing economic losses.

  The leading trend is also the introduction of processes and systems for electronic document circulation in agricultural holdings, to replace the analog model of work expressed in the accumulation of countless folders and paper.
- Another important information portal in our country (agrohub.bg) also presents other innovative technologies in agriculture that have been implemented or are in the process of being integrated and that reveal prospects for the development of the sector. The technologies that can be implemented by business entities from the agro-food sector are not limited to production technologies, but also to the economic efficiency of business process management technologies.
- Digital data analytics systems for agribusiness development in Finland, for example, are aimed at achieving results that benefit "farmers having access to a smart data management service where they can download different types of fields data and get automated analytics and visualizations. Farmers

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

will have access to information about soil and nutrient changes as a result of these analyses. "

- Another innovative solution to problems specific to the agri-food sector regarding viable pastures with optimized phosphate fertilization aims to "optimize fertilizer use in pastures by using sensor-based, remote sensing data to assess pasture nutrient needs and use of variable speed fertilizer spreading technology." As a result of the development of such technology, it is expected that a technological method will be available to farmers that will generate maps that will be of high resolution and will include specific prescriptions for phosphate fertilization. This will lead to positive effects in terms of pasture productivity and also reduce fertilizer costs and pressure on the environment, as they will address the fertilization process only to the places where it is needed.
- In Germany, there is a technological solution to provide precision irrigation as a measure to preserve the value of the land in Germany. In addition to being an effective tool, in the context of the development of the sector, the positive effect regarding the optimal use of water as a resource and the reduction of pressure on the environment is visible. With such a decision, the aim is to implement cost-effective approaches to take into account the actual water needs of crops. To the extent that such type of systems work automatically, optimization of labor costs is ensured.
- As can be seen, technological modernization and the introduction of technologies based on innovation strongly influence the development of the Agro-Food Sector, creating opportunities to increase yield and reduce production costs, which also affects the prices of the food that is produced. In this sense, the promotion of innovation activity of enterprises is a vital development for the sector. It is for this reason that the process of patenting innovations in Bulgaria needs to be made more accessible to

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

economic agents, lighter and more productive, as at the moment there are certain difficulties in terms of administrative burden, speed, and also information deficits of the companies themselves regarding it.

In conclusion, it should be noted that although many technologies are available to help optimize the work of economic entities from the Agro-Food Sector, their presence is undoubtedly a plus if they are not purchased and put into operation. Insofar as the technologies available in the sector, based on innovations, can contribute to a qualitative change within the production process, neglecting them (i.e. the lack of exploitation of such technologies) can lead economic entities from the Agro-Food Sector to a state of lack of competitiveness. In this sense, the use of such technologies can lead to improved market positions of manufacturers. Here it should be kept in mind that the balance between the pursuit of sustainable development and the improvement of market positions through new technologies and innovations is quite delicate.

1.7.2.4 Legal Aspect

The analysis of the legislative environment in which the Agro-Food Sector operates must invariably note that there is an extremely complex network of legal acts that regulate the activities of economic entities from the sector.

In this sense, it is necessary to make a basic distinction between the legal norms that influence the activity of the sector. On the one hand, they are internal to business entities and regulate the functioning of the business. In this sense, these norms can be described as general rules, values, ethical norms, corporate ideology ("green" policy, for example) and others, which, in formal and informal ways, regulate the activities of business entities from the sector. As the present analysis concentrates on the "sector" level, the individual practices in the enterprises of the agri-food sector are not a priority for it and will not be considered in detail.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

On the other hand, there are the legal regulations external to the sector. The regulatory framework that defines the activity of the Agro-Food Sector is constructed on 3 levels.

- At the highest level is the legislative framework at the European level, which with all its regulatory complexity defines the conditions under which the Agro-Food Sector can function. Bulgaria, as a member of the EU, is subject to European legislation and is obliged to apply the general legal acts of the Union, including the current regulations, directives, etc.
- The second level of the normative framework is objectified mainly in the legislation at the national level and in particular in the national laws. The legal framework at the national level is supplemented mainly by decrees of the Council of Ministers, which derive from and are secondary to the laws in force in the country.
- The third main point in which the normative basis for economic actors from the agrarian-food sector is concentrated is the legislation at the local level. Municipalities on the territory of the Republic of Bulgaria create ordinances that regulate the activities of both natural and legal persons, including and representatives of the Agro-Food Sector.

It is important to note that due to the specific administrative structure and the lack of administratively separated regions at the NUTS2 level of the country, there is no legal framework to regulate at the regional level.

The regional administrative structures in the country are the so-called "Regional Development Councils" whose functions have more of a consultative nature and as a guidance in the policy implementation.

1.7.2.5 Environmental Aspect

The current analysis of the state of the environment unfolds in 4 main directions - analysis of the state of atmospheric air, water, soil and biological diversity. The methodological basis of the analysis corresponds to those defined in the national

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

legislation and in particular Art. 4 of the Environmental Protection Act environmental components, with the analysis focusing on the environmental components most relevant to the Agro-Food Sector. The additional dimension in which the analysis unfolds is in relation to climate and climate change.

1.7.2.5.1 Atmospheric air

The quality of the atmospheric air in the territory of the transboundary region is a major factor for the state of the biosystems and the organisms in them. For this reason, its condition can reflect both on the resources that are exploited for the production of food, and on the food itself that the producers of the agro-food sector produce and place on the market.

The main pollutant of atmospheric air is fine dust particles (PM). The data from the analyzes carried out in the "National program for improving the quality of atmospheric air 2018 – 2024" give reason to conclude that on the territory of the cross-border region in every single area there are problems related to exceeding the levels of FPH.

Although at the local and regional level, there is often a lack of publicly available (and indeed any) more detailed data on atmospheric air pollution, the problem of air pollution in the Cross-Border Region is encountered and known to public institutions and especially the municipal administrations. They, in turn, address the problems through their municipal programs for environmental protection and through the programs for improving the quality of atmospheric air (where applicable), the most serious being the problems related to pollution from FFP and exceeding the standards of ozone in the atmosphere, which has a negative impact on agricultural crops.

1.7.2.5.2 Leads

The hydrographic network of the territory of the transboundary region is made up of many sources such as rivers, lakes, dams, etc. Four main water arteries are located or pass through the Transboundary Region – the Struma River and the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Mesta River, which are polluted to varying degrees in their different sections, and the Arda River, through which economic needs for the production of electricity and the Maritsa River, which runs through the territory of the Haskovo District, are mainly met. Tendencies to improve surface water quality are registered for Haskovo and Blagoevgrad districts.

Important for the economic development of the district are the following dams:

- Dam “Kardjali”;
- Cold Well Dam;
- Ivaylovgrad Dam;
- Dospat Dam;
- Dam “Vacha”;
- Trakiets Dam;
- Dam “Tsankov Kamak”;
- Zlatograd Dam;
- Teshel Dam;
- Stoykovtsi Dam.

The main functions of the dams are aimed at generating electricity, developing fisheries, and also providing resources for irrigation processes in agriculture, etc. In this sense, it can be stated that the system of artificial water basins on the territory of the Cross-Border Region creates favorable conditions for the development of the Agro-Food Sector, insofar as it is able to generate important resources for the economic agents involved in it. Worth mentioning is that some of these dams are part of Pumped Hydroelectric Energy Storage (PHES) Systems, all of them located in Cross-Border Region: PHES “Chaira”, PHES “Belmeken” and PHES “Orpheus”, which generate over 1 GW of energy.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

The presence of water sources on the territory of the Cross-Border Region can be ascertained, which have many different functions, including and for commercial purposes. This, in turn, is a solid resource and positive from the point of view of the functioning of the Agro-Food Sector in the region. On the other hand, negative processes for the sector can be found, which are related to the deterioration of some water resources, which, although a natural process from the point of view of the industrialization of the economy and human impact, is undesirable and unfavorable for the development of the sector.

1.7.2.5.3 Soils

The analysis of soils is of fundamental importance for the present text, insofar as soils as a basic resource are an important prerequisite for the favorable development of the Agro-Food Sector in the Cross-Border Region. In this sense, the present analysis prioritizes the problems related to soil degradation processes and their disturbance and pollution.

Soil erosion is a major problem that contributes to soil degradation. The data regarding the condition of the soils in Bulgaria indicate problems and threats regarding the protection of the soils, insofar as it is found that "about 85% of the soils in the country are affected by erosion processes, and about 30% of them are subjected to wind erosion."

According to the analyzes included in the National Program for Conservation, Sustainable Use and Restoration of Soil Functions (2020-2030), it should be noted that the problem of surface water erosion of soils is particularly relevant for the cross-border region, as the districts of Kardzhali and Smolyan are among the five areas in which the highest intensity of erosion processes is observed, and Kardzhali is among the areas that suffer soil losses as a result of water surface erosion. For the Blagoevgrad and Haskovo districts, no significant problems in this aspect were registered.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Regarding wind erosion, it is necessary to state that none of the areas situated on the territory of the transboundary region falls among the areas with the highest intensity of wind erosion. However, it is recorded that Haskovo region is among the regions with the greatest soil losses as a result of wind erosion.

Irrigation erosion, on the other hand, does not represent a factor that determines the development of the Agro-Food Sector in view of the ever-diminishing role and functions of irrigated agriculture and the almost completely destroyed reclamation system from the socialist period, which in turn contributes to this the scale of this type of erosion to remain low.

Another problem that characterizes the state of the environment, and in particular that of soil resources, is objectified in the process of soil acidification. The latest analyzes carried out at the national level and in connection with the development of the National Program for the Protection, Sustainable Use and Restoration of Soil Functions (2020-2030) indicate that the problem is characteristic of South-West Bulgaria, which also includes territories from the cross-border region. In another important strategic document – "National action program for sustainable land management and combating desertification in the Republic of Bulgaria (Update for program period 2014-2020)", South-West Bulgaria is also situated as a problem area in terms of soil acidification, but also noted is the Rhodope Region, which is also part of the transboundary region.

As a positive fact regarding the degradation processes related to soil salinization, it can be noted that no serious problems are found for the territory of the regions of the Cross-Border Region. Due to the fact that in Bulgaria there are no monitoring data to take into account the degree of degradation processes related to soil compaction, the current analysis cannot account to what extent this problem is valid for the Cross-Border Region.

The next process, on which the analysis will stop, consists in the reduction of soil organic matter, or the so-called. dehumification of soils. "The general assessment

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

of the humus condition of the soils in Bulgaria shows that the climatic, plant and other factors of soil formation in a large part of the country, especially in the flat and slightly hilly areas, where the arable land fund is concentrated, are favorable for the formation of quality humus, but the total amount of humus in Bulgarian soils is not high". The finding is of essential importance insofar as it gives reasons to consider that companies from the Agro-Food Sector can count on the fact that there are conditions to form productive soil resources on the one hand. On the other hand, as far as dehumification can occur as a consequence of other degradation processes (and in particular acidification and salinization) and not particularly high levels of humus in soils, it should be noted that economic entities from the sector, together with other interested parties who are directly involved in the protection and restoration of soils must neutralize the processes of acidification and salinization of soils to the maximum extent.

The activity of companies from various spheres of industry, mining and processing activities, metallurgy and machine building implies the creation of conditions for soil disturbance. As a result of the activities of important enterprises from the mining and metal mining sectors on the territory of the Kardzhali district, the presence of disturbed soils was found.

Transport as a major part of the industry also has an impact on the condition of soils. Motor transport creates conditions for the pollution of the environment with many heavy metals that fall into the soil around the roads, the air, passing the entire chain and reaching the person. Important road arteries pass through the territory of the Cross-Border Region, such as the E-79 main road, the Struma highway, etc., which transport links connect Bulgaria with Greece. In recent years, a reduction in road pollution has been observed at the national level.

Rail transport can also have a negative impact on the state of the country's soils. A railway network has been built on the territory of the Cross-Border Region, although mainly as part of the main transport corridors number 4 and number 10,

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

the operation of which may lead to disturbance of soil resources. On the other hand, in view of the intensity and dynamics of air transport, it should be noted that direct soil pollution caused by this type of transport is not significant.

In conclusion, it can be stated that there are many prerequisites for soil damage within the transboundary region. At the root of these problems are soil erosion processes, but anthropogenic impact also contributes to the increase in damage to soil resources. In this sense, it can be stated that the processes of disturbance of soil resources are a threat to the competitiveness of the economic actors that operate on the territory of the Cross-Border Region.

1.7.2.5.4 Natural sites and biodiversity

Bulgaria is characterized by rich biological diversity, due to the different living conditions that exist on its territory. The National Strategy for the Protection of Biological Diversity states that "Bulgaria ranks among the countries with the greatest biological diversity in Europe. On the territory of the transboundary region are located some areas with the greatest species richness in terms of all taxonomic groups in the country. As such, the Rhodopes (mostly the eastern parts) and Pirin can be mentioned. There are 3 national parks on the territory of the country, two of which fall entirely into the Cross-Border Region. Together with other natural objects, they are the natural habitats for many ecosystems.

In the current Law on Protected Areas, protected areas are categorized into 6 main groups:

- Reserve - strictly protected territory, prohibited any human activity;
- National Park (NP) - highly protected, some activities allowed;
- Natural Landmark (PZ) - conservation of natural forms, activities allowed;
- Maintained reserve (PR) - permitted activities with a conservation purpose;
- Natural Park (PP) - sustainable interaction of people and nature;

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Protected area (PA) - protection of habitats and sustainable use of resources.

According to data from RIOSV-Blagoevgrad, "34 protected areas with a total area of 17,882, 2,318 ha have been declared in Blagoevgrad District (excluding the area of the Pirin National Park and part of the Rila National Park)." With the presence of great biological diversity in this area of the transboundary region as well.

The main problems that threaten the existence of some species are mainly caused by anthropogenic impact. Air, soil and water pollution on the one hand, deforestation on the other are the main threats to some ecosystems. "In the Bulgarian landscape, literally all forms and sources of point and non-point pollution are found - domestic, agricultural, oil and petrochemical, industrial and radioactive, which threaten biological diversity to varying degrees."

In this sense, it can be stated that there are serious prerequisites for the development of the agro-food sector in the territory of the Cross-Border Region, in view of the high biological diversity. It is a basic prerequisite for economic development as it provides opportunities for the development of economic life in many directions and directions.

1.7.2.5.5 Climate and climate change

In view of the data registered in "Socio-economic analysis of regions in the Republic of Bulgaria Fourth stage. Part Two", which show that the average "annual temperature of 12.6o C, 2018 is among the five warmest years for the period 1988-2018. In 2018, the annual air temperature for the high altitude areas (n.v .) up to 800 m is on average 1.5°C above the norm", which clearly shows that trends related to global climate warming also affect Bulgaria.

Although the Cross-Border Region is located in the southernmost parts of Bulgaria and as a rule should be considered to be among the most vulnerable in the country, the data show that for the period 2014-2020 in none of the regions the largest deviations from the average annual temperature were observed, and as of 2016,

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

the lowest deviation from the average annual temperature for the country was found in the Smolyan District among all districts in the South Central Region. Regardless of this fact, it should be noted that the average annual air temperature (in the Celsius scale) in 2018 compared to the climatic norms of 1961-1990 in the cross-border region increased in the range between 1.4 and 2 degrees. This, in turn, would lead to negative processes for economic entities from the Agro-Food Sector, such as problems related to drainage, an increase in the eutrophication of stagnant waters, and possible fires, and periods of drought can lead to reduced production.

On the other hand, certain problems related to rainfall levels for the cross-border region can be identified. On the one hand, they are objectified in exceeding the monthly rate of precipitation. According to data of the Bulgarian Executive Agency for Environment the excess in Krumovgrad reached 522% in August, and in Zlatograd it equaled 318% in November. The problems that are related to the excessive level of precipitation give reasons to conclude that there are conditions and prerequisites for the destruction of production of producers from the Agro-Food Sector as a result of heavy precipitation and potential floods.

The problems regarding rainfall consist in the fact that Blagoevgrad district is among the districts with the least rainfall in the country. This suggests potential problems for agro-food business entities in relation to irrigation, which problems with a certain superimposition of other negative factors can lead to a loss of production.

In conclusion, it can be stated that the main threat arising from climate change for the producers in the Agro-Food Sector Consists in the frequent extreme phenomena, such as the extreme increase in temperatures, heavy rains, hail, etc., which hides multiple and different risks related to disruption of the work cycle, predictability in production and directly leads to a reduction or even destruction of production. This necessitates optimal utilization of water as a basic resource and building a culture to protect it from pollution. In view of the specificity of the relief

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

in the cross-border region, it can be noted that the risk of flooding is lower, but in case of heavy rains, it is possible that some production will be destroyed.

1.8 SWOT Analysis

Agrofficiency BSC will expand the strengths of Chamber of small & medium sized industries of Thessaloniki and the Regional Chamber of commerce and industry of Blagoevgrad as receptors of the organization, their reputation in the SME market and its wide network of small businesses. These relationships as well as access to finance for SMEs are the two main competitive advantages that allow BSC to enter the market with an enticing service proposal.

BSC will endeavor to maintain its competitive position by providing:

- Relevant solutions to the problems of small businesses in the agri-food sector:
    - Smile, attention to the look, voice and posture (courteous, friendly staff),
    - Free marketing and sales analysis - during the first 9 months of operation,
    - Free financial analysis - during the first 9 months of operation.
- Dynamic customer approach
- Complementary business support through interconnections with other sources of finance.

1.8.1 Greek Side

BSC's SWOT analysis provides great opportunities for the development of education, counseling and networking of the small business sector in Greece.

The recent economic crisis has created a strong demand for business development services as the vast majority of people are excluded from the market

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

for commercial counseling due to a lack of relevant information or a lack of financial capacity for training and counseling.

1.8.1.1 Strengths

- Superior quality of foods, linked to authentic local products.
- Strong link of the Greek to the Mediterranean diet, an UNESCO Cultural Heritage of Humanity.
- Diverse soil and good climate conditions, allowing for a variety of products.
- A multitude of university departments that offer quality education in the agrofood related sciences.
- High amount of CAP funding in the agriculture sector.
- Strong presence of food and beverages manufacturing, with a dynamic exporting character.
- High food security and food safety, with Greece ranking 31st worldwide and 17th in Europe.
- Large number of food and beverages PDOs and PGIs (275), rendering Greece one of the six EU-27 member states having circa 80% of PGIs and PDOs products.

1.8.1.2 Weakness

- Aging farming population and limited entrepreneurial activity of farmers.
- Agriculture high production cost and low productivity and production.
- Small size and high fragmentation of land, with limited use of new technologies.
- Lack of substantial contract farming and connection of agriculture to manufacture.
- Limited innovation and technology integration and lack of strategic planning and investments towards R&D.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Insufficient communication, coordination and collaboration between companies, universities and research institutions.
- Non-existing long-term agri-food policy and insufficient regulatory framework for promoting innovation and technology.

1.8.1.3 Opportunities

- Increase levels of self-sufficiency and exports of PDOs and PGIs.
- Establishment of a strong identity and brand name for Greek products in the global market, with links to the Mediterranean diet.
- Implementation of new technologies in the agri-food sector (such as in packaging, logistics biotechnology/DNA technology, security/safety).
- Development of strong connections between companies and institutions within the supply chain, through clusters' formation and the cooperation and synergies of farmers, manufacturers and trade companies.
- Connection of research with all stages of production.
- Further strengthening and support of export orientation via marketing and distribution channels.
- Extensive use of the Product Environmental Footprint in more companies and products in the whole supply chain.

1.8.1.4 Threats

- Low prices of foreign agri-food products, which can drive up competition with domestic production.
- Fluctuation and higher prices of raw materials impede on low cost production.
- Crises that distract from long standing problems, the solution to which could prove beneficial in multiple disciplines.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Environmental footprint and/or natural disasters due to climate change, pollution and the disruption of ecosystems that have severe effects on agricultural production.
- COVID-19 pandemic, Russian invasion to Ukraine and their implications on demand and supply and the creation of potential supply shortages due to the subsequent economic recession.

1.8.2 Bulgarian Side

1.8.2.1 Strengths

- Encouraging the creation of conditions for the formation of a middle class of agricultural producers;
- Created mechanisms for public financing of the agrarian-food sector;
- Promotion of digitization in the sector;
- Existence of environmental protection policies;
- Reducing the administrative burden;
- Encouraging competitiveness;
- Setting policies that are synchronized with the Green Pact;
- Existence of a positive economic trend, which is characterized by a permanent and sustainable increase of the gross domestic product in the country;
- There is a positive economic trend, expressed in a permanent increase of GDP in the individual areas of the cross-border region;
- GDP per capita is increasing in every single area of the cross-border region;
- There is a serious increase in the purchasing power of Bulgarian citizens regarding food products;
- Existence of an upward trend, which is expressed in an increase in foreign direct investments in the cross-border region for the period 2014-2020;

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Availability of multiple economic incentives;
- Availability of technological solutions to optimize production and business processes in farms;
- Established regulatory framework governing the rights and obligations of business entities from the sector;
- There is no known pollution of the atmospheric air above the permissible norms with cadmium, nickel, arsenic, carbon monoxide and benzene;
- Existence of trends for overall improvement of atmospheric air quality;
- Good condition of surface waters;
- The indicators of dissolved oxygen O2 (54%) and nitrate nitrogen NO3-N (50%) remain in excellent condition;
- The nitrogen ammonium NH4-N and BOD5 indicators are in good condition;
- Orthophosphates PO4 indicators go from a moderate condition to a predominantly excellent condition;
- Good condition of river types (overall);
- Absence of soil problems due to irrigation erosion;
- No serious problems are found for the territory of the regions of the cross-border region, related to soil salinization;
- Soil pollution caused by persistent organic pollutants does not represent a problem for the areas of the territory of the transboundary region'
- There is a lack of data and indications of significant contamination of the soil by oil products;
- High level of biological diversity.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

1.8.2.2 Weaknesses

- Low digitization niche in the sector;
- Lack of continuity and consistency in terms of policies that address the development of the sector;
- Rapid increase in the insurance burden for farmers;
- Increasing labor costs;
- The economic growth of GDP in the cross-border region is generally slower than the average for the country;
- GDP per capita in the cross-border region grows more slowly than the average for the country;
- Lower values of GDP per capita compared to the average for the country;
- Negative demographic trends;
- Lack of attractive living conditions within the cross-border region;
- Reduction of the population in the country and in the cross-border region;
- Availability of prerequisites for the contraction of the market, due to the decreasing number of the population;
- Availability of multiple regulations;
- Atmospheric air pollution in the transboundary region with FFP
- Established contamination of groundwater in the region. Haskovo;
- Presence of processes related to water and wind erosion of soils;
- Existence of problems related to soil acidification in the cross-border region;
- Presence of soil contamination with radioactive elements;
- Low share of arable land

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- As a result of the activities of important enterprises from the mining and metal mining sectors on the territory of the Kardzhali district, the presence of disturbed soils was found.

1.8.2.3 Opportunities

1. Digitization of business processes in the sector;
2. Reducing pressure on the environment;
3. Reduction of pollution occurring as a result of the formation of food waste;
4. Reduction of greenhouse gases;
5. Optimization of holdings;
6. Technological modernization;
7. Creation of know-how;
8. Export of cereals and food;
9. Optimizing economic results in farms, as a consequence of the introduction of innovative technologies;

1.8.2.4 Threats

- Dramatic increase in energy costs;
- Neglecting sector policies at the expense of the Defense sector
- Increase in inflation;
- Loss of soil resources as a result of degradation processes;

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

1.9 Stakeholder Analysis

Under Deliverable 3.1 "Study of the State of the Art of Agri-food Sector Overall Study ", was delivered a report which aimed to study the current situation of the Agri-food sector and its wider ecosystem. Food remains a central need of all human societies. Key global trends are shaping the demands that modern agriculture and food production have to meet;A rising global population requires access to safe and reliable sources of nutrition. Aging and more health-conscious societies need different types of food products, with new functional characteristics. In addition, a global ecosystem under intense pressure asks for an agro-food industry that significantly reduces its environmental impact.

Agrofood is also an important economic driver for European many regions. It emerged as one of the most prominent domains with EU regions smart specialization strategies. It is also one of the key thematic orientations of applications and selected cluster projects for new industrial value chain. Agriculture and food processing remain important sectors especially in regions with lower levels of current prosperity. The success that some advanced countries have in these markets suggests that there is potential to upgrade. Agriculture and food are also in more advanced regions important sectors for achieving shared prosperity, providing employment and development opportunities for less-skilled parts of the labor force.

Agrofood is changing. Examples of key issues emerging in response to the global trends and societal challenges pointed out above are traceability and bioeconomy. Traceability captures the notion that consumers increasingly want to know where food products are coming from, how they have been produced, and through which channels they have made their way to their homes. This requires the use of new technologies as well as different business models and value chains. Bioeconomy refers to the use of biologically produced inputs into other industries, from biofuel to bio-based chemicals, plastics, and other products. Here a key issue is how to develop these new bio-based inputs in a way that is not

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

creating trade-offs with food production and leads to better overall environmental outcomes.

The first conclusion that can be made regarding the conducted research is that there is a disproportion in the responses of the respondents in terms of basic demographic, social, economic, etc. characteristics. Thus, the number of men who participated in the survey was higher, and the majority were middle-aged respondents who participated in the survey, while the youngest and oldest were the least represented. The presence of respondents with higher education prevails. From the point of view of the regional distribution of the answers, it should be noted that there is an extremely high level of participation of enterprises and farms from the Blagoevgrad region, while economic subjects from the other regions in the cross-border region are very poorly represented. On the other hand, to the highest degree, the answers were generated by owners of enterprises and farms, which suggests a high awareness of the respondents regarding the state of the enterprises and contributes to the awareness of the research. Enterprises and farms that have been in economic activity between 5 and 10 years are most strongly represented, while start-ups are least represented. Regarding the sphere in which they operate, it should be noted that most of the enterprises and farms participating in the research perform economic activity in the field of production, and the least in the field of service provision. The number of enterprises and farms with a staff between 0 and 10 people is the highest, while the smallest is that of companies with a staff between 50 and 100 people - only 3 such. In relation to the size, it should be noted that the enterprises and farms with an annual turnover of up to 500,000 euros are represented in the highest degree, while those in which it exceeds 2,000,000 euros are the smallest - 3 companies.

Regarding how the various market agents operating within the agri-food sector in the cross-border region, the analysis finds that there are many problems and deficits, the overcoming of which can improve the competitiveness of enterprises

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

and farms from the agri-food sector in the cross-border region. For example, the preparation and implementation of a strategic development plan (development strategy) is not a widespread practice among the enterprises and farms of the cross-border region that participate in the study.

On the other hand, the preparation and implementation of marketing plans is an even less prevalent practice among the enterprises that are included in the study, which represents a barrier to the implementation of an adequate and consistent marketing policy and achieving market recognition.

In addition to this, it can be noted that there is a tendency to develop and implement green technologies and practices, but nevertheless it is registered that there is a serious deficiency of competence to recognize the essence of green practices and technologies. On the other hand, the share of those who have not introduced green technologies indicates a serious degree of non-introduction of such practices and technologies, as it equals 1/3.

In contrast to the degree of introduction of green practices and technologies, the concept of the circular economy is known and applied to a very low degree among the respondents.

Despite these problems, the fact that a high degree of readiness to realize synergy with stakeholders in the Agro-Food Sector in the cross-border region is registered is encouraging. Seen in perspective, this readiness can reflect on the increase of the social capital of enterprises and farms from the Agro-Food Sector in the Cross-Border Region, which increase should be objectified and in direct benefits such as increased market scope, securing partnerships, discovering sources for providing various forms of support, etc. A low level of introduction of practices characteristic of the circular economy in the activities of the enterprises and farms included in the study is registered, and there is a lack of trend and culture for the development of such practices and technologies at the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

moment. It can be said that there is some optimism regarding the benefits of using operational business tools, but there is also a lack of competence on the subject.

Regarding the importance of the problems, it can be noted that financial management is considered the most severe problem, while access to information and communication technologies can be considered the least significant problem. The specific thing about the problems is that the other three, which can be treated as significant - marketing, business management and human resources, is that they largely talk about internal-organizational problems, i.e. such in the structure of the organizations themselves, which is worrying.

Labor costs are among the most significant for the surveyed enterprises and farms, while administrative costs are the lightest. In addition to this, it should be noted that the costs of transport and logistics and of raw materials also represent a significant share (very close to that of labor wages).

In addition to this, it should be noted that the majority of enterprises/farms/companies that participated in the study did not use advisory support, and among the main barriers to this, the agri-food business entities from the cross-border region that participated in the study not to seek help for their problems are the unaffordable prices of consulting services. Another main barrier to the economic entities included in the research are the limitations of the existing support mechanisms, which are not able to provide a complete solution to the existing problems.

The research also shows that participation in professional organizations aimed at supporting business is a poorly represented practice. Of the studied economic subjects, most participate in chambers of commerce and industry. Membership in branch organizations, however, generates support for the enterprises and farms in the cross-border region included in the study, to a large extent, to the extent that more than 70% of the members of such structures received it in various forms. The main forms of support that are encountered are objectified in

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

representation before regional and national regarding specific policies, as well as increasing the qualification of the staff.

The last conclusion that can be made is that, except in the area of ensuring safe working conditions, the development and implementation of procedures, practices and codes and practices are very poorly represented.

In addition to all that has been said, it should be noted that the observed phenomena and trends are particularly specific to different groups of respondents and enterprises, as shown in the analysis of statistically significant relationships.

Taking into consideration all of the above, we conclude in that in general terms the Agri-food sector in the areas of interest has started to be modernized. However, it is observed that they have to solve some crucial issues regarding their daily operation and their business structure. First of all, it would be truly beneficial if they manage to become a member of a large entity which could offer them a bigger negotiating power in the market as well as consulting in their problematic areas at a lower cost. Moreover, taking into account the changes in the EU Agri-food industry, it is necessary to focus more on the integration of "green" and circular economy practices in their business models. Finally, it is a challenge for Greek Agri-food companies to motivate more young people to be involved with primary production and agriculture since the average age of those who are related to the Agri-food sector is quite high, giving a warning of a serious lack of suitably skilled personnel in the foreseeable future.

Under Deliverable 3.3, a "Stakeholder analysis and activity planning regarding the bulgarian side" has been implemented (Annex 8). The conclusions are presented below:

Solving the food problem is one of the main tasks facing the world today. It should be achieved against the background of global challenges such as demographic and climate change, health and social insecurity and threats. All of them make it

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

even more difficult to consider, build and ensure the sustainability of the system for the production of agricultural products and food. Against this background, the Circular Economy is perceived as an advanced approach, enabling the Agri-Food Industry to increase production efficiency while limiting the harmful effects on the environment.

In conclusion, the analysis can be summarized that, in essence, the actions of identified stakeholders should be aimed at mastering information on the topic of the circular icon, familiarity with regulations and funding programs, as well as focus on measures to overcome the problems in agriculture and the shrinking of crop and livestock production, as well as the partial technological backwardness in food production.

Data from various sources show that Bulgaria has the potential to develop the Agri-Food Sector. They also show evidence that the global market for organic products is particularly dynamic. An annual increase of 4 to 10% of production is indicated, with a minimum of 10- 12% annual growth in consumption. Such information can be indicative of the global market opportunities, as well as consumer attitudes towards the consumption of organic products.

The question is based on the readiness of the Bulgarian Agri-Food Sector to discover them and take advantage of them. As a result, it will achieve higher efficiency, in parallel with the creation of conditions for environmental protection during the "closing" of the production cycle. In this regard, however, the role of stakeholders, which is great in terms of motivation for the sustainable functioning of an economy based on the principle of circularity, must be highlighted.

Therefore, it should be emphasized once again that the planning and implementation of activities in the Agri-Food Sector in the Cross-Border Area, both on the Bulgarian and Greek sides, should be based on the approach to strong sustainability, cooperation, innovation, improvement and lifelong learning in line with the Sustainable Development Goals.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

2 Strategy

BSC's overall objective is to deliver small business of the CB agrofood sector management and operations training and business advisory services while leveraging available financial and human resources with those of the educational community and the private sector to:

- Strengthen the business skills of small business owners and help them become bankable
- Contribute to the economic growth of the communities served
- Make assistance available to more small businesses of the agrofood sector
- Create a broader based delivery system to the small business community and to support entrepreneurship in the agrofood sector

BSC will work towards the following objectives:

- **Economic impact:**

  To contribute to the development of small businesses in the agri-food sector and potential entrepreneurs, focusing on business creation, job creation/preservation through increased assistance for business development and specialized services related to trade, technology, innovation, subsidies and public procurement (job creation, sales increase, cost reduction). Enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalization.

- **Provision of Services**:

  Evaluate entrepreneurs and small business owners and provide specialized, quality and timely assistance to businesses (training and counseling). Enhance market orientation and increase farm competitiveness both in the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

short and long term, including greater focus on research, technology and digitalization.

- **Mounting:**

  Coordinate marketing activities that will promote SME services across a wide range of market segments, including new and existing businesses (self-employment, new business from unemployment, early stages operation, small growth-oriented businesses). Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas. Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, as well as the circular bio-economy and sustainable forestry.

- **Resource Development:**

  Identify, develop, and utilize human capital, finance, and technology resources needed to deliver specific services to customers. Modernize agriculture and rural areas through fostering and sharing knowledge, innovation and digitalization, and by encouraging their uptake by farmers through improved access to research, innovation, knowledge exchange and training.

- **Cooperation and partnership:**

  Develop strong partnerships with key stakeholders to promote business culture in the Greek - Bulgarian cross -border region.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

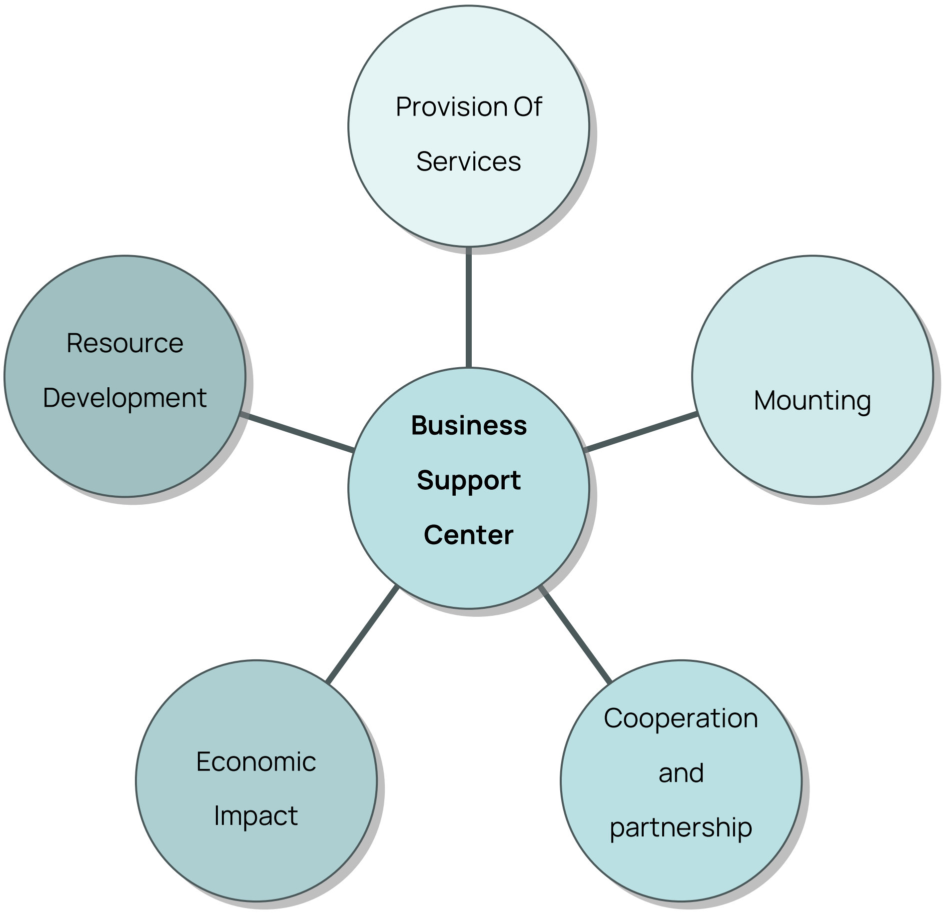


Figure 12. The Business Support Center Strategy

In particular, the main objectives are defined as follows:

- **Economic impact**:
    - Job creation and retention
    - Sales increase
    - Cost reduction
- **Provision of services**:
    - Training and counseling for at existing businesses and start-ups
- **Mounting:**
    - Services developed for core markets include:
        - Self-employment

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- New business from unemployed
- Early stage operations
- Small growth oriented businesses

- **Resource Development:**
  - The costs will be covered by commercial services, thus making effective use of the BSC's human and financial resources
- **Cooperation and partnership:**
  - Basic partnerships with a wide network of support organizations through effective and continuous cooperation

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

B Planning Phase

3 Business Support Center Structure

3.1 Legal framework

For the better functioning of the BSC, after the end of the program, and the better coordination of its actions, it is proposed to set up a new organization, which will have its own decision-making bodies, which will be responsible for the correct and smooth implementation of the individual actions. If it is taken into account that it can also be used to generate additional income, through the provision of services to their members or to third parties, then it is necessary to create a body that will function as a separate legal entity.

Since the extensive reference to legal formalities is beyond the scope of this guide, details of possible legal forms a network may have are provided in Annex 1.

Please note that it is not the establishment of a legal entity that will ensure the proper functioning and the duration of a support center, but the willingness of its members to cooperate.

3.2 Organizational Structure

The formation of the organizational structure of a Support Center and its operating procedures depends directly on the purpose for which it has been established, the objectives it sets and the individual actions it is required to implement. A support center can operate in a specific legal form and it is advisable to have a clear organizational structure, in which decision-making bodies, control and enlargement procedures, technical support and encouragement of its members, procedures for the election of bodies, etc. It should be noted that, like the establishment of a legal entity, the formation of a complete organizational structure is not necessary for its operation. For example, a support center might operate informally. However, its organizational structure and/or the creation of a legal person is a strengthening factor for its more efficient operation and viability.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Thus, in order of importance it must have from a minimal organizational shape to a more complex organizational structure. At the very least, it is proposed that a person be selected for the post of "Network Administrator". Depending on the legal form and degree of organization of the network, a network may include in its organization chart:

- Steering Committee / Board
- Enlargement Committee
- Compliance and Audit Committee
- Corporate Government Committee
- Support Operations
- Administration
- Information and Communications Technology
- Finance & Management Coordinating Committee
- Human Resources Department

The success and sustainability of a Support Center depend on the quality and competence of its workforce. Recruitment, wage levels, capacity building, management and leadership are major success factors. A Support Center should be staffed with highly trained and professional staff, while maintaining a balance with reality. In some cases, the best strategy may be to develop the staff capabilities of existing institutions, NGOs and companies, rather than recruiting staff for the duration of the project. In such cases, the SC's budget should not cover the wage costs of such staff - the training and general capacity - building process, together with one-off funding for such staff and other equipment and software, should be sufficient incentives for participation. Where staff recruitment is deemed necessary, it is important that the cost base, especially in terms of wage levels, is compatible with the current prices in the region. The need to maintain wages according to local rules is particularly important in rural environments,

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

where the potential for recovering costs through charging is likely to be more limited.

Further details on other levels and organizational building blocks for a support center can be found at Annex 2.

3.3 Critical Success Factors

The factors that greatly influence the success of a Support Center are:

- Seeking a better orientation of stakeholders towards demand for goods and/or services or solving specific problems
- Developing an appropriate culture of cooperation based on clear relationships of mutual trust and cooperation
- The development of action plans with an integrated character and a specific strategy is a prerequisite for the success of the actions. The formulation of clear objectives and methods of collective action to achieve them is the basis on which they should be based
- The presence of an intermediate supporter of the Support Center at all stages, from the preparatory actions for the promotion of the concept, to its setting up and initial operation
- Support Centers can be open but with specific criteria for evaluating new members
- The formation of an organizational structure, which acts to enhance the effective operation, without necessarily being complex. The formation of trust and cooperation relationships is the first requirement and the formation of a formal structure follows
- The funding of the Support Centers from grants is trigger for their creation, but private funding is a key condition for their continuation

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

The implementation of "soft" actions of a horizontal nature (joint projection, participation in exhibitions, brochures, etc.) can be the experimental stage of operation of the Support Centers. Through these actions, members learn to cooperate and develop appropriate communication and trust relationships.

3.4 Human Resources

The success and sustainability of a Support Center depend on the quality and competence of its workforce. Recruitment, wage levels, capacity building, management and leadership are major success factors.

3.4.1 Budget Structure

A Support Center should be staffed with highly trained and professional staff, while maintaining a balance with reality.

In some cases, the best strategy may be to develop the staff capabilities of existing institutions, NGOs and companies, rather than recruiting staff for the duration of the project. In such cases, the SC's budget should not cover the wage costs of such staff - the training and general capacity - building process, together with one-off funding for such staff and other equipment and software, should be sufficient incentives for participation.

Where staff recruitment is deemed necessary, it is important that the cost base, especially in terms of wage levels, is compatible with the current prices in the region. The need to maintain wages according to local rules is particularly important in rural environments, where the potential for recovering costs through charging is likely to be more limited.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

3.4.2 Develop Staff Competence

Key elements of staff competence development are as followings:

- **Awareness raising:**

  Tours/visits to the respective Support Centers in the country or internationally. These are particularly useful tools for developing contacts, building trust and partnerships between the staff and project partners, etc

- **Skills/knowledge check:**

  Assessing the existing skills base (management, staff, partners, providers, etc.) is the starting point in trying to maximize the use of limited resources

- **Capacity development plan:**

  Personalized capacity building packages and support will be planned and provided. It will include, but is not limited to, the following general components:

  - Cooperation through partnerships.
  - Regional / local / business development.
  - Develop and implement strategies and work plans.
  - Nature and access of financial services.
  - Monitoring and evaluation.
  - Access to Community and other project funding.

3.4.3 Procedures and tools

Without a doubt, working through the use of appropriate tools can provide high - quality services while helping to better organize and serve of a larger number of stakeholders, and knowledge management is crucial. In general, both the organizational model and management style, as well as the operations, strive to be consistent with the objectives and objectives of the Support Center (SC) services.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

The proposed tools are designed to facilitate the monitoring of the SC operation, recording the work of the staff and keeping a record of each interested party. They also aim to ensure that quality requirements of the SC are met, contributing significantly to its improvement and sustainability. A quality assurance system consists of applying specific procedures using standard forms from staff.

In this context, SC's staff can use two tools, which are actually a .xls database with two linked sheets.

The first is a database of detailed stakeholder information in the following fields:

- Name
- Type (public body, private company, public company)
- Activity
- City
- Address
- Web page
- Social media
- Contact person (name, position, telephone, e-mail, etc.)

The second concerns a log of all information/awareness activities carried out by the SC staff for the attraction and targeted support of the target group. The following fields must be completed in chronological order:

- Date
- Recipient (this field can be filled in automatically by entering items only in the database field ‹name›)
- Contact information
- Communications means (phone, fax, e-mail, face-to-face, skype meeting)
- Comments & Conclusions

Monitoring is also a vital process of the SC. It consists of contacting SC's staff, usually by phone or by e-mail. The staff remains available for ongoing support, further information and troubleshooting.

Taking into account all of the above, the SC's staff has the following tasks:

- Implementation of the framework for the operation of the SC (e.g. forms, procedures, etc.)
- Delineation by programming agreements and cooperation protocols
- Update the database with customer information
- Update the log of information/ awareness activities.
- Participation in any organizational meeting.
- Maintenance of physical and electronic records with the material of the SC's activities.
- Organizing and maintaining the input and output protocol
- Monitor, edit mail and email
- Ensuring the smooth operation of SC equipment, including procedures, records and programs for cleaning, inspection, maintenance, repair and replacement of equipment

Finally, it is worth mentioning that, in for the effective functioning of the SC, its staff should assume the obligations arising from its specialty. In addition, staff is assigned tasks arising from the objectives and general needs of the framework, in accordance with the applicable manual and recognizing the complementarity with the activities of the cluster.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

3.4.4 Tools for managing, monitoring and evaluating

The design for the development of the Support Center (SC) must ensure the elements of the modern organization (modern specifications and standards), the flexibility and adaptability to changing circumstances, the reliability, and, the validity and exploitation of information technology standards. Ensuring the correct operation of the SC requires a number of administrative procedures.

In this respect, the activities of the SC can be **managed** using the following tools:

- Daily signed personnel timesheet
- Daily signed working timesheet
- Staff-generated material such as e-mails, newsletters, etc

The templates for the personal and the working timesheet are presented in Annex 3 and Annex 4. These records are maintained in chronological order.

An **Approach Plan**, as presented in Annex 5, is also proposed, which identifies the relevant actions and distributes their implementation over time. It is desirable that this action plan should consist of activities which are complementary to one another and which serve the purposes of publicity and awareness-raising. A schedule is an important planning document that identifies all the activities to be undertaken, setting specific objectives and objectives for the planned period and the deadlines for the completion of each activity.

The model form presented in Annex 6 can also be used to **design networking actions**. This form is intended to record all future networking activities of the SC. Initially, the publication records the design of each networking action (e.g meeting, forums, Internet interface, etc.) by target organization. After the networking actions are designed, the feedback form on the implementation of networking actions is provided, either by the SC administrator or staff.

With regard to the sustainability and effectiveness of the SC, it is recommended that a report be prepared annually on the review of the activities and the

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

development of strategic planning for the following year. The annual reports provide information on the mission and history of the SC and summarize its achievements over the previous year. The aim of the report is to provide information on the following issues:

1. the degree of fulfillment of the SC work program for the period and the deliverables concerned
2. the continued relevance of the objectives and capabilities of the SC to the targeted results
3. where applicable, the resources designed and used in relation to progress, economy and efficiency
4. the management procedures and methods of the SC
5. the findings of the evaluation in line with the views of the interested parties
6. the expected potential impact and appropriateness of the intended use and dissemination of the results.

The conclusions of the evaluation will suggest any action that may be required for the next year of the SC. The evaluation may draw the following conclusions:

- Excellent progress (SC has fully achieved its objectives for the period and even exceeded expectations).
- Good progress (SC has achieved most of its objectives for the period with relatively small deviations).
- Unsatisfactory progress (SC failed to achieve critical objectives and/or not at all on schedule).

In this respect, it is important to have a monitoring mechanism in place to review the objectives at regular intervals and, if necessary, to review and adjust them. It may often be necessary to reconsider and reformulate existing objectives as part of the reorientation of the SC. The definition of specific benchmarks is particularly

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

important for the development of the Center. Knowledge is needed not only of the direction it should be moving towards, but also of the level of the objectives and the expected duration of their implementation.

The objectives should be::

- ✓ Specific, defined and tangible
- ✓ Measurable, using specified elements and data
- ✓ Achievable against available resources
- ✓ Realistic, given the current situation
- ✓ Time limitation, in the sense of achieving specific objectives, which should be achieved within a specific period of time.

3.4.5 Support Center Capitalization Cooperation Agreement

A **Capitalization Cooperation Agreemen**t will be signed between the partners of the Project, which will define the operational framework for the continuation of the project and describe how the project results will be disseminated to other organizations, regions and countries other than the Consortium.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

4 Business Support Center Services

The services provided by the Agrofficiency Business Support Center (BSC) include, but are not limited to, assistance to SMEs in the agri-food sector in solving operational problems, manufacturing, technology, IT, personnel management, marketing, sales, finance, subsidies, accounting, business strategy, as well as any other sector required for the development and expansion of SMEs in the agri-food sector, innovation, productivity growth, improving of management, as well as reducing the financial concentrations of the industry.

4.1 Business Consulting

Agrofficiency Business Support Center (BSC) will provide assistance to entrepreneurs through business consultancy that serves customers, whether start-ups or existing businesses. Therefore, the consultancy services will be short and highly targeted with one-to-one consultancy sessions with customers seeking personalized business support. Business consultancy will be provided by specialized business consultants with the help of qualified professionals, where appropriate and will cover, but not limited to, the following thematic modules:

- Green supply chain best practices so that developing country producers get a fair deal and scarce resources are preserved.
- Green practices of new agri-food technologies. In terms of sustainable supply chains, BSC advocates for the transfer of knowledge and technology in order to improve conditions and product quality. Digital technologies can support trade in agricultural, and especially food products, by connecting private sector suppliers to new markets, and enabling new ways for governments to monitor and ensure compliance with standards and to provide faster and more efficient border procedures that are essential for perishable products.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Benefits of using biomass and waste from production activities as a renewable energy source. Technological options for avoiding and reducing greenhouse gas emissions must be further developed, and BSC provides a platform for technology transfer, investment mobilization and climate partnerships to accelerate this process.
- Inter-Regional branding will be adopted, in order to promote entrepreneurs in a specific sector and a region collectively and therefore increases SME visibility and competitiveness. Collective brands can also be used for tourism purposes. Bringing together farmers and producers with tourism actors can help revitalize regions. Putting businesses from these two sectors together can boost the creation of new coordinated and collaborative efforts in marketing and tourism services. Besides economic benefits, these practices can also raise customer's awareness of the origin of healthy products. Inter-Regional branding can therefore become a vital source for social, economic, and environmental development, allowing local and regional policy makers to shape coherent and comprehensive local development strategies.
- Build Entrepreneurship Culture: Smooth cooperation along the food value chain is especially important for reducing costs and food waste. In light of COVID-19 and global conflicts disrupting pre-existing value and supply chains, it has become more important to set up multi region value chains in the food sector. Promoting local production and consumption has several benefits for inter - regional development, namely, it can help reduce the harmful environmental impact of transporting goods over a long distance and it supports economic activity locally. An inspiring example of shortening the supply chain comes from Pamplona, Spain, where the consumers formed the cooperative Landare to buy products from proximity producers directly. Initiatives such as Landare are important for building trust between consumers, farmers, and food sector SMEs. They also ensure that farmers

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

get a fair price for their goods. Landare is an organic consumers' association, a cooperative supermarket in the metropolitan area of Pamplona. Its members joined to have access to ecological and healthy food at popular prices. They bet on products of proximity and a direct deal with producers, and this allows the establishment of fair and mutually beneficial exchange relations. It is a participative organization, committed to values and benefits for the community: healthy food, agroecology and responsible consumption. Landare has 2.800 member families and offers more than 3.000 references in 2 stores. One of the aims of consumers is to get variety, quality and fair prices in the shopping basket. Fair trading relationships are promoted, buying directly from 122 producers and creating long-lasting relationships based on mutual trust. The sale prices are established so that 80% goes to producers and 20% to management costs such as salaries and rentals. In this way, a lower price is obtained for consumers and a greater margin for producers, forging a win-win relationship.

4.2 Building synergies

The pursuit of synergies is increasingly prominent in public policy, particularly in complex policy fields where a range of objectives, instruments and stakeholders is involved. Given this, definitional clarity is important to understanding what synergies can achieve, how they can be realized, and what the challenges are. The support environment for agricultural innovation is very complex and requires actors who have an overview across policy silos. These enablers of synergies need to know the system and be connected to all relevant players. This allows them to coordinate activities and bring actors together, thereby creating synergies. They stimulate cooperation, build trust and manage the complexity of the innovation system.

We present some example of actors that can build synergies:

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- **The State Fund Agriculture** was established in 1998 with the Agricultural Producers Support Act (APSA). Through the Fund, Bulgarian beneficiaries receive financial support from the national budget and from the instruments of the Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) of the European Union (EU).

- **Renewable Energy Sources Cluster** was established on May 12th, 2010 in the city of Blagoevgrad. The RES Cluster unites representatives of the business and non-governmental sector in the field of the renewable energy and EE, as well as scientific groups. The overall vision for development of the RES Cluster is aimed at the achievement of conditions for sustainable development of clean energy production and its efficient management and consumption in Bulgaria. In maintenance of the environmental protection European Union policies, the transition to a green economy and reducing to minimum the climate risks, in relation to the national priorities and the new regulatory requirements towards the energy business sector in Bulgaria, the RESC encourages the development and introducing of innovations in the RES and EE sector.

- **Amyndeon Oenos** Wine Cluster having realized the in-creased winemaking needs of the area, founded a non-profit organization named 'Amyndeon Oenos Wine Cluster'' in order to enhance their position on the global wine market. Amyndeon Oenos Wine Cluster operates in many different areas, its activities, among others, include studying, identification, preservation and promotion of the authorized vine varieties of prefecture of Florina, cooperation with academic com-munity and national and international wine

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

institutes. This is the first time that a wine cluster is developed in the region of Western Macedonia, including more than 20 wineries of Amyndeon area.

- **Agrifood Partnership of Western Macedonia** is a civic non-profit-making organization that was established to support agri-food products of the region. Its main goal is to promote these regional specialities on na-tional and international stage. Agricultural Partner-ship takes care, among others, of certification of local products, collaboration with research and academic community, looking for investors, helping with pro-motion and sharing a know-how. Partnership associ-ates more than 28 local food producers.

4.3 Training

Within the framework of BSC operation will be implemented consultancy workshops for businesses specifically active in the agri-food sector and its wider ecosystem, in the cross-border region of Greece - Bulgaria. The training workshops will be conducted around the themes 'finance', 'marketing' and 'design'. Specifically, in the workshops, participants will be trained on the preparation of Operational Plans, Marketing Plans and Strategic Plans. In the consulting workshops, participants will have the opportunity to be trained on how they could further develop their businesses, using tools such as operational and strategic planning and marketing, to make them more attractive to potential investors. The duration of the workshops will be 6 hours. The Workshops will take place in person, if conditions of pandemic allow; Otherwise, they will be take place online. Training workshops, which will present ways to promote innovative solutions aimed at increasing resource efficiency and energy saving in the wider agri-food sector.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Online training courses. Training seminars, which will present the existing technologies and know-how for the possibilities of converting by-products and waste into useful materials in the wider agri-food sector. The training material of the workshops and seminars will include topics corresponding to the requirements of the training workshops/seminars. The following thematic areas will be indicated:

- Startup entrepreneurship and business opportunities in the Agri-food sector
- Business Plan / Business Model Canvas
- Methods of financing, outreach to new investors and preparedness for new investment ideas
- Preparation of proposals for new funding
- Access to new markets
- Marketing plan

Specific training methods that could be adopted:

TRAINING FOR FARMERS

- Farmer training groups: Master trainers meet with groups of 20-30 farmers in their villages to provide instruction in a classroom style setting
- Field demonstrations: Master trainers provide practical, hands-on demonstrations to small groups of male and female farmers in the field.
- Farmer to farmer training: Farmers are encouraged to pass on what they have learned to other farmers in the community, both verbally and through printed leaflets.
- Farmer clubs: After training is complete, farmers are encouraged to establish official clubs where they can meet to learn and share information, while developing plans to improve the community. These clubs also benefit farmers by providing access to important financial services.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

TRAININIG FOR FAMILIES

- House to house visits: Master trainers visit farm families in their homes to provide education and training that is relevant to the entire family.
- School programmes: Many children in the region are from farm families, therefore master trainers visit schools to provide general information about farm safety.

TRAINING FOR COMMUNITIES

- Village meetings: Village meetings provide an opportunity for the whole community to listen in and participate in farmer training groups.
- Message support: Informative posters and wall paintings are placed throughout villages to serve as reminders of what has been shared during farmer training groups, field demonstrations, house to house visits, village meetings and cultural shows.
- Cultural shows: Cultural shows draw large crowds in village centers, where song and dance becomes a vehicle for delivering important training messages to the community.

4.4 Circular Economy Observatory

Circular Economy Observatory will offer guidance services on economic performance strategies and methodologies and promote the integration of the Circular Economy and Modern Logistics in the activities of end users, since the majority of businesses in the agri-food sector are quite energy –intensive.

In its first year, the will dialog with a representative cross-section of Greece's - Bulgarian agri-food industry along its entire value chain. At the end of the year, the Observatory will present a report outlining the state of the industries in terms of its circular economy maturity, highlighting best practices and gaps, as well as proposing plans to further integrate circular economy principles into the sector.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

The long-term objective is to strengthen inter - regional role in the world in terms of best practices in circular food systems. The overall reach of the objectives includes a comprehensive set of targets as well as sector-specific analysis. The Observatory process will involve agri-food businesses along the entire value chain in training and brainstorming exercises on the main circular economy aspects of their industry. There will also be networking opportunities for industry participants as well as company visits.

The Observatory will identify specific Key Performance Indicators (KPIs) for the sector and study the trade-offs, challenges, opportunities, technologies and solutions circular food systems offer. By examining development gaps in the sector, the Observatory will also provide a roadmap with customizable technology solutions that will help participating firms along the agri-food value chain improve their level of circular maturity.

Based on the results of the study - as well as on identified gaps in circularity - the “Circular Economy Observatory” will suggest actions and offer tips to improve the application of circular economy principles to the agri-food sector. In particular, the Observatory will identify: ‘circular economy pathways’ which, through use of innovative solutions, will help firms improve their circularity maturity; innovative solutions to apply along the entire value chain; and best practices for agri-food business models and value chain activities.

4.5 Research and reference to resources

- Brochures
- Communication among resources as part of training programs or as independent programs
    - Guest speakers
    - In-House training
    - Meetings

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

- Consultants and Trainers' Guides
- Information and market research on issues related to SMEs in the agri-food sector
- Target audience approach directly or through partners

5 Target – Audience

Target customers are divided into two groups, the primary and the secondary. The primary target group consists of "'Important Players"' with high influence, involvement and interest in the project, while the secondary target group consists of the least influential and least involved audience.

- The primary target gro up consists of micro, small and medium-sized enterprises (SMEs), existing and newly established, in the agri-food sector in the cross-border region of Greece - Bulgaria. Through the project they will benefit greatly, as they will gain access to a safe environment, which will provide them with the necessary knowledge, economic strategies and contacts, helping them to lay solid foundations to survive and prosper.

  A micro- enterprise is defined as an enterprise which employs fewer than ten persons and whose annual turnover or annual balance sheet total does not exceed EUR 2 million. A small enterprise is an enterprise which employs fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed EUR 10 million. The medium-sized enterprise is defined as an enterprise that with between 50 and 249 employees and annual turnover or balance sheet total is between EUR 10 and 43 million.

On the other hand, other stakeholders who not directly from project outputs, but they do have interests in outcomes. These stakeholders are the secondary target group.

- Policy makers

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Policy makers at various levels, from local and regional to national and international. They may contribute to the process of implementing or upgrading support services to entrepreneurs, as their decisions and recommendations are the basis for growth and innovation. Their willingness to provide new solutions is essential not only for the implementation of the project but also for its continuity and viability.

- Press and Media

  This is an important stakeholder group; as they play a key role in shaping public opinion and informing the public about new initiatives and projects. They are also the channels through which the project will communicate how EU funding contributes to stimulating entrepreneurship and sectoral development.

In order to be a customer, an enterprise must meet the following conditions:

- For consultation

  Client is considered to be the enterprise AND should apply at least one of the following:

  - A transaction from the sale of a product or the provision of a professional or personal service for the purpose of profit has been documented
  - An employee(s) or independent contractor(s) has been contracted or compensated to perform basic business functions.

- For training
  - open to customers based on an initial selection interview
- For other services (excluding consultancy and training)
  - Eligibility is the same as in the consultation (see above).

Potential customers can approach BSC through three main channels:

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Through their own research (personal visit, phone, email)
- Recommendation of BSC competent official
- Recommendation of BSC partners (e.g. chambers, professional institutes, cooperatives, etc.)

Services requiring face-to-face (F2F) interaction BSC professionals, such as classroom training and business consulting, are open to all eligible customers and require an initial interview with the relevant person or business to determine whether BSC is able to provide the services required by the interested party.

6 Action Plan

6.1 Expansion of the BSC's services

Actions (in order of priority):

- Strengthening partnerships with businesses, organizations and professional associations
- Business needs investigation in CB area
- Research and search for opportunities in the private sector
- Strengthen partnerships with supporting structures in Greece and abroad
- Establishment of the BSC 's profile
- BSC Know-How Sale
- Creation of digital presence

Criteria / Indicators:

- Number of new customers in support services
- Number of partnerships with Greek bodies (training seminars, events etc.)
- Number of partnerships with foreign bodies (training seminars, events etc)

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Number of partnerships with businesses, organizations and professional associations.
- Number of guest speakers from enterprises, organizations and professional associations (events, workshops etc.).
- Number of deliverables in cooperation with public bodies.
- Number of deliverables in cooperation with private entities.
- Number of know-how transfer partnerships.
- BSC Profile Deliverable.
- The creation and operation of website and accounts on social media, for the BSC.
- Number of ongoing and completed partnerships with Private Sector Entities.

6.2 Promotion of the BSC's services - Dissemination

Actions (in order of priority):

- Development of training seminars for employees, entrepreneurs and young graduates.
- Organization of events, forums and conferences to disseminate the provided services.
- Organization of meetings between entrepreneurs from different sectors of the CB area, at regular intervals throughout the year.

Criteria / Indicators:

- Number of projects the BSC participates in, funded by national funds.
- Number of projects the BSC participates in, funded by international or European funds.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

- Number of events/conferences/events organized by the BSC to develop and disseminate the provided services per year.
- Number of meetings between entrepreneurs of different sectors of the CB area.
- Number of training seminars for employees, entrepreneurs and young graduates

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

7 Timeline

<table>
<tr><th>SERVICE</th><th colspan="16">MANMONTHS</th></tr>
<tr><th></th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th><th>6</th><th>7</th><th>8</th><th>9</th><th>10</th><th>11</th><th>12</th><th>13</th><th>14</th><th>15</th><th>16</th></tr>
<tr><td>MARKET RESEARCH - PARTNERSHIP</td><td colspan="3">Preparation</td><td colspan="3">Contacts</td><td colspan="10">Implementation</td></tr>
<tr><td>TRAINING</td><td colspan="3">Preparation</td><td colspan="2">Contacts-Registration</td><td colspan="3">Implementation</td><td colspan="3">Contacts - Registration</td><td colspan="5">Implementation</td></tr>
<tr><td>EVENTS</td><td colspan="4">Preparation</td><td colspan="3">Organization - Sales</td><td colspan="9">Implementation</td></tr>
<tr><td>WEBSITE-SOCIAL MEDIA</td><td colspan="3">Preparation</td><td colspan="13">Implementation</td></tr>
</table>

8 Funding Resources

Actions (in order of priority):

- Development of a multidimensional network of donors - contributory and non-contributory sponsorships - (CB Area SMEs, organizations, institutions, public administration, such as Municipalities, Ministries, Regions, etc.).
- Strengthening the BSC's participation in National and European Programs.
- Addition of New Shareholders & Share Capital Increase
- Development of Online Training programs to the extent that the legislation permits.

Criteria / Indicators:

- Revenue at the BSC from grants and donations.
- Revenue at the BSC from participation in National, European and International Programs.
- Revenue at the BSC from online training programs.
- Total revenues from external resources at the BSC

9 Evaluation & Feedback

Agrofficiency Business Support Center (BSC) will monitor and evaluate the results of its activities on a regular basis. Measures and objectives will be relevant to all BSC objectives:

	Measure	Short-term objective	Long-term Goal objective
Economic Impact			
Provision Of Services			
Mounting			
Resource Development			
Cooperation and partnership			

An **Approach Plan**, as presented in Annex 5, is also proposed, which identifies the relevant actions and distributes their implementation over time. It is desirable that this action plan should consist of activities which are complementary to one another and which serve the purposes of publicity and awareness-raising. A schedule is an important planning document that identifies all the activities to be undertaken, setting specific objectives and objectives for the planned period and the deadlines for the completion of each activity.

The model form presented in Annex 6 can also be used to **design networking actions**. This form is intended to record all future networking activities of the SC. Initially, the publication records the design of each networking action (e.g meeting, forums, Internet interface, etc.) by target organization. After the networking actions are designed, the feedback form on the implementation of networking actions is provided, either by the SC administrator or staff.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

With regard to the sustainability and effectiveness of the SC, it is recommended that a report be prepared annually on the review of the activities and the development of strategic planning for the following year. The annual reports provide information on the mission and history of the SC and summarize its achievements over the previous year. The aim of the report is to provide information on the following issues:

1. the degree of fulfillment of the SC work program for the period and the deliverables concerned
2. the continued relevance of the objectives and capabilities of the SC to the targeted results
3. where applicable, the resources designed and used in relation to progress, economy and efficiency
4. the management procedures and methods of the SC
5. the findings of the evaluation in line with the views of the interested parties
6. the expected potential impact and appropriateness of the intended use and dissemination of the results.

The conclusions of the evaluation will suggest any action that may be required for the next year of the SC. The evaluation may draw the following conclusions:

- Excellent progress (SC has fully achieved its objectives for the period and even exceeded expectations).
- Good progress (SC has achieved most of its objectives for the period with relatively small deviations).
- Unsatisfactory progress (SC failed to achieve critical objectives and/or not at all on schedule).

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

In this respect, it is important to have a monitoring mechanism in place to review the objectives at regular intervals and, if necessary, to review and adjust them. It may often be necessary to reconsider and reformulate existing objectives as part of the reorientation of the SC. The definition of specific benchmarks is particularly important for the development of the Center. Knowledge is needed not only of the direction it should be moving towards, but also of the level of the objectives and the expected duration of their implementation.

The objectives should be:

- ✓ Specific, defined and tangible
- ✓ Measurable, using specified elements and data
- ✓ Achievable against available resources
- ✓ Realistic, given the current situation
- ✓ Time limitation, in the sense of achieving specific objectives, which should be achieved within a specific period of time.

Ideally, the monitoring system should take into account both the results of SC interventions and its overall development. The recognition and visibility of this relationship can only be reflected through a scientific **evaluation** system of the quality and quantity of services provided. Another dimension is the appearance of data that allowing the refinement and adaptation of action plans in order to improve the quality and quantity of services provided. The creation of an evaluation system becomes the tool to demonstrate and improve the effectiveness and efficiency of the SC.

In particular, the evaluation of the services provided by the beneficiaries themselves is a powerful tool for investigating the degree of effectiveness and achievement of the objectives set for SC. The usefulness of these procedures lies in their contribution to adapting the services provided in order to continuously improve them, in order to meet the specificities and needs of the beneficiaries. In

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

addition, the evaluation of the performance of the SC by its executives contributes to its better organization and management. The quality of the services is a continuous process of finding measurable quantities related to the response between the design, the action plans and the satisfaction of the recipients of the services of' the Center.

In this context, in order to assess the effectiveness of the SC, it is necessary to conduct a continuous primary investigation of beneficiaries, through the provision of relevant assessment/complaint information leaflets.

The parameters considered to determine the satisfaction level of beneficiaries are:

- satisfaction with the type, frequency and quality of services provided
- satisfaction with the infrastructure
- satisfaction with the scientific competence of the staff
- satisfaction with the service climate satisfaction (confidentiality, respect, understanding, etc.)

The assessment questionnaire is presented in Annex 7. The following assessment procedure is recommended:

The **evaluation questionnaire** shall be made available to beneficiaries through the staff of the SC who inform the beneficiaries of the voluntary and anonymous nature of the evaluation process. Beneficiaries of the SC shall fill in the questionnaire when they choose it. The Evaluation questionnaires shall be collected and processed by the staff in order to include the results in the annual report on the review of the activities of the SC.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

10 Suggestions

Here are the main take aways from this suggestion policy in brief:

- Public authorities can support the agrifood SMEs by creating favourable conditions for collaboration along the value chain, i.e., among farmers, food SMEs, retailers and wholesalers. Important is also the collaboration between consumers and producers, and practices such as the cooperative Landare from Pamplona, Spain show the way how to shorten supply chains and create win-win situations between consumers and food sector SMEs.
- Transparency in the food value chain is a key trend for the next decade. Customers demand to know how and where their food is coming from. Public authorities can set up frameworks, conditions and platforms to make the system more transparent and fairer. The public sector can also support the food sector in such a transition by guiding them through the new quality standards.
- Non-financial support is equally important and the growth of agrifood SMEs can be supported through acceleration and other training programmes. Cooperation with universities provides opportunities for training and upskilling.
- To meet the EC targets of organic farming, inter - regional authorities need to help generate favourable conditions locally. This can be done for example by implementing new training programmes for agrifood SMEs or by creating more visibility to the benefits and the providers of organic food.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece – Bulgaria 2014-2020” Cooperation Programme

11 Annexes

11.1 Annex 1 – Legal framework

Of the alternative legal forms that may be used to represent the Support Center and due to the collegial of the schemes targeted by its actions, taking into account that the responsibility must be limited to the contribution of each member, it is considered that the most appropriate legal forms are:

- Non-Profit Urban Corporation
- Cooperative
- Limited Liability Company (LLC/Ltd)
- Societé anonyme (S.A.)

In particular, the Non-Profit Urban Corporation, allows for its rapid establishment process with small initial capital and flexible operating procedures. However, it does not allow the distribution of profits to the partners (because of the non-profit nature), but only the reimbursement of their contributions if they exist at the time of its dissolution.

LTD and SA are forms of company with a collective character, but they have the disadvantage of a high cost of setting up (especially the Societé Anonyme requires initial capital of 60,000 €, lawyers' fees, notaries and issuing of offenders amounting to 1% of the paid initial capital) and their high management costs (third-class books, obligation to publish financial data, etc.). Also, the problem faced by LTDs and SAs is that they do not have much flexibility in the process of expanding the network, because they will have to carry out a number of procedures (such as share capital increase, setting up of a General Assembly, etc.)

The legal form of LTD or SA is proposed in cases where it is foreseen through the SC to create an autonomous business unit, which will generate income and profits. It should also be noted that the feasibility of setting up a body to act as a separate

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

legal entity is more generally related to the creation of support centers and is not limited to the Agrofficiency Business Support Center.

11.2 Annex 2 –Organizational Structure

11.2.1 Steering Committee

Depending on the Legal form of the Support Center, a Steering Committee (or Board as provided for in the Statutes) should be elected, which will be responsible to the members of the Support Center for its smooth and smooth operation. The Steering Committee will also formulate the strategy for the development of the Support Center.

The Steering Committee will be elected by the General Assembly of the Support Center, which will include all voting members depending on their percentage of participation in the legal person of the Support Center. No more than one representative per member should be involved in the composition of the Steering Committee, thus ensuring the multidimensional nature of the network and the interests of all members.

The Steering Committee will elect:

- the President, who will have the overall responsibility for the operation of the Support Center and the achievement of its objectives,
- the Vice-President, replacing the President, and
- the Treasurer, who is responsible for the financial management of the Support Center and the management of the relations of the network with the tax and other authorities from which it is supervised.

Depending on the specific actions and activities that the Support Center will implement, the Steering Committee may appoint committees, which will have the responsibility for the execution of specific projects and activities, but without being relieved of the responsibility towards the members of the Support Center.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

11.2.2 Enlargement Committee

The Enlargement Committee will be elected by the General Assembly of Members and will consist of at least three members, who will examine the applications of the candidate members and carry out on-the-spot checks in order to examine whether they meet the conditions for their inclusion in the Support Center.

The General Assembly of Members, upon the recommendation of the Steering Committee, should formulate from the outset the content of the application to be completed and the evaluation criteria of the new members, which will apply to all candidates.

The Enlargement Committee will meet for in order to draw up an evaluation sheet with the candidate's total score, to be signed by all the members of the Committee and will recommend to the Steering Committee the outcome of its audit. The Steering Committee will take the final decision to admit a new member to the Support Center and will communicate its decision with the necessary documentation to the candidate member. If the decision is negative, then it will be necessary to indicate the points to comply so that the candidate can submit a re-application file after the necessary corrective actions.

11.2.3 Compliance and Audit Committee

Compliance and Audit Committee will monitor on a regular or exceptional basis the compliance with the agreements of the Support Center. This Committee may also be activated following complaints by members who receive more than 50% of the votes.

The Committee will draw up a check sheet to be signed by all members and submit a report to the Steering Committee, which will either make recommendations to the member who has committed an offense or impose penalties according pto the provisions of the of Center's Statute and the Code of Conduct.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

11.3 Annex 3 – Personnel timesheet

Personnel timesheet			
Name:			
Month:			
Working hours:			
DATE	CHECK-IN	CHECK-OUT	SIGNATURE

11.4 Annex 4 – Working Timesheet

Working Timesheet		
Name:		
Month:		
Working hours:		
DATE	TASKS	SIGNATURE

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

11.5 Annex 5 –Approach Plan Template

Approach Plan	*Period*
	From:
TARGET GROUP:	To:

OBJECTIVES:	
MEETING PLACE:	
MOTIVE:	
POSSIBLE PROBLEMS:	
APPROPRIATE MEASURES:	
SPECIAL FEATURES:	
MEANS & METHODS REQUIRED:	

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

11.6 Annex 6 – Design and implementation of networking actions

Design and implementation of networking actions	*Period* From: From: To: To:

Design					**Implementation**			
A/A	**Recipient** (Business or Organization)	**Action Description**	**Objective-Means and Methods**	**Estimated Date**	**Date**	**Action Description**	**Results**	**Comments**

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

11.7 Annex 7 – Evaluation questionnaire

1. Are you a member of the Support Center?

[_] Yes [_] No [_] Not yet (pending acceptance)

2. What publicity actions have you updated to submit your request to join the Support Center?

[_] Internet

[_] Social Media

[_] Press and Media

[_] Meeting in person

[_] Other, please describe ________________________________

3. To what extent do you consider the information and publicity actions implemented by the Support Center to be adequate?

[_] Not at all [_] A little [_] Moderate [_] Much [_] Very much

4. How satisfied are you with the clarity of the process of becoming a member of the Support Center?

[_] Not at all [_] A little [_] Moderate [_] Much [_] Very much

5. How satisfied are you with the behavior of his staff (courtesy, respect, equality)?

[_] Not at all [_] A little [_] Moderate [_] Much [_] Very much

6. How satisfied are you by the quality of the support services provided?

[_] Not at all [_] A little [_] Moderate [_] Much [_] Very much

7. How satisfied are you by the adequacy of the information provided?

[_] Not at all [_] A little [_] Moderate [_] Much [_] Very much

8. Have you ever experienced problems with Support Center staff?

[_] Yes [_] NO

If yes, please describe the problem and if it has been resolved.

9. Were your expectations of the Support Center met?

[_] Not at all [_] A little [_] Moderate [_] Much [_] Very much

10. Please provide any additional feedback regarding any aspect of the Support Center's operations.

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

11.8 Annex 8 – Stakeholder analysis and activity planning regarding the Bulgarian side

This Project is co-funded by the European Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece – Bulgaria 2014-2020" Cooperation Programme

Project "Enhancing the Competitiveness and Sustainable Growth in the Agri-Food Sector through the promotion of Circular Economy" with Acronym AGROFFICIENCY

STAKEHOLDER ANALYSIS AND ACTIVITY PLANNING

REGARDING THE BULGARIAN SIDE

Deliverable 3.4.3

Responsible Partner: Regional Chamber of Commerce and Industry (PB4)

Blagoevgrad,

June 2022

The contents of this report are sole responsibility of The Regional Chamber of Commerce and Industry and can in no way be taken to reflect the views of the European Union, the participating countries the Managing Authority and the Joint Secretariat.

www.agrofficiency.eu

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

CONTENT

1. **Brief introduction to the scope of the project and its goals** 3
2. **Methodology** 6
3. **Stakeholder analysis and planning of activities in the Cross-Border Area** 9
4. **Stakeholder analysis matrix** 23
5. **Summaries and conclusions** 62
6. **References** 64

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

1. BRIEF INTRODUCTION TO THE PROJECT AND ITS GOALS

Project "Enhancing the Competitiveness and Sustainable Growth in the Agri-Food Sector through the promotion of Circular Economy" with Acronym AGROFFICIENCY is implemented under the 6th Call of the Cooperation Program "INTERREG V-A Greece-Bulgaria 2014-2020". The Project is coherent with Priority axis 1 – "A Competitive and Innovative Cross-Border Area", Investment priorities 3a – "Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators" and Intervention fields 066 "Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)".

The partnership consists of five partners, where the Chamber of Small & Medium Sized Industries of Thessaloniki is the Lead Beneficiary, with the Greek Association of Supply Chain Management and the Small Enterprises Institute - Hellenic Confederation of Professionals, Craftsmen and Merchants as partners from Greece, while the Regional Chamber of Commerce and Industry – Blagoevgrad and the Renewable Energy Sources Cluster are partners from Bulgaria.

The implementation of the project has started in April, 2021 and is directly related to „enhance support offered to established and newly established SMEs of the CB Agri-Food Sector, by creating a One-Stop-Shop business support center (BSC) that will work in an incubator-like model for the newly established and potential SMEs."[1].

The emphasis, as well as the great practical and applied value of the Project, stems from the integrity of a number of purposeful activities set in connection with its implementation. These include, above all, to establish Business Support Center to provide consultations to SMEs from the Agri-Food Sector in the Cross-Border Area to support their transition to Circular Economy. This is the basis for providing training, mentoring, individual consultations and networking in the time frame of the Project by the project partners for local SMEs in the field of Agri-Food Industry. As a result, it is expected that these companies, which are so important

[1] Interreg Greece-Bulgaria, Home-Calls Projects Enhancing the Competitiveness and Sustainable Growth In The Agri-food Sector Through The Promotion Of Circular Economy, available on http://www.greece-bulgaria.eu/approved-project/81/

as a category, will have achieved the necessary capacity to be able to develop their business tools, generate new ideas, improve performance and market positions and to increase revenue.

Project partners and participants will jointly provide know-how, management and communication competencies and skills. The aim of these efforts is to bring SMEs in a position to properly plan their operations, while creating a competitive advantage that will make them more attractive to potential partners and investors. In this sense, the project will set a new direction and perspective for SMEs in the cross-border area, so that methodologically and strategically they can fit into the concept of the Circular Economy and modern logistics.

In the AGROFFICIENCY Project the concept of the Agri-Food Sector and its wider ecosystem are assessed with great potential for development.

However, there is a serious lack of supporting structures that stimulate the creation, survival and growth of enterprises operating in it. This refers primarily to SMEs, which are constantly facing such difficulties, as well as the problem of information and strategic support of the activities.

In order to assess properly the abovementioned difficulties, faced by the companies in the Sector, the project partners are undertaking the task to analyze the sector and to identify stakeholders related to the development of the Agri-Food Sector, so as to make relevant to the current situation summaries and conclusions, and to plan future actions to overcome the identified disadvantages.

Taking into account the territorial scope of the project in the Cross-Border Area and the commitments of the partners, this Report is based on the findings of the project concept and, according to the distribution of the activities, presents information concerning the Bulgarian part of the Cross-Border Area, which includes four administrative districts (NUTS3 Level) of the country: Blagoevgrad, Smolyan, Kardzhali and Haskovo. One of them, Blagoevgrad is located in the South-West Region (NUTS2 Level) and the rest – Smolyan, Kardzhali and Haskovo are located in the South-Central Region – fig.1

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

Figure 1. Bulgaria's 6 planning regions

Source: Ministry of Regional Development and Public Works, 2015, Available from https://research4committees.blog/2017/10/16/the-economic-social-and-territorial-situation-in-bulgaria/#jp-carousel-1330 (February 2022)

Objectives of the report

The objective of this report is to identify and assess the existing stakeholders in the Agri-Food Sector and planning of activities in this regard in the eligible part of the Bulgarian side of the Cross-Border Area. To this end, the following tasks will be fulfilled:

1. Elaboration of a full list of existing stakeholders in the Agri-Food Sector;
2. Identification of main stakeholders and their roles;
3. Identification of priorities and recommendations for future development.

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

2. METHODOLOGY

Regarding the research methodology, in order for this study to succeed its o*bjectives*, two main sets of tasks were undertaken. **Firstly**, in order to explore the notion of the state of the Agri-Food Sector at national level - for Bulgaria, and to identify and evaluate the stakeholders and their potential role, secondary data were gathered through various tools. The study uses structural and strategic documents at European and national (for Bulgaria) level. Moreover, data from different reports from Bulgarian governmental bodies, the only organizations to elaborate the state policies in all parts of the Agri-Food Sector, are also collected and analyzed. And regarding the in-depth exploration of the stakeholders and their performance within the sector, data and information from the Bulgarian Chamber of Commerce and Industry, the oldest organization of freelancers in Bulgaria, established in 1895 that represents the national organization sectorial associations, were explored. **Secondly**, in order to explore how and to what degree the stakeholders affects the Agri-Food Sector, a stakeholder's analysis matrix is constructed and completed.

In its entirety, the methodology used in the present study includes a diverse methodological apparatus as a complex approach that combines observation, monitoring, synthesis, induction and deduction as well as analysis of public documents and reports, regulatory acts, methods. The main prerequisite of this methodology is that such integration allows more complete and synergistic use of data than separate quantitative and qualitative data collection and analysis.

Identifying the stakeholders for the Agri-Food Sector in the Greece-Bulgaria cross-border area and clarifying their potential role and position in the process of development considered to be sustainable, is important for achieving the overall objectives of the SDGs within the Agri-Food Industry. Also, as a study, it can be helpful to outline the existing relationships between stakeholders, the possible conflicts and coalitions among them and the entrepreneurs/producers in the sector. It should be borne in mind also the fact that in turn, stakeholders are able to influence planning processes in terms of geographical scope, policy integration, resource availability and the overall legitimacy of the agricultural sector.

Stakeholder analysis can be detailed and elaborate or short and simple[2], depending on the specifics of the sector in which it is used, as well as the complexity of the problem to which it relates, the number of potentially affected parties and the level of existing contradictions, constraints and conflicts. Regardless of its nature, as an approach, the stakeholder analysis may reveal unforeseen potential or consequences of ongoing activities and processes. Such results, including in the specifics of the agricultural sector, may provoke a broader analysis, which could lead to supplementing or changing the process of policy-making and procedures for public engagement in the process of the sectorial development.

Among the definitions found in the literature for stakeholder analysis, given the specifics of this report, the closest and most applicable to its objectives is the one, presented by Schmeer in the Stakeholder Analysis Guidelines: "*Stakeholder analysis is a process of systematically gathering and analyzing qualitative information to determine whose interests should be taken into account when developing and/or implementing a policy or program*."[3]

In the specifics of the case, the stakeholder analysis focuses on two main stages:

1. Identify key stakeholders from a wide range of groups and individuals who have the potential to influence or be affected in the Agri-Food Sector within the territorial scope of the Cross-Border Area.

Following the identification, the interests of the stakeholders and the potential manifestations of these interests are identified.

2. The grouping of key stakeholders in a matrix to determine the impact and importance of the identified stakeholders.

In terms of content they cover the classic sequence of steps[4] in the implementation of the stakeholder analysis, namely: *planning the analysis*, *defining the policy (regulative*

[2] Babiuch, William M. & Farhar, Barbara C. (1994). Stakeholder Analysis Methodologies Resource Book (pdf), I NREL/TP-461-5857 UC, p.18, Available from: National Technical information Service, US. Department of Commerce
[3] Schmeer, K., Stakeholder Analysis Guidelines, available on: https://www.who.int/workforcealliance/knowledge/toolkit/33.pdf (February 2022)
[4] Schmeer, K., Stakeholder Analysis Guidelines, Available on: https://www.who.int/workforcealliance/knowledge/toolkit/33.pdf (February 2022); Dion, J. (1992). OPA Draft Scoping Paper - Stakeholder Analysis. September 3. U.S. Dept. of

framework), identifying key stakeholders, application of the analytical tool for performing the analysis of the interested parties - the Matrix of the interested parties trough collecting and recording the information and filling in the stakeholder table, analyzing the stakeholder table, using the information and making recommendations for addressing the interests of stakeholders.

It is understood that stakeholder analysis is not a one-off activity, their behavior is dynamic, as the views, interests and importance of different stakeholders can change and should be monitored periodically.

With this in mind, a recommended plan of focused and pilot activities is presented in the final part of this report. It sets out some aspects of the possible involvement of stakeholders in the sustainable development of the Agri-Food Sector, as well as in the implementation of potential projects. In view of this, the ultimate goal of stakeholder analysis is to help maximize the social, economic and institutional benefits of the implementation of the project and related to the Agri-Food Sector in the Cross-Border Area for the target groups and beneficiaries of the project. Last but not least, to limit the potential negative effects or risks in the implementation of the project.

Energy; Krippendorff, K. (1980). Content Analysis: An Introduction to Its Methodology. Beverly Hills: Sage Publications; Babiuch, William M. & Farhar, Barbara C. (1994). Stakeholder Analysis Methodologies Resource Book (pdf), I NREL/TP-461-5857 UC, p.18, Available from: National Technical information Service, US. Department of Commerce

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

3. STAKEHOLDER ANALYSIS AND PLANNING OF ACTIVITIES IN THE CROSS-BORDER AREA – THE BULGARIAN PART

For the purposes of this report, it should be specified that the conducted stakeholder analysis contributes useful and accurate information about those persons and organizations that have an interest in the Agri-Food Sector. The information of this analysis can be used to provide input for other analyses, to develop action plans or to support a participatory, consensus-building process[5].

Some important terminological clarifications should be taken into account when conducting the stakeholder analysis. They relate primarily to how stakeholders are defined and who the target groups and beneficiaries are. It should therefore be clarified that **stakeholders** *"include individuals, community leaders, groups and other organizations who will be impacted by the program, or who could influence the outcome. They can be internal or external"*[6]. On the other hand, in the scope of **target groups** are involved individuals who will be directly positive influenced by the sustainable foundation of the development in the Agri-Food Sector. And **beneficiaries** are those who benefit in long-term period at the society or sector level, such as: *people in working age* - due to the increased and varied employment opportunities, *different companies horizontally or vertically of sectoral and cross-sectoral links* - due to the embedding of local identity as intangible characteristics of their products and adopting the Circular Economy model to extend the life cycle of products and to share, borrow, reuse, repair and recycle existing materials and products for as long as possible[7], *traders* - due to the improvement of the logistics structure of the distribution chains in the Circular Economy,

[5] Babiuch, William M. & Farhar, Barbara C. (1994). Stakeholder Analysis Methodologies Resource Book (pdf), I NREL/TP-461-5857 UC, p.18, Available from: National Technical information Service, US. Department of Commerce

[6] Stakeholder Analysis Matrix Template, Available from https://tools4dev.org/templates/stakeholder-analysis-matrix-template/ (February 2022)

[7] The Circular Economy: what it is and why it is important. (16-02-2021). (Кръговата икономика: какво представлява тя и защо е важна) Available from https://www.europarl.europa.eu/news/bg/headlines/economy/20151201STO05603/krghovata-ikonomika-kakvo-predstavliava-tia-i-zashcho-e-vazhna (February 2022)

creation of conditions for the inclusion of the socially excluded and sustainable increase of the incomes of the local population.

The development of the analysis in Bulgarian part of the Cross-Border Area includes a range of stakeholders. The use of the chosen analytical tool - the stakeholders analysis matrix - actually achieves, on the one hand, simplicity of implementation and, on the other hand, direct targeting of the recommendations according to the characteristics and problems of the respective stakeholders.

The analysis also recognizes that one of the major research problems, often, is the ambiguous definition of the concepts used and hence the inevitable differences in their understanding. To avoid this problem, the report draws attention to some of the basic concepts used in the Agri-Food Sector, without claiming universality and completeness. Their definition in this case aims only at a more complete and unambiguous understanding of the study and only at the operational level.

For the purposes of the report and the content of the stakeholder analysis, it should be clarified that according to the European Commission "*The Agri-Food Sector is composed of both agriculture & farming and food processing activities.*" [8] Bulgaria, being a member state of the European Union (EU), adopts this definition and incorporates it (partially) in the main framework documents related to the management and regulation of the sector.

The Agri-Food Sector is one of the main in the Bulgarian economy. Its identified potential for development is significant and important[9], although after the country's accession to the EU it has undergone extremely profound changes – in land relations, structure, size and production orientation of farms and in their income. The resulting transformation processes are due to both the agrarian reform carried out in the 1990s and the desire to adopt the European

[8] European Commission (September 2020), Technological trends in the agri-food industry, available on: https://ati.ec.europa.eu/reports/sectoral-watch/technological-trends-agri-food-industry (February 2022)

[9] ANALYSIS OF THE CONDITION OF AGRICULTURE AND THE FOOD INDUSTRY, SWOT ANALYSIS, Institute of Agrarian Economics (2020). (АНАЛИЗ НА СЪСТОЯНИЕТО НА СЕЛСКОТО СТОПАНСТВО И ХРАНИТЕЛНОВКУСОВАТА ПРОМИШЛЕНОСТ, SWOT АНАЛИЗ, Институт по аграрна икономика – София, Януари, 2020 г.), Available on: https://www.mzh.government.bg/odz-kardzhali/Libraries/%D0%9E%D0%A1%D0%9F_2021-2027/analiz_na_sstoianieto_na_selskoto_stopanstvo_i_khranitelno-vkusovata_promishlenost_izgotven_ot_institut_po_agrarna_ikonomika.sflb.ashx (February 2022)

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

agrarian framework and implement the measures and mechanisms of the Common Agricultural Policy[10].

The Agri-Food Sector, in particular agriculture and farming and food processing activities, as part of the Bulgarian economy, simultaneously contributes to, but also are influenced by, the overall economic development at the national, regional and global levels. By 2000, agriculture for example, accounted for over 10 % of GDP. Over time, its importance and place are constantly declining and in 2020 the relative share of the agricultural sector of GDP barely accounts for about 3.5 % of GDP (Tab. 1).

The data in the table outline a definite unfavorable trend that the importance and place of agriculture is constantly decreasing over time. At the end of the presented time series, agriculture, forestry and fisheries account for a relatively low share of GDP. And this regression is observed not only in relation to agricultural sector, but also in relation to other sectors in the tertiary sectoral structure of the national economy.

Table 1. Relative share of value added created in the agricultural sector in GDP for the period 2001 – 2020[11]

Indicator	2001	2004	2005	2010	2011	2015	2016	2019	2020
Agricultural sector*[12] (agriculture, forestry and fisheries)	12.1	9.9	11.0	4.8	5.3	4.8	4.4	3.1	3.5

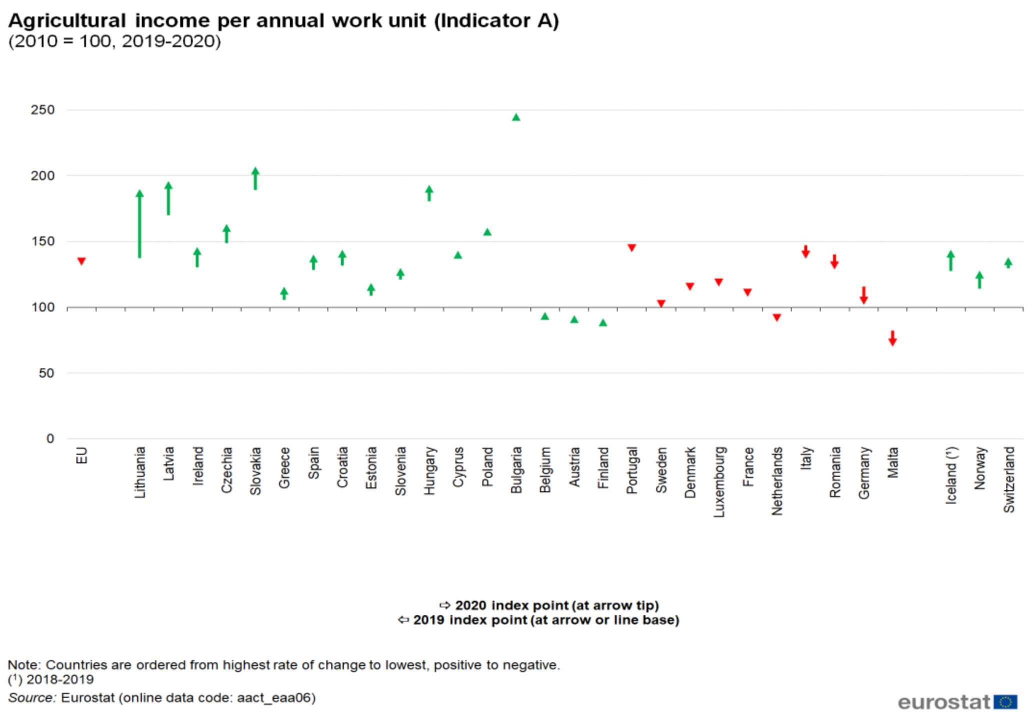
However, the Agri-Food Sector (agricultural and food production) has a share in 2020 in the Bulgarian gross domestic product (GDP) that amounted to about 5.1%, with industry accounting for 27.5% and services - 67.4%[13].

[10] Nikolova, G. (2018). BULGARIAN AGRICULTURE AND ITS EUROPEAN DIMENSIONS, Statistics Journal, (Николова, Г. (2018). БЪЛГАРСКОТО СЕЛСКО СТОПАНСТВО И НЕГОВИТЕ ЕВРОПЕЙСКИ ИЗМЕРЕНИЯ, Списание „Статистика“), available on: https://www.nsi.bg/spisaniestatistika/page/en/details.php?article_id=168 (February 2022)
[11] National Statistical Institute (NSI), GDP - Production method - national level, annual data, available on: https://nsi.bg/bg/content/ (February 2022);
[12] According to the nomenclature of the NSI;
[13] Bulgaria - Country Commercial Guide, Agricultural Sectors, available on: https://cc.bingj.com/cache.aspx?q=bulgarian+agriculture+&d=4813516165416132&mkt=en-WW&setlang=en-US&w=hWoFAoPCgNGM70NTkxLhIH1TVraUF62b (February 2022)

At European level, within the Union framework, it is assumed that agriculture is an activity part of the primary sector of the economy[14]. In 2020, agriculture contributed 1.3 % to the EU's GDP (Fig. 2). The EU's agricultural sector is provided by millions of mostly small farms and is in fact "big business, even without considering its importance as a key building block for the downstream food and beverage industry". The contribution of the agricultural sector to the total GDP of the EU in 2020 is 173.3 billion euros.

Bulgarian agricultural sector represents around 3% of the GDP and employs about 183 000 people, corresponding to 5.7 % of the total employment in the country[15].

Figure 2. Agricultural income per annual work unit (members-states profile)



[14] Performance of the agricultural sector (2021), Eurostat available on: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance_of_the_agricultural_sector#Value_of_agricultural_output (February 2022)

[15] COMMISSION STAFF WORKING DOCUMENT, Commission recommendations for Bulgaria's CAP strategic plan Accompanying the document Recommendations to the Member States as regards their strategic plan for the Common Agricultural Policy, 2020, available on: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0369&rid=4

The European plan recognizes that the agricultural sector occupies a significant place in the country's economy in terms of GDP and employment and contributes positively to the trade balance. And according to the "Bulgaria - Country Commercial Guide" (https://www.trade.gov/country-commercial-guides/bulgaria-agricultural-sectors), Bulgaria is present on the market of Southeast Europe as a leading exorcist of agricultural crops and is a key exporter of raw agricultural goods. Although smaller than their neighbors, Bulgarian farmers have a long tradition of growing all major crops, including wheat, corn, sunflower (in 2020 Bulgaria is the seventh largest exporter in the world), rapeseed, barley and etc.

In Bulgaria, agricultural land of about 3.8 million hectares or about 47% of the country's territory is cultivated[16]. Unfortunately, Bulgaria is one of the Member States with the highest loss of high value land (HNV) due to the intensification of agriculture. As noted in Commission recommendations for Bulgaria's CAP strategic plan, addressing these challenges will require the promotion of sustainable agricultural practices to reduce the pressure on agricultural land biodiversity combined with habitat management measures for wild pollinators, farmland birds and turtles in accordance with the Prioritized Action Framework[17].

Returning to the details of the present study, the specifics require a brief presentation of the state of the Agri-Food Sector in the study area.

Blagoevgrad District[18]

- Population (2020) 301 916
- Territory (sq. km) 6,449.5
- Number of settlements 274
- Share of urban population (%) 60.2.

[16] Bulgaria - Country Commercial Guide, Agricultural Sectors, Available from https://cc.bingj.com/cache.aspx?q=bulgarian+agriculture+&d=4813516165416132&mkt=en-WW&setlang=en-US&w=hWoFAoPCgNGM70NTkxLhIH1TVraUF62b (February 2022)

[17] COMMISSION STAFF WORKING DOCUMENT, Commission recommendations for Bulgaria's CAP strategic plan Accompanying the document Recommendations to the Member States as regards their strategic plan for the Common Agricultural Policy, 2020, Available from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0369&rid=4 (February 2022)

[18] Regional profiles, 2021, Available from https://www.regionalprofiles.bg/bg/regions/blagoevgrad/ (February 2022)

The Argo food sector is a major source of income for the population in the villages and for most municipalities in the Blagoevgrad District. The total amount of the used agricultural area in Blagoevgrad district is 583,588.5 acres and occupies 9% of its territory, and its specialization in the country's crop production is determined by the production of tobacco, potatoes, tomatoes, peaches, grapes. The number of agricultural holdings in Blagoevgrad District is 38,467, which represents 10.2% of the holdings in the country – one of the largest number of holdings in Bulgaria. The average size of the used agricultural area in the district is 15.4 decares. this is the district with the smallest farms - 15% of the average size for the country (101.3 decares). Of all farms, 553 do not have the utilized agricultural area[19].

The strategic documents at the district level also declare that in Blagoevgrad District the food industry is also highly developed, including activities related to the production and processing of meat, processing and canning of fruits and vegetables, production of vegetable and animal fats, production of milk and dairy products, mill products, ready-to-eat animal feed, bread, bakery and confectionery, prepared foods, pasta, soft drinks and alcohol[20].

For the period after 2015 the areas with vegetables in the Blagoevgrad District have increased by 51%, and those with perennial crops by about 14%. The district ranks first in the country in the number of small cattle raised. In 2018, about 27% of goats, 11% of sheep and 8% of cattle in Bulgaria were raised in the district. According to prof. Yanko Ivanov, former Deputy Minister of Agriculture, Food and Forestry, the region ranks first in goat milk production and third in sheep milk production, after the districts of Burgas and Plovdiv. During the period 2014-2018, the number of sheep in the district increased by 8%, cattle by 26%, pigs by 56% and poultry by about 3%. The growth in the number of raised buffaloes is especially high. Over the period, they have increased by about ten times. The produced buffalo milk

[19] DISTRICT STRATEGY for regional development of the district Blagoevgrad 2014 - 2020. available on: http://www.bl.government.bg/images/stories/documenti/Strategies/Blagoevgrad_v4_073113.pdf (February 2022)
[20] DISTRICT STRATEGY for regional development of the district Blagoevgrad 2014 - 2020. available on: http://www.bl.government.bg/images/stories/documenti/Strategies/Blagoevgrad_v4_073113.pdf (February 2022)

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

increases more than four times. The number of animals of this species applied for direct support in 2018 is almost fourteen times more than in 2014[21].

Smolyan District[22]

- Population (2020) 102 710
- Territory (sq. km) 3192,8
- Number of settlements 240
- Share of urban population (%) 56,7

Due to the specifics of the relief of Smolyan District, namely, the mountain massif of the Rhodopes, agricultural properties are mostly fragmented, remote and small. This is the reason why they are difficult to access and the use of mechanization is difficult[23].

According to data from 2010 from the census of agricultural holdings (the latter for which information is available[24]), the used agricultural area in the district is 199 787.8 decares and compared to the total for the country is 0.55%. It is distributed in 16,236 agricultural holdings. 12.21% of the territory of the district is used for agricultural production, including the grassed areas[25].

The predominant holdings are those of property of individuals, which cultivate 93% of the total utilized agricultural area with an average area of 11.5 decares. The commercial companies cultivate 3% of the total agricultural area, however, the average area of the holdings is significantly higher - 208.4 decares. An insignificant share of the used agricultural area is managed by agricultural cooperatives, sole traders and civic associations and other structures

[21] Blagoevgrad District is the first in the country in terms of the number of small cattle raised, Posted by Hristian Tilkian, Date: February 17, 2020 (Област Благоевград е първа в страната по брой отглеждан дребен рогат добитък, Публикувано от Християн Тилкиян, Дата: февруари 17, 2020), available on: https://savetivzemedelieto.bg/ (February 2022)
[22] Regional profiles, 2021, available on: https://www.regionalprofiles.bg/bg/ (February 2022)
[23] Smolyan District Strategy for development for 2014-2020, available on: https://sm.government.bg/upload/files/Strategia_OblSm%202014-2020.pdf (February 2022)
[24] A census of agricultural holdings was carried out in 2020, but apart from primary general data, others have not been officially published by February 2022.
[25] Census of agricultural holdings in 2010 SMOLYAN DISTRICT - main results (Преброяване на земеделските стопанства през 2010 година ОБЛАСТ СМОЛЯН – основни резултати), available on: https://www.mzh.government.bg/media/filer_public/2018/02/21/221-publication-census2010-smolyan.pdf (February 2022)

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

(monasteries, schools, institutes, etc.). The agricultural holdings own 71% of the land used and 29% is rented. The main agricultural crops grown in the Smolyan region are potatoes, beans and tobacco. The finding at the district level, reflected in the strategic documents, outlines a lasting trend of reducing the areas on which they are located.

93% of the utilized agricultural area in the district (2019) is occupied by permanently grassed areas, favoring grazing livestock[26]. According to data at the district level for 2012[27], cattle breeding is developed in the Smolyan region and cows, sheep, goats and pigs are bred, as well as bees, rabbits. However, there are no slaughterhouses and meat processing plants in operation. There are 13 dairy enterprises operating, which have been approved by an Order of the Minister of Agriculture and Food for purchasers of cow's milk.

In the Agri-Food Sector in Smolyan District there is a serious weakness resulting from the incomplete functioning of the distribution chain. This is largely due to the lack of connection and coordination between the extractive and processing sectors, and subsequently inefficient sales. The observations refer both to agriculture, which is oriented mainly to meet the local needs, and to forestry, where the bulk of timber is exported[28]. Against this background, the agricultural sector, although with a modest share in the municipal economy, is an important source of income, as well as a prerequisite for maintaining part of the industry related to milk and meat processing, processing of herbs, berries and more.

Kardzhali District [29]

- Population (2020) 159 493
- Territory (sq. km) 3209,1

[26] Smolyan region exceeds twice the share of agriculture in gross value added (13.02.2020) (Смолянска област надхвърля двойно дела на селското стопанство в брутната добавена стойност), available on: https://sinor.bg/57657-smolyanska-oblast-nadhvarlya-dvojno-dela-na-selskoto-stopanstvo-v-brutnata-dobavena-stojnost (February 2022)
[27] Smolyan District Strategy for development for 2014-2020, Available on: https://sm.government.bg/upload/files/Strategia_OblSm%202014-2020.pdf (February 2022)

[28] DISTRICT STRATEGY FOR DEVELOPMENT OF KARDZHALI DISTRICT FOR THE PERIOD 2014 – 2020, Available on: https://kardzhali.org/newsite/wp-content/uploads/2020/10/OSR_2014-2020_FINAL.pdf (February 2022)
[29] Regional profiles, 2021, Available on: https://www.regionalprofiles.bg/bg/ (February 2022)

- Number of settlements 468
- Share of urban population (%) 40,2

Kardzhali district is rich in natural minerals and has established traditions in the field of processing and mining. The agriculture sector in the district is developed on the basis of the distribution of land, which can be divided into 4 main types – arable land, pastures, forest and others. The arable land has a total area of 578 529 decares[30]. The development of competitive and large-scale agriculture in the district of Kardzhali is difficult, again due to the geographical characteristics and the predominant mountain and semi-mountainous relief in the Rhodope Mountains.

The predominant part of the utilized agricultural land is in small agricultural holdings and is own. It is used primarily for the production of fodder for farmed animals and for the cultivation of tobacco and potatoes, and there is no frequent change of ownership. In general, the harvested agricultural products are intended to meet their own needs. A significant part of the agricultural land is rented or leased and is used for growing basic agricultural crops and large livestock. Agricultural production is poorly mechanized here as well, with farms that have equipment and use paid labor are few in number. Traditionally grown oriental tobacco (especially until 2011 strongly represented), potatoes, corn for grain, beans, sunflowers, tomatoes, peppers, watermelons, melons, oats, barley. The soil and climatic conditions of the region allow the cultivation of industrial crops (flax, cotton, peanuts, etc.) and essential oils and medicinal herbs (lavender, mint, oil rose, etc.).

Fruit growing has a tradition in the Eastern Rhodopes, but due to decades of monoculture tobacco growing, renovation and creation of new orchards is noticed only after 2010. Contributed in this regard and funding under the Rural Development Program.

In the district of Kardzhali, animal husbandry is less developed, although the mountainous and semi-mountainous relief of the region and the presence of pastures and meadows predisposes to the development of sheep breeding, goat breeding and beef cattle

[30] Data by Regional Directorate of Agriculture - Kardzhali

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A “Greece-Bulgaria 2014-2020” Cooperation Programme.

breeding. is also sheep breeding. In terms of the number of cattle, the district ranks second in the country[31].

Dairies and slaughterhouses also operate in the district. In general, the development of the food industry is ensured by a good base, and the enterprises have a significant capacity for processing tobacco, meat, milk, fruit and vegetable raw materials and others[32].

***Haskovo District*[33]**

- Population (2020) 224 471
- Territory (sq. km) 5533,3
- Number of settlements 261
- Share of urban population (%) 71,9

Haskovo District has traditions in the field of agriculture and this is largely due to the favorable near-geographical characteristics of the territory on which it is located. The territorial scope of the agricultural areas amounts to 3,484,642 decares and is characterized by good soil qualities, as well as appropriate agro-climatic conditions[34].Mainly cereals, technical and fodder crops such as wheat, barley, rye, triticale, oilseed rape, sunflower, corn, as well as fruits and vegetables - peppers, tomatoes, potatoes, watermelons, melons, apples, peaches, plums, cherries, cherries, and perennials - vineyards, fruit species, etc.

As can be seen from the exported public data, in the Haskovo district the usability of the arable land is relatively low[35]. As of 2011, the percentage is 82, as in previous years it was

[31] Publicly available data in DISTRICT STRATEGY FOR DEVELOPMENT OF KARDZHALI DISTRICT FOR THE PERIOD 2014 – 2020, available on: https://kardzhali.org/newsite/wp-content/uploads/2020/10/OSR_2014-2020_FINAL.pdf (February 2022)
[32] Economy and transport, available on: https://green-kardzhali.bg/%D0%B8%D0%BA%D0%BE%D0%BD%D0%BE%D0%BC%D0%B8%D0%BA%D0%B0/ (February 2022)
[33] Regional profiles, 2021, available on: https://www.regionalprofiles.bg/bg/ (February 2022)
[34] DISTRICT STRATEGY FOR DEVELOPMENT OF HASKOVO DISTRICT FOR THE PERIOD 2014 – 2020, available on: https://www.hs.government.bg/uploads/ckeditor/files/stories/2013/07/dok/osrfin1.pdf (February 2022)
[35] DISTRICT STRATEGY FOR DEVELOPMENT OF HASKOVO DISTRICT FOR THE PERIOD 2014 – 2020, available on: https://www.hs.government.bg/uploads/ckeditor/files/stories/2013/07/dok/osrfin1.pdf (February 2022), p. 23

in the range of 86-83%. In 2013, it was established that the utilized agricultural area was 205,663 hectares, out of a total of 216,461 hectares of agricultural land[36].

According to the mentioned census of agricultural holdings in Bulgaria from 2010, the number of agricultural holdings in Haskovo district is 18,420, and the number of livestock units - 60,068. It is noteworthy that along with crop production, cattle breeding is also developed in the district, as in 2010-2011 39,373 cattle and buffaloes were bred (6.7% of the total number in the country), cows and buffaloes - 24,366 (6 , 9% of the total number in the country), sheep - 86 927 (6% of the total number in the country), goats - 24 381 (6.3% of the total number in the country), pigs - 11 576 (1.7% of the total number in the country), birds - 695 737 (4% of the total number in the country), bee families - 25 169 (4.2% of the total number in the country)[37].

According to the indicator of the size of the used agricultural area, the agricultural holdings in the district with over 150 decares have a share of 4% in the total number and area and are technically provided in order to develop consolidated intensive agriculture.

Wine production is also developing in industrial volumes, based on renewed processing capacities, largely as a result of funding for projects under the Rural Development Program 2007-2013. Their productions appear, together with the enlarged agricultural holdings, providing them with structural structures for the economy of the municipalities of Lyubimets, Ivaylovgrad, Svilengrad, Harmanli, Stambolovo[38].

In addition to wine production, the food industry in the district is represented by bakery and confectionery, meat processing industry, dairy and canning industry. In these areas operate many small industrial units, both of which are relatively modern technologically equipped and produce a variety of assortment and high quality that meets modern international requirements, products - confectionery, bread, meat and meat products, cheese dairies, yellow cheese and

[36] BANSIK 2013 FINAL RESULTS for sowing and use on the territory of BULGARIA in 2013. Available on: https://www.mzh.government.bg/media/filer_public/2018/02/22/ra253_publicationbancik2013.pdf (February 2022)

[37] Data from the National Agricultural Advisory Service – Haskovo, available on: https://www.naas.government.bg/bg/ (February 2022)

[38] DISTRICT STRATEGY FOR DEVELOPMENT OF HASKOVO DISTRICT FOR THE PERIOD 2014 – 2020, available on: https://www.hs.government.bg/uploads/ckeditor/files/stories/2013/07/dok/osrfin1.pdf (February 2022)

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

butter (including the first certified milk processing plant in the country with a quality certificate ISO 9001: 2000)[39].

Tracking development of Bulgarian agriculture and food industry, it should be noted that it is mainly subject to the general framework of harmonization with European policies. The adaptation of the Bulgarian legislative framework in this regard began in the pre-accession period of the country to the Union and is related to the implementation of the pre-accession program SAPARD. Since 2007, when Bulgaria is a full member of the European Union, the development of these sectors is almost entirely in line with the principles and mechanisms of the Common Agricultural Policy (CAP).

In this context, the development of the Agri-Food Sector in the studied cross-border area between Greece and Bulgaria, as well as Bulgarian Agriculture and Food Industry in general, cannot be considered in isolation from external factors – political, economic and social, manifested in regional or global plan. In particular, population and food problems, climate change, price dependence and limited (as a resource) fuel use, global price volatility, soil and environmental pollution. Others have, in addition to common, also national dimensions and manifestations in connection with the depletion of water and soil resources, social and demographic problems - health status, population decline, migration, health problems and animal diseases. Legislatively, there are also dependencies and commitments, both in relation to the said common Union policy and to the requirements and expectations of consumers for the consumption of safe products and foods.

All this has found a place and is reflected in the National Strategy for Sustainable Development of Agriculture in Bulgaria in the period 2014 - 2020[40]. It is also linked to national public policy priorities in terms of competitiveness, sustainability, organic farming, rural viability, food safety and welfare of animals and is the basis of legislation.

---

[39] Business profile of Haskovo district, available on: https://www.hs.government.bg/page/248-biznes-profil-na-oblast-haskovo (February 2022)

[40] NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT OF AGRICULTURE IN BULGARIA IN THE PERIOD 2014 – 2020 (НАЦИОНАЛНА СТРАТЕГИЯ ЗА УСТОЙЧИВО РАЗВИТИЕ НА ЗЕМЕДЕЛИЕТО В БЪЛГАРИЯ В ПЕРИОДА 2014 – 2020 г.). Available on: https://www.president.bg/docs/1380286308.docx (February 2022)

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

A base of laws, decrees, ordinances and regulations is being established in Bulgaria in regards to the organization and functioning of the Agri-Food Sector. Twenty-four laws are subject to and comply with the primary legislation of the European Union and the Common Agricultural Policy in the specifics of agriculture. With regard to the food sector, several other important laws, ordinances and regulations should be mentioned, concerning the structural and organizational functioning of enterprises, the requirements and standards for food and staff, the protection of their health, safety and security. The most relevant are listed in Appendix 1.

At the same time, in pursuit of one of the objectives of agricultural policy in relation to the food industry, namely - compliance with European policy and improving the response and response to societal requirements for food and health, including harmless, nutritious and sustainable chlorine, as well as animal welfare[41], Bulgaria is also working on the introduction and improvement of the regulatory framework for organic production. Such exists since 2001, based on the Plant Protection Act (promulgated, SG No. 91 / 10.10.1997) and the Animal Husbandry Act (promulgated, SG No. 65 / 8.8.2000) and related matters. Ordinance № 22 / 04.07.2001 for organic production of plants, plant products and foods of plant origin and its labeling on them (promulgated, SG 68 / 3.8.2001) and Ordinance 35 / 03.08.2001. for organic production of animals, animal products and foodstuffs of animal origin and its marking on them (promulgated, SG No. 80 / 18.9.2001). They have been promulgated by the Minister of Agriculture and Forestry and fully reproduce the principles of European legislation (Regulations 2092/91 and 1804/99).

The environment of the Agri-Food Sector described in this way is the place where farmers, agricultural holdings, productive, but also state agencies, local government bodies - agricultural advisory services, non-governmental organizations and interest groups, international organizations, research institutes, universities and schools, private consultants,

[41] ANALYSIS OF THE CONDITION OF AGRICULTURE AND THE FOOD INDUSTRY, SWOT ANALYSIS, Institute of Agrarian Economics (2020). (АНАЛИЗ НА СЪСТОЯНИЕТО НА СЕЛСКОТО СТОПАНСТВО И ХРАНИТЕЛНОВКУСОВАТА ПРОМИШЛЕНОСТ, SWOT АНАЛИЗ, Институт по аграрна икономика – София, Януари, 2020 г.). Available on: https://www.mzh.government.bg/odz-kardzhali/Libraries/%D0%9E%D0%A1%D0%9F_2021-2027/analiz_na_sstoianieto_na_selskoto_stopanstvo_i_khranitelno-vkusovata_promishlenost_izgotven_ot_institut_po_agrarna_ikonomika.sflb.ashx (February 2022)

specialized consulting, training and innovation companies, professional organizations of farmers, non-governmental organizations, suppliers of machinery, chemicals and innovations, food chains, processors and exporters of agricultural products, media, individuals, etc., as well as various formal and informal organizations (partnerships, networks, associations, etc.) between them.

4. STAKEHOLDER ANALYSIS MATRIX

In general, through careful selection, construction and analysis of existing conditions and interactions between them, a more complete picture of the Agri-Food Sector can be revealed. The listed organizations, institutions, structures and individuals are in fact the main stakeholders. As such, they are also recognized at the state level, as evidenced by the Institute of Agrarian Economics in the performed Analysis of the condition of agriculture and the food industry (2020)[42]. Taking into account the findings made in it, as well as the observations and studies conducted in connection with this report, it should be emphasized that in Bulgaria there is a lack of sufficient official (statistical, reporting, etc.) information on the status and development of these above participants in the Agri-Food Sector, as well as the complex relationships between them.

In this line of thought, it can be assumed that the opportunity to implement effective and successful management of the sector in the studied Cross-Border Area and in particular in the districts of Blagoevgrad, Smolyan, Kardzhali and Haskovo, is related to identifying specific stakeholders and presentation of their interests and goals, the possible positive / negative influences of the activities carried out by them, as well as their degree of involvement.

An appropriate tool for identifying and responding to both internal and external factors that may affect and threaten the Agri-Food Sector in these areas is stakeholder analysis. Detailed knowledge of stakeholders is a condition for subsequent adequate strategic planning and decision-making. To this end, **a list of stakeholders should be drawn up, and the solutions for each of them should be identified**, assessing the reputation or well-being of all stakeholders and the amount of commitment, and then proceeding to the process of formulating recommendations for addressing the interests of stakeholders.

[42] ANALYSIS OF THE CONDITION OF AGRICULTURE AND THE FOOD INDUSTRY, SWOT ANALYSIS, Institute of Agrarian Economics (2020). (АНАЛИЗ НА СЪСТОЯНИЕТО НА СЕЛСКОТО СТОПАНСТВО И ХРАНИТЕЛНОВКУСОВАТА ПРОМИШЛЕНОСТ, SWOT АНАЛИЗ, Институт по аграрна икономика – София, Януари, 2020 г.). Available on: https://www.mzh.government.bg/odz-kardzhali/Libraries/%D0%9E%D0%A1%D0%9F_2021-2027/analiz_na_sstoianieto_na_selskoto_stopanstvo_i_khranitelno-vkusovata_promishlenost_izgotven_ot_institut_po_agrarna_ikonomika.sflb.ashx (February 2022), p. 445 – fig. 6.1

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

Stakeholder Analysis Matrix (Table)

Stakeholder Name	Contacts	Impact *How big is the impact?* *(Low, Medium, High)*	Influence *How much influence do they have over? (Low, Medium, High)*	Stakeholder's Importance for the Agri-Food Sector	Stakeholder's contribution to the Agri-Food Sector	Interests and goals	Strategy for engaging the stakeholder
Public institutions and organizations (Ministry of Agriculture and its subordinate structures, and partially - Ministry of Environment and Water							
Ministry of Agriculture **Commercial companies and state enterprises** *Southwestern State Enterprise* The company manages the state forest territories in seven administrative districts - Blagoevgrad, Kyustendil, Sofia, Sofia, Pazardzhik, Pernik and Lovech. *South Central State Enterprise* The company manages state forest territories in four districts -	*Information: (02) 985 11 383; (02) 985 11 384* *Directorate General for Agriculture & Forestry: (02) 985 11 389* *Web-site https://www.mzh*	*High*	*High*	*The central institution responsible for the Agri-Food Sector is the **Ministry of Agriculture**. Together with its divisions, the Ministry implements the state policy in the field of agriculture, as well as monitors the implementation of European and international obligations of the country.* *In accordance with the Constitution of the Republic of Bulgaria and in implementation of the normative acts the Minister:* *1. carry out the national policy for development of the plant growing and animal breeding and of the related activities;* *2. carry out the state policy in the field of grain production, trade and storage of*	*Implementation of the Common Agricultural Policy of the EU;* *Strengthening the competitiveness of the Agri-Food Sector;* *Promoting the sustainable management of natural resources and climate-related activities;* *Supporting the balanced territorial development of rural economies and communities, including*	*Supporting sufficiently reliable agricultural incomes and sustainability across the EU in order to improve food security;* *Strengthening market orientation and increasing competitiveness, including placing more emphasis on scientific*	*Implementing inclusive policies and stimulating the development of the Agri-Food Sector in the remote areas of the areas of the cross-border region Greece-Bulgaria through various measures and instruments; periodic meetings, campaigns and surveys among the local population, farmers and*

Smolyan, Plovdiv, Pazardzhik and Kardzhali. *Southeast State Enterprise* The company manages the state forest territories in five administrative districts - Burgas, Sliven, Stara Zagora, Haskovo and Yambol. *State Enterprise "Kabiyuk"* The oldest state farm in Bulgaria under the administrative management of the Ministry of Agriculture and Food. Rare and autochthonous Bulgarian breeds of animals are bred in it.	*.government.bg/ en/contacts/*			*grain and grain processing, production, trade and use of fodder;* *3. carry out the state policy for development of the irrigated agriculture, restructuring of the hydro-ameliorative fund and encouragement of the formation of associations of the water users;* *4. carry out the state policy for food safety in accordance with the current legislation;* *5. carry out the state policy in the field of forestry and hunting;* *6. organize, coordinate and control the activities related to the protection of the agricultural and forest lands, as well as to the elaboration, maintenance, storage and use of the cadastral information from the map of the restored property;* *7. implement the policy for financing from the state budget through special funds and through the funds of the European Union (EU) of projects and programs in the field of agriculture and rural areas;* *The Ministry is structured in directorates, inspectorate and financial controllers. This structure is tailored to the specifics of the sector, but at the same time it is possible to create conditions for negative events, such as bureaucracy and / or low administrative*	*the creation and maintenance of employment.*	*research, technology and digitization;* *Improving the position of farmers in* *the value chain;* *Contribute to climate change mitigation and adaptation, as well as to sustainable energy;* *Promoting sustainable development and efficient management of natural resources such as water, soil and air;* *Contribute to the protection of biological diversity, the improvement of ecosystem services and the protection*	*producers, small and medium enterprises in the food industry.* *The Ministry of Agriculture has an indirect connection, respectively a commitment to the preparation of the Strategy and Action Plan for the transition to a circular economy of the Republic of Bulgaria for the period 2021-2027. National Strategy in Relation to the Circular Economy Package" of the Government Management Program of the Republic of Bulgaria for the period 2017 – 2021.*[44]

[44] information published in the section for Notification of the Ministry of Environment and Water, STRATEGY AND ACTION PLAN FOR TRANSITION TO THE CIRCULAR ECONOMY OF THE REPUBLIC OF BULGARIA FOR THE PERIOD 2021-2027 (СТРАТЕГИЯ И ПЛАН ЗА ДЕЙСТВИЕ ЗА ПРЕХОД КЪМ КРЪГОВА ИКОНОМИКА НА РЕПУБЛИКА БЪЛГАРИЯ ЗА ПЕРИОДА 2021-2027), Available from https://www.moew.government.bg/bg/strategiya-i-plan-za-dejstvie-za-prehod-kum-krugova-ikonomika-na-republika-bulgariya-za-perioda-2021-2027-g/ (February 2022)

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

				capacity, which will lead to delays in important procedures, steps and decisions, as well as protect economic interests harmful to the sector and local communities, which have strong lobbies in power. *The Ministry of Agriculture should take corrective action in this regard by civil society and non-governmental organizations, including at the local level, even in smaller and more remote municipalities in the areas concerned.*		*of habitats and landscapes;* *Attracting young farmers and facilitating the development of economic activity in rural areas;* *Promoting employment, growth, social inclusion and local development in rural areas, including the bioeconomy and sustainable forestry;* *Improving the response of EU agriculture* *in response to societal requirements for food and health, including safe, nutritious and sustainable food, and animal welfare;* *Modernizing the sector by stimulating and sharing and promoting greater*	

						use of knowledge, innovation and digitalization in agriculture and rural areas;[43]	
Secondary budget spending units at the Ministry of Agriculture Executive Forest Agency Hail Fighting Executive Agency Executive Agency for Vine and Wine Executive Agency for Selection and Reproduction in Animal Husbandry Executive Agency for Variety Testing, Approbation and Seed Control Bulgarian Food Safety Agency Agricultural Academy National Agricultural Advisory Service Center for the Promotion of Agriculture and Cooperation between China and the countries of Central and Eastern Europe	*Information:* *contacts to these agencies and organizations are available through the website of the Ministry of Agriculture and the relevant links at https://www.mzh.government.bg/bg/ministerstvo/vtorostepenni-razporediteli/*	*High/* *Medium*	*High/* *Medium*	*Ensuring and supporting the development of the Agri-Food Sector in order to maximize the efficiency of the planned and implemented activities and financial resources.* *In detail, the information about the functions, the implemented activities, the goals, the commitments and the specific findings and results for each of the organizations is described on the websites.* *In particular, a supporting institution such as the Executive Agency "Certification Audit of European Agricultural Funds" perform the functions of a Certification Body for certification of the accuracy of financial statements and the established control system in the Paying Agency of the Republic of Bulgaria on: European Agricultural Guarantee Fund (EAGF); European*	*Communicate with other stakeholders to express their support:* *- For example:* *1. The Executive Agency for Vine and Wine monitors compliance with the requirements of the Wine and Spirits Act with regard to vineyards, grapes intended for wine production, grape must, grape and wine products, fruit wines and vinegar.* *2. National Agricultural Advisory Service provides free consultations and training to farmers in the field of crop*	*The Secondary budget spending units, as stakeholders, have a high-level function, ie. policy-making, as well as important decisions on key issues, legislation, conducting research, for applied, service and support activities in the field of agriculture, animal husbandry and food industry, as well as conflict situations. Their activities are carried out within the framework of the state*	*The Secondary budget spending units are sources of valuable information in each of the four districts (Blagoevgrad, Smolyan, Kardzhali and Haskovo) regarding the boundaries and uses of the lands It cannot be expected that they will be involved in the development process on their own initiative, because their responsibilities and functions*

[43] Draft "Strategic Plan for Agricultural and Rural Development for the period 2023 - 2027" Available from https://www.moew.government.bg/static/media/ups/articles/attachments/suobshtenie1b067b49df690f649b98fc5555cbeca2.pdf

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

Food Chain Risk Assessment Center Executive Agency "Certification Audit of European Agricultural Funds"				*Agricultural Fund for Rural Development (EAFRD).* *Performing the functions of a Certification Body for performing a certification audit for the accuracy of the financial statements and the established control system in the Paying Agency of the Republic of Bulgaria.*	*production, animal husbandry, agricultural economics and RDP; under measure 2 "Consulting services, farm management services and on-farm replacement services" of the RDP 2014-2020 NAAS provides free of charge specialized consulting services, incl. prepares business plans for all sub-measures of the Thematic sub-program for the development of small farms (6.3, 4.1.2, 4.2.2); performs agrochemical analyzes and provides recommendations for fertilization.* *3.Through the results of its audit work, the Executive Agency "Certification Audit of European*	*agricultural policy and in accordance with the Common Agricultural Policy of the European Union. That is why, as a rule, they have (and should have) an important positive meaning.*	*are specific. However, their level of participation can be medium or even high if interaction with them is actively sought.* *Strategically, the commitment of public authorities is indirect in relation to the sector in terms of promoting the importance of the results of the transformation of the economy in its transition to a circular. They are expected to be primarily related to increased resource efficiency in agricultural activities, as well as an*

					Agricultural Funds" protects the financial interests of European and Bulgarian taxpayers.		*increase in the added value of industrial production for the food industry.* *This commitment should also be apparent from the actions for creating conditions and promoting relations and symbiosis between agricultural producers, processing enterprises, livestock breeders, local population, branch organizations, etc.* *However, public authorities also have a direct impact on the Agri-Food*

							Sector in terms of creating preconditions for Bulgaria to contribute to the provision of critical raw materials in the European Union or to reduce the amount of landfilled waste to a minimum and return the rest to the production cycle. be recycled.[45]
State institutions and agencies ***(secondary budget managers at the Ministry of Agriculture***							
Regional Directorates of Agriculture RDA "Agriculture" - Blagoevgrad	*Address: Blagoevgrad 2700, 2, V. Koritarov str.*	*High*	*High*	*The Regional Directorates of Agriculture are regional structures of the General Directorate "Agriculture and Regional Policy" at the Ministry of Agriculture, performing functions under*	*It is necessary for the local stakeholders to actively cooperate with the institutions, and in separate stages to have the leading initiative and / or to be corrective -*	*The organizations referred to in this category are expected to play a positive role in the development of the Agri-Food Sector, as there*	*- coordination of the activity of the regional directorate "Agriculture" in connection with the activities for implementation*

[45] Notification for Strategy and Action Plan for Transition to the Circular Economy of the Republic of Bulgaria 2021-2027, (Уведомление за Стратегия и план за действие за преход към кръгова икономика на Република България 2021-2027 г.), Available from https://www.moew.government.bg/static/media/ups/articles/attachments/notice%20_uv-EO_Kragova_ikonomika4b22b4418c9dcfff0f2b7c038fdb8773.pdf

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

RDA "Agriculture" - Smolyan RDA "Agriculture" - Kardzhali	*tel./fax (073) 88 20 32* *Web-site: https://www.mzh.government.bg/ODZ-Blagoevgrad/en/Home.aspx* *Address: Kardzhali 6600, 74, Bulgaria blvd.* *tel./fax (0361) 6 29 76* *Web-site: https://www.mzh.government.bg/ODZ-Kardzhali/en/Home.aspx* *Address: Smolian 4700, 14, Balgariya bul.*			*1. organization, management and control of the overall activity at regional level;* *2. supporting the implementation of the state policy in the field of agriculture and forests, as well as in the implementation of the Common Agricultural Policy of the European Union on the territory of the respective area;* *3. management, coordination and control of the activity of the territorial units - the municipal services for agriculture;* *The RDA as territorial subdivisions, are of particular importance in all matters concerning land use, agriculture, forest and animal husbandry, and should be included in all discussions, actions, activities and decisions concerning protected areas on the ground.*	*e.g. when submitting to the Ministry of Agriculture an application for the development of certain programs or plans, as well as in the course of subsequent procedures.* *In this sense, the level of participation of the Ministry of Agriculture can be considered medium or even low, but that of the Regional Directorates of Agriculture is high in the course of the whole development process for the Agri-Food Sector.*	*are no influential economic interests in the area to hinder the process and try to influence the decisions and procedures of institutions. However, pressure on them is possible from e.g. of investors for logging and others similar.*	*of the Rural Development Program (RDP);* *- interaction with the regional units of the other secondary spending units with budget credits to the Minister of Agriculture and Food on the territory of the respective district;* *- assistance in introducing new business models, as well as platforms for connectivity in the economy* *(in the theoretical and practical frame of the circular economy)*

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A “Greece-Bulgaria 2014-2020” Cooperation Programme.

	tel. (0301) 66 235 (0301) 62 078 Web-site: https://www.mzh.government.bg/ODZ-Smolian/en/Home.aspx						
RDA "Agriculture" – Haskovo	*Address: Haskovo 6300, 5, Svoboda sqr. tel/fax (038) 664 916 Web-site: https://www.mzh.government.bg/ODZ-Haskovo/en/Home.aspx*						
District Councils for Animal Husbandry				*The establishment of such regional organizations is in pursuance of an order of the Minister of Agriculture of July 2021. The aim of these new organizations is to give greater representation to*			*The regional bodies of such organization can come up with opinions and proposals on draft laws and regulations and participate in the development of strategies, programs and analyzes for the development of animal husbandry in our country. It is expected that the branch structure will be able to consider issues related to the veterinary care of farm animals, as well*

				farmers in their respective areas. In order to resolve specific issues within a specified period, the Council may propose the establishment of temporary working groups to involve external experts.			*as support measures and schemes.*
Agricultural State Fund – Paying Agency	*Address: bul. "Tsar Boris III" 136, 1618 kv. Ovcha kupel, Sofia tel. 02/81-87-100 02/81-87-202* *Web-site: https://www.dfz.bg*	*High*	*High*	*The Agricultural State Fund was established in 1998 with the Law on Support of Agricultural Producers. Through the fund, Bulgarian farmers receive financial support under state aid, under the SAPARD pre-accession program, under the measures of the Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) of the European Union (EU), as well as from the Rural Development Program.* *The Agricultural State Fund provides financial support to farmers under state aid with funds from the national budget through short-term and long-term financial instruments. Short-term financial instruments are applied in the current financial support and stimulation of the production of certain agricultural products (cereals, oilseeds, vegetables, milk, etc.).*	*The Agricultural State Fund is accredited by the European Commission to perform the functions of a Paying Agency. The terms and conditions for financial assistance are determined by ordinances of the Minister of Agriculture, according to the National Plan for Agricultural and Rural Development and the Multiannual Financial Agreement under the EU Special Pre-Accession Program for Agricultural and*	*Through the Regional Directorates, the Fund:* *1. perform functions in connection with the activity of the state aid fund and provision of targeted loans, such as:* *a) provides administrative and economic services to the regional directorates of the fund, coordination and control over the activities of the*	*Ensuring regularity in continuing the activities on:* *- providing financial support from the European Funds for Bulgarian agriculture through the Paying Agency four instruments - direct payments to which there are national co-payments; funds for market support; measures from the Rural Development Program and the Fisheries*

				The degree of involvement, participation and influence of the Agricultural State Fund, as well as of its regional branches in the development of the Agri-Food Sector should be defined as high and even very high, if interaction with them is actively sought. Their participation and interest will also depend on the territorial share and economic activity of the other actors in the sector by district. This leads to different degrees and nature of interest in the four areas of the cross-border area between Greece and Bulgaria, and should therefore be taken into account by stakeholders, as an individual approach is needed, according to the specifics of each area.	*Rural Development in Bulgaria.*	*fund on the ground;* *b) organizes, coordinates and controls the overall activity of providing information about the activity of the fund, the conditions, criteria, requirements and documents necessary for financial support of the agricultural producers in the region;* *c) organizes, coordinates and controls the lawful direction of the monetary resource from the fund to the agricultural producers along the short-term financial lines and the*	*Development Program;* *- supporting partnerships, coordination and cooperation between stakeholders in the Agri-Food Sector;* *- stimulating the implementation of legislative practices in the field of environment, green economy, green entrepreneur-ship and environmental management systems in agrofood entities;* *- opening up opportunities for financing the agricultural sector in accordance with the "National*

						investment programs; *d) exercises direct control over the spending of the funds as intended, and in case of established deviation of funds, notifies the management of the fund for taking actions for seeking responsibility;*	*Plan for Reconstruction and Sustainability", in the part "Sustainable Agriculture" and the Fund for Promotion of the Technological and Ecological Transition of Agriculture. As within The Economic Transformation Program and its two adjacent funds: "Growth and Innovation" and "Green Transition and Circular Economy" to provide targeted support for the rapid recovery of Bulgarian micro, small and medium enterprises in the main*

							problem areas that slow down the transformation to digital, low carbon and resource efficient economy. In particular, for financing infrastructure, purchasing equipment, labor costs, diversifying production, implementing environmental solutions and technologies in order to achieve lower emission levels in connection with the transition to a circular and low-carbon economy[46].

[46] National Plan for Reconstruction and Sustainability (The information presented is based on a draft document), Available from https://evroprogrami.com/finansirashti-programi/plan-za-vazstanovyavane-i-ustojchivost/

State and local government							
District Governor and District Administration in Blagoevgrad, Smolyan, Kardzhali and Haskovo. Mayors, municipal councils and municipal municipal administrations. The mayors and deputy mayors of the villages in these municipalities.	*Regional administration Blagoevgrad* *Address: Sq. G. Izmirliev No 9* *Tel.: +359 (73) 88 14 01* *Fax: +359 (73) 88 14 03* *Web-site: http://www.blagoevgrad.government.bg* *Regional administration Smolyan* *Address: 14, Bulgaria bul.* *Tel.: +359 301 6 01 92, +359 301 6 01 84* *Web-site: https://sm.government.bg/*	*Low*	*Low*	*The district administrations implement the local state policy, but its functions do not directly concern the Agri-Food Sector.* *Local public organizations can also have a negative impact - e.g. due to bureaucracy and sometimes low administrative capacity to delay important procedures, steps and decisions, as well as to protect economic interests harmful to nature and local communities with strong lobbies in power. Civil society is a particularly important corrective in this regard.* *At the municipal level, Integrated Development Plans are adopted (for the period 2021-2027), in which the to circular economy and the process of transition to it, is given a significant place.*	*The municipal administrations implement the decisions of the municipal councils and the mayors of the municipalities, as well as having obligations and powers, especially with regard to the quality and protection of the environment, including biodiversity.*	*The district administrations of each regional center approve, adopt and are obliged to implement a program for development at the regional level. This indicates a low level of involvement, but at the local level, stakeholders are obliged to do everything possible to attract it to support their activities.* *Municipal administrations approve, adopt and are obliged to implement municipal programs for social and economic*	*In the described context, the level of participation and contribution of municipal administrations can be high and even very high if interaction with them is actively sought. Their participation and interest will also depend on the current state of the sector and the potential for transition to the circular economy's mechanism, the territorial share of the used agricultural land and the economic activity of the farmers and producers of the given*

	Regional administration Kardzhali Address: 41, Bulgaria bul. Tel: 0361/60150 Fax: 0361/60151 Web-site: https://kardzhali.org/newsite/ Regional administration Haskovo Address: 5 Svoboda Square Tel: +359 38 608 011 Web-site: https://www.hs.government.bg/en					*development, including in relation to agriculture, animal husbandry and the light and food industry.*	*municipality. This leads to different degrees and nature of the interest of individual municipalities, and therefore should be taken into account by stakeholders, as an individual approach is needed in working with each municipality.* *Particular emphasis, regarding the circular economy concept should be placed on the activities on:* *- building institutional capacity,* *- raising awareness and building*

							sustainability by strengthening infrastructure, - protecting natural capital, etc.
Population of the studied Cross-Border Area							
Local communities	*788 590 people* *Total population for the four districts on the Bulgarian side in the cross-border region by 2020*	*High*	*High*	*The importance of the local population and communities is significant and serious in relation to the state and development of the Agri-Food Sector.* *The development of agriculture in the considered cross-border region of Blagoevgrad, Smolyan, Kardzhali, Haskovo is associated with activities that have a strong, direct and at the same time, indirect impact on soil, water, air, biodiversity and other natural resources.* *Agriculture and the related food industry provide food for the local population and at the same time are directly dependent on the quality and sustainability of the natural resources and ecosystems in which they operate.*	*The Agri-Food Sector is a major source of income for the population in the villages and for most municipalities in the Blagoevgrad District. Its specialization in the country's crop production is determined by the production of tobacco, potatoes, tomatoes, peaches, grapes.* *In the Smolyan District, due to the specifics of the relief - the mountain massif*	*The concepts of the circular economy, the bioeconomy and the blue economy make it possible to balance environmental, social and economic goals and to guide human activity towards sustainability[47].* *The circular economy is a key pillar of the European Green Pact, the EU's*	*- local communities play a vital role in the sustainable management of natural resources and the conservation of biological diversity; - the local population should play a particularly active role in initiating projects to promote agri-*

[47] DRAFT OPINION of the Committee on Agriculture and Rural Development for the Committee on Industry, Research and Energy on the proposal for a decision of the European Parliament and of the Council establishing a specific program of implementation of the Horizon Europe Framework Program for Research and Innovation (COM (2018/0436 - C8-0253 / 2018 - 2018/0225 (COD)), Rapporteur: Elsie Kataynen, 13.7.2018, Available from https://www.europarl.europa.eu/doceo/document/AGRI-PA-625364_BG.pdf

				Simultaneously, however, with the change in climate, the use of natural resources is increasingly pressing them, as it is associated with imbalances, respectively environmental sustainability. *In addition to production, the emphasis is on consumers. Awareness and responsibility of the local population stimulates the demand for eco-products, recycled content, biologically compatible products, etc., as well as ways to recycle them at the end of their "life". An important focus is the creation of provocations for critical thinking and awareness of environmental issues among the local population.*	*of the Rhodopes, in the Agri-Food Sector there is a serious weakness resulting from the incomplete functioning of the distribution chain. This is largely due to the lack of connection and coordination between the extractive and processing sectors, and subsequently inefficient sales.* *Local communities in Kardzhali district traditionally grown oriental tobacco, potatoes, corn for grain, beans, sunflowers, tomatoes, peppers, watermelons, melons, oats, barley and some industrial crops (flax, cotton, peanuts, etc.) and essential oils and medicinal herbs (lavender, mint, oil rose, etc.) and fruits.*	*growth strategy for climate neutrality by 2050.* *The circular economy should become an important aspect of people's lives, especially with regard to the protection of the environment and the food problem, which, although global as problems, have their local dimensions. For the local population, they are related to the major problems of environmental protection and use of resources, the measures against climate change, as well as the disposal of waste and its recycling and subsequent use. In*	*environmental and innovative practices, in particular local initiatives based on sustainable and resilient agriculture and food systems;* *- the local population should play an active role in the exploitation of resources and raw materials and related extraction and processing activities throughout the life cycle of these activities;* *- actively seek and engage in short supply chain optimization initiatives and local initiatives that increase food independence to*

					In general, the agricultural products are intended to meet their own needs. *In the Haskovo District there are traditions in the field of agriculture and this is largely due to the favorable near-geographical characteristics of the territory on which it is located.* *Environmentally friendly practices, sustainable agriculture, eco-design, waste prevention, reuse and other similar measures in agriculture and food production can lead to net savings for farms / enterprises, while reducing overall annual greenhouse gas emissions.*	*its essence, the circularity in the concept of the circular economy is relevant both to the way of production and to the way of life, including the traditions in agriculture and animal husbandry, processing and food production. All this is reflected in the EU Circular Economy Action Plan to separate economic growth from resource use through the production and consumption of durable, reusable and repairable products. Its implementation at Union level, as well as at lower*	*reduce vulnerability to disruption in international markets and mitigate climate change;* *(short supply chains are a key component of agri-environmental systems)* *- manifestation awareness of the importance of rural transformation and the strengthening of local and regional chains for sustainable job creation, while mitigating the effects of climate change;*[48]

[48] Report on the impacts of climate change on vulnerable populations in developing countries, Available from https://www.europarl.europa.eu/doceo/document/A-9-2021-0115_BG.html

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

					.	*hierarchical levels, provides a key set of tools that local communities are interested in using to solve the problems and dilemmas of well-being they face, in the context of sustainability and the SDGs.*	
Farmers / Shepherds / Agricultural Companies, Owners, Tenants, Associations and Cooperatives							
Farmers - not possible (and not necessary) to specify; Agricultural companies, owners, tenants, associations and cooperatives.		*High*	*High*	*The importance of agriculture and animal husbandry, especially their traditional forms in mountainous areas, are of great importance for each of the areas in southern Bulgaria. Food production and processing are just as important. For agricultural practices (eg grazing livestock, beekeeping, etc.), the resilience of ecosystems is vital. That is why farmers, shepherds and the agricultural business are important partners in nature conservation, incl. and to establish the basis for the development of a circular economy. They themselves, together with food*	*An important detail is the consideration of the opinion reflected in the draft Opinion of the Committee on Agriculture and Rural Development of the European Parliament from 2018 that "Nutrition of the growing population of the planet is directly dependent on agriculture and food*	*The circular economy is seen as an engine for sustainable and regional development[50]. For the local agricultural business (farmers, agricultural companies, owners, tenants, associations and cooperatives),*	*It is important that the local community, local government and stakeholders (for) the development of the circular economy encourage the farmers and the agricultural business (agricultural*

[50] REPORT A8-0184 / 2018 on cohesion policy and the circular economy Committee on Regional Development of the European Parliament, Rapporteur: Davor Škrlec, (in Bulgarian), Available from https://www.europarl.europa.eu/doceo/document/A-8-2018-0184_BG.html

				companies, have a direct interest in the circular economy, whose conceptual nature supports agricultural yields and ensures sustainability for the processing industry.	*production, as well as However, in addition to climate change, growing demand for natural resources from humans is putting pressure on the environment that far exceeds sustainable levels and affects ecosystems and their ability to serve human well-being.* *The concepts of the circular economy, the bioeconomy and the blue economy make it possible to balance environmental, social and economic goals and to guide human activity towards sustainability."*[49]	*the transition from a linear to a circular model can only be achieved through cooperation and linking business models. With this in mind, regional cooperation and coordination, as well as the possibility of creating regional markets, are crucial.* *As stakeholders, local farmers in the four cross-border areas are interested and should aim to accelerate joint capacity building. Therefore, for them, participation in cross-border and*	*companies, owners, tenants, associations and cooperatives) in general to learn about, understand and integrate the basic economic tenets related to it.* *Also, initiating and supporting the introduction of environmentally friendly practices in agriculture is of great importance for the transition to a circular economy and sustainable development. Local stakeholders need to support the training of*

[49] draft Opinion of the Committee on Agriculture and Rural Development of the European Parliament, 13.7.2018 (in Bulgarian), Available from https://www.europarl.europa.eu/doceo/document/AGRI-PA-625364_BG.pdf

						transnational cooperation programs should be important, especially to support interregional cooperation in the field of circular economy activities, promote industrial symbiosis, raise awareness and stimulate knowledge exchange and - good practices.	*local farmers and other agricultural business representatives in agri-environmental measures provided under the various programs directly or indirectly related to the circular economy, as well as in understanding the financial and environmental benefits it provides.*
Processing and production companies							
Companies for processing and production of food products, natural products and for processing of agricultural and laundry products - - not possible (and not necessary) to specify		*High*	*High*	*The food industry in the four districts under consideration - Blagoevgrad, Smolyan, Kardzhali and Haskovo is an important part of the local economy***.** *Blagoevgrad district has a diversified economic structure in which the food and processing industries are a major component.*	*Local companies from Blagoevgrad district specialize in the processing of animal products, fruits, vegetables, as well as the production of alcoholic beverages.*	*The interests, goals and attitude of the activities of this group of stakeholders to the circular economy, environment, climate,*	*In the whole considered cross-border region between Greece and Bulgaria - for the Bulgarian country, so far in the food*

				For the Smolyan district, structurally, the processing industry forms 37% of the regional industry[51]. Economic activity is not very high and is rather associated with declining economic potential and adverse structural changes. *The Kardzhali district has established traditions in the field of processing and mining. The enterprises of the food industry registered economic growth. The district has the best traditions in Bulgaria in the cultivation of oriental tobacco and light industry.* *The industry in Haskovo district is characterized by a well-developed industry structure and established market traditions. The largest wine companies in the district are: "New Industrial Company" Haskovo, Wine House "Sakar" JSC Lyubimets, "Katarzhina Estate" Svilengrad, "Terra Tangra" Ltd. Harmanli, "Wine Cellar Stambolovo", Cellar "Yamantievi" Ivaylovgrad and others.* *As in the agricultural sector, there are too many examples of both positive and negative impacts of the food industry on the environment and*	*For Smolyan district, among the significant productions is the extraction and bottling of mineral water, which is exported.* *In Kardzhali district, the companies in the sector for production of food products, beverages and tobacco products are oriented mainly in bakery, confectionery, milk processing, meat processing and tobacco processing. Dominant for the regional food industry in Haskovo district are the productions of wine, food, beverages and tobacco products. The food industry on the territory of the district is represented also by*	*biodiversity and their impact in general, as well as in particular in relation to the development of Agri-Food Sector in the studied districts are completely similar to the above group (agricultural producers). Here their direct interest is fully understandable, but unfortunately it is not sufficiently expressed.*	*industry there are mostly small companies. There is interest from foreign investors, but it is not constant and with particularly high levels. Important strategic goals and commitments of companies in the food sector should be voluntary initiatives for corporate social responsibility, in order to achieve social and environmental goals that go beyond legal requirements.*

[51] Data by the Smolyan Chamber of Commerce and Industry, Available from http://rcci.bcci.bg/smolyan/68

				sustainability, that do not need to be listed. It is important for the local community and the countries interested in sustainable development to attract entrepreneurs in this sector and to promote the postulates of the circular economy among them. Undoubtedly, the introduction of sustainable and environmentally friendly practices in the food sector is of great importance for the transition to a circular economy. Local stakeholders need to support their training on agri-environmental, innovative and sustainable measures, product certification and quality management, environmental standards, etc.	*bakery and confectionery, meat processing industry, dairy and canning industry.*		*Many good examples and practices in this regard can be found at European level. Moreover, at the level of EU policies, the Commission has developed a strategy for corporate social responsibility, and at the international level, the ISO 26000 standard for social responsibility provides guidance on how companies and organizations can work in a socially responsible way.*
Non-governmental organizations / Branch organizations							

National NGOs Bulgarian Chamber of Commerce and Industry	*Sofia 1058, 9 Iskar Str tel: (+359 2) 8117 400, 987 26 31 Automatic telephone exchange: (+359 2) 8117 + extension number E-mail: bccibcci.bg Web-site: https://www.bcci.bg/telephones.html*	*High*	*High*	*A significant part of the NGOs working at the national level are organizations in the field of production, but there are also those by industry. The main and especially important organization is the Bulgarian Chamber of Commerce and Industry, which has its regional branches in the four areas under consideration. The national structure, as well as the local and representative offices work at a high expert level and liaise with local and national public institutions. Together with other local organizations and research institutions, NGOs, donors and partners from the country and abroad, they work in the field of applied aspects of environmental protection and ecology, biodiversity, sustainable use of resources, social entrepreneurship, the circular economy, etc. Therefore, they have an extremely high interest in adapting the essential elements of the circular economy to the specifics of farmers, stockbreeders and producers at national and local level.*	*The need in Bulgaria to campaign for the benefits of the circular economy should be assessed as important and urgent. Given that the circular economy is part of measures to combat climate change and therefore a priority, it should be included in the "agenda" of national, regional and / or local NGOs, operating at national and regional level*	*Bulgarian Chamber of Commerce and Industry established in 2021 the Council "Circular Economy - Green Alternative for Bulgaria" (KIZA-BG) in 2021. It aims to present innovative technological solutions and products of Bulgarian companies related to the application of circular business models in various industries. The goal of KIZA-BG is to support Bulgarian business for a smooth transition to a circular economy by implementing innovative*	*Bulgarian Chamber of Commerce and Industry is in the process of joining the initiative of the International Chamber of Commerce - Paris Chamber Climate Coalition (Chamber Coalition to Combat Climate Change), which aims to engage the chambers in a kind of battle against adverse climate change. At the national level, NGOs show a high degree of commitment to issues, topics, training and, in general, the challenges facing the*

						business models, products and technologies that will reduce production waste and reuse it in accordance with the priorities of the Green Deal for industrial transformation. *In pursuance of this goal, the Council envisages the organization of various activities and information events related to the presentation of new technologies or products, sources of funding for innovative production solutions, training, expert assistance and more. More information about the Council can be found at*	*process of transition to a circular economy of the economy in Bulgaria. This is not just a zoom for the Agri-Food Sector, but rather the economy, but also society as a whole in Bulgaria.* *Bulgarian Chamber of Commerce and Industry, and in particular the Circular Economy Council, should continue to provide more opportunities for innovative companies to offer "green solutions", as well as work to provide greater support to businesses*

						http://www.cega-bg.com/	*applying the principles of the circular economy.* *This determines the principled interest at the national level among NGOs in establishing and properly managing the process towards the transition to a circular economy, in partnership with the Ministries of Environment and Water, Agriculture and Economy.*
Regional and / or local NGOs Blagoevgrad Chamber of Commerce and Industry Federation of Bakers and Confectioners in Bulgaria; Regional Vine and Wine Chamber	*Blagoevgrad, Todor Aleksandrov St 23, office 62-64 tel: +359 73 885 017 fax: +359 73 885 018*			*Chamber of Commerce and Industry - Blagoevgrad brings together 170 members with the right to vote and over 1300 associated members.* *Through the registration of the companies in the BCCI Unified Trade Register, the information about them is available through the Internet for Bulgarian and foreign consumers. The*	*Regional and local NGOs are more focused on local community development, the social environment, the economy and tourism, and less so on agriculture and the food industry. In*	*Regional NGOs could successfully mobilize and involve their own local community in promoting the concept of the circular economy, because at the local level, the*	*The circumstances, concerning the activities and role of NGOs, determine their interest in principle to promote the postulates of the*

Regional Agency for Economic Development Union for Citizens' Economic Initiative	*Web-site: www.cci-bl.org*			*Chamber brings together more than 44,000 members. From 2008 to the Chamber of Commerce and Industry - Blagoevgrad operates the Europe Direct*	*any case, they all have a direct interest in the development of the circular economy and the fight against climate change, as they are expected to represent the interests of local people and therefore be important participants in the future sustainable development of their respective areas. It should be noted that some local NGOs are active in developing sustainable livelihoods (such as those listed in the far-left column).*	*local population has built relationships, lives in a community, shares values and moral norms, which in most cases are a prerequisite for mutual trust. This is a very important advantage for them and should ensure very good complementarity in their cooperation with national NGOs and encourage a high degree of participation of other stakeholders at the local level. However, it is possible that local NGOs may also have negative effects, especially when their activities are related to*	*circular economy by initiating projects, participating in such or organizing information campaigns. The participation of experts at national level from the national representations of NGOs, together with experienced local members in the planning and implementation of some future activities related to the implementation of the principles of the circular economy, should be noted as particularly necessary. Regional*

						incorrect practices or lobbying investment intentions, or pursuing the interests of local authorities.	*organizations must, in addition, focus their efforts on mobilizing and involving local communities in the common goals of environmental protection, waste generation, recycling, and the adoption of innovative and environmentally friendly and environmentally friendly agricultural practices. This would be possible by setting realistic targets, if necessary, with regional differentiation, to stimulate innovative technologies and their entry*

							into the Agri-Food Sector.
Smolyan Smolyan Chamber of Commerce and Industry Branch Union of Wood Processors Branch Union of Bakers to the National Association	*Smolyan, Municipal administration - east wing p.k. 44 tel .: (0301) 2 88 55 fax: (0301) 2 88 54 e-mail: smcci@mbox.digsys.bg*			*The Smolyan Chamber of Commerce and Industry has around 413 member companies. Its priorities for the development of the Smolyan region are related to tourism, small and medium enterprises, logging and wood processing, mining, technical and transport infrastructure, cross-border cooperation, employment and human resources development.*			
Kardzhali Kardzhali Chamber of Commerce and Industry Union of Bakers Union of Entrepreneurs To be created: Union of Agricultural Workers and Tobacco Producers	*6600 Kardzhali Otets Paisiy Street 3 tel / fax: (0361) 5 79 97 e-mail: kjlcci @bcci .bg*			*Kardzhali Chamber of Commerce and Industry is an organization with universal membership of companies from all sectors, both micro companies and large enterprises.*			
Haskovo Haskovo Chamber of Commerce and Industry Association of Dairy Producers	*6300 Haskovo Tsar Osvoboditel Street № 4*			*There are currently about 200 members from the Haskovo region in the Haskovo Chamber of Commerce and Industry. The Chamber also offers assistance to individuals and non-*			

Chamber of Industrial Bakers Regional Union of the Federation of Bakers Federation of Meat Producers	*tel .: (038) 66 11 12* *tel./fax: (038) 66 55 02* *Email: hcci@bcci.bg; haskovocci@gmail.com*			*member companies. Its main goals are aimed at:* *- assistance to its members in optimizing the conditions for economic activity in the country and abroad;* *- representation and protection of the united interests of the members before the local self-government bodies and through the Bulgarian Chamber of Commerce and Industry / BCCI / - before the central bodies of state power and administration;* *- representing its members before local, foreign and international organizations with which the Court maintains partnerships directly or through the BCCI;* *- assisting its members to increase their opportunities to participate in international markets.*			
Research and educational institutions: Scientists and Students							
South West University ,,Neofit Rilski"	*2700, Blagoevgrad 66, Ivan Mihailov str.* *Web-site: https://swu.bg/bg*	*Medium*	*High*	*Higher education institutions in the region, including the branches that are being opened, offer training in specialties in the professional fields of economics, ecology, business administration, tourism, chemistry and biology.*	*The orientation and the purpose of higher education presupposes a fundamental interest of the management, the academic staff and the students*	*The degree of participation of higher education institutions in the process of transition to a circular economy should potentially*	*In general, higher education institutions prepare staff for areas that will subsequently have a direct*

American University in Bulgaria Smolyan branch of Varna Free University Smolyan Branch of Plovdiv University "Paisii Hilendarski" Agricultural Vocational High School "Kliment Ark. Timiryazev " Vocational High School of Agricultural Mechanization, Razlog Vocational Forest Technical High School, Bansko	*2700, Blagoevgrad 1 Georgi Izmirliev Square* *Web-site: https://www.aubg.edu/office-directory* *Web-site: http://ksp.vfu.bg/bakalavar/index.php#smolyan* *Web-site: https://uni-plovdiv.bg/pages/index/45* *2800, Sandanski 1, "Georgi Kazepov" str. Tel.0746/3 24 48* *139 Ekzarh Yosif Street 074780156/074780167*	*High*	*High*	*In these cases, the connection with the problems of the circular economy is indirect, but in fact, the importance that universities have is particularly great. First of all, this means that by training students in the fields they want, they have the opportunity to develop knowledge, skills and competencies in students related to the nature of the circular economy and its effects and relationships with other components of socio-economic life. Also, these universities can develop joint activities with public and non-governmental organizations, as well as in the implementation of projects, as well as in assigning students to applied research through diploma or course work, in conducting student internships and more.* *Specialized secondary schools are also important in terms of economic, environmental and environmental education, which has received increasing attention in recent years. Their interest is direct, the effect is significant, as they prepare local children for implementation in local communities, which is important in terms of knowledge that students can acquire in school and which can be subsequently implemented in*	*themselves in the problems of economic development, climate change, environmental pollution, and in general in the approaches and mechanisms for overcoming them. In this sense, the interest in the issues of the circular economy and the transition to it should be great.* *It is in the interest of secondary schools to develop and offer compulsory and / or optional training programs in relation to resource management, waste recycling, agriculture, the food industry and the circular economy. In this way, they will contribute to raising the awareness of students aged 15-19.*	*be very high. Interaction with teachers and students from higher education for some activities will be very useful, e.g. in research on waste disposal, geomorphology, use and protection of soils, biodiversity, etc. in the framework of dissertations, student internships, etc.* *Secondary schools are interested and this is one of their goals - to be attractive to students. That is why the educational institutions listed in the far-left column participate in various projects*	*impact on the functioning of the economy in terms of completion and circularity, which is why they are also important partners.* *A very good approach is to attract secondary schools for the purpose of environmental and nature protection education of students. Specialized schools (especially those related to natural and mineral resources, agriculture and tourism) can conduct practical*

Vocational high school of economics Blagoevgrad Vocational High School of Agriculture and Forestry Kardzhali Vocational high school in the town of Jebel Aleko Konastantinov Vocational High School of Economics PG on SGST NY Vaptsarov Vocational high school of economics Karl Marks, Smolyan	*Bansko, 2770 Str. Bulgaria 31 074988294 0879167402* *Blagoevgrad, residential complex Alen Mak, Boris Angelushev Street 0893387503 Web-site:* [*https://pgiblg.com/*](https://pgiblg.com/) *Karzhali 1, Agrarna Street, tel.* 0361/62850; 63990 *Jebel, 20 Ivan Vazov Str. Web-site:* [*http://pg-ruskapeeva.com*](http://pg-ruskapeeva.com) *4700 Smolyan 1 Elica Str. Smolyan,*			*agricultural and production practice in the food sector.*		*and events, which in practice stimulate interest in the programs and specialties they offer. A particularly good example in this regard is the Agricultural Vocational High School "Kliment Ark. Timiryazev "* *Each of the schools hosts many trainings, exhibitions, waste collection campaigns for recycling, as well as events in the field of economics and agricultural production.*	*training activities.*

	Tel. 03051/20-82;29-83 *Web-site:* *http://pgi-smolyan.info/*						
Local and regional media, branches and correspondents of national media							
Local and regional radio stations Local and regional publications Regional Television Center - Blagoevgrad	*Regionalen Televizionen Center-Blagoevgrad* *Local media Smolyan, Kardzhali, Haskovo Web links http://www.predavatel.com/bg/4/kardzhali*	*High*	*High*	*The role of local and regional media, as well as branches and correspondents of national media in presenting the nature and direction of the transition to a circular economy is great. Their connection, as stakeholders, with the specifics of activities in the field of agriculture and food industry is indirect and is expressed primarily in the coverage of news concerning the circular economy, as well as in communicating with society problems and successes in building institutional capacity, raising awareness and building sustainability by strengthening infrastructure, protecting natural capital, etc., as well as the benefits they bring to local communities.*	*A large part of the audience, and especially the young population on the one hand, is increasingly sensitive to issues related to the environment, resource protection and social inclusion; on the other hand, they expect to hear, see, read such media materials, but for the most of them it is preferable the information to be online based.* *Of course, the influence of the national media remains great - especially on BNT, which has specialized sections with an eco-*	*Given that the popularity of the media is important, it should not only connect with viewers, readers, listeners, but also with advertisers. In this sense, the media have a direct and significant interest, especially of a financial nature, when the economy and agriculture, especially in regional cases, provoke topics of interest and develop, engaging the local*	*- Bulgarian print and electronic media are expected to be an important partner in the process of transition to the circular economy, promoting important issues and reflecting the problems and achievements in the field of agriculture and food industry.* *- They are almost directly related to this issue and their level of participation is*

					character - "Green Light", as well as special programs such as "Furrows"; sections on agriculture, the food industry and the circular economy are also available in the print media as part of the concept of sustainable development; The situation is similar on the air, where topics related to sustainable breakdown, regional problems and opportunities for the Agri-Food Sector in general are discussed.	*community as a whole.*	*becoming higher.* *- An important point is the emphasis on the need for local stakeholders to take advantage of this trend for their own purposes in the course of informing, adapting and perceiving the essential components of the circular economy.*

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the

Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

Carrying out an analysis of stakeholders in the Agri-Food Sector in the Bulgarian part of the Cross-Border Area, as well as a mirror one from the Greek side, will help clarify the existing relationships and reflections on their development. It will also help to assess how these stakeholders can benefit the conservation of resources, the promotion and the sustainable development of the Agri-Food Sector.

The used matrix table is a standard one, but with adaptation it can be applied for the stakeholder analysis purpose in any field. Its preparation is recommended in order to clarify the roles of stakeholders and the positive or negative impacts that can be expected from them. The results may also identify how a particular stakeholder group can (or should) be involved in sector development activities.

The planning of activities in the Agri-Food Sector in the Bulgarian side of the Cross-Border Area, should be based on the approach to strong sustainability, which according to Gibson (2013)[52] helps to avoid compromises between social, economic and environmental issues. In this sense, given that the Circular Economy requires a high degree of coordination of norms and tools[53], it should outline the admissibility of trade-offs and therefore "distinguishing between acceptable and unacceptable impacts becomes a key aspect of trade-off management". of companies and producers employed in the Agri-Food Sector in connection with the adoption of and the transition to a Circular Economy.

In addition, environmental boundaries are mentioned in the EU's Bioeconomy Strategy from 2018[54], and in fact, the issue is also related to the so-called "sustainable bioeconomy"[55], which requires a "strong" approach, so to prevent or limit negative impacts. In this regard,

[52] Gibson, R. (2013): Avoiding sustainability trade-offs in environmental assessment, Impact Assessment and Project Appraisal, 31:1, 2-12

[53] COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS, A new Circular Economy Action Plan For a cleaner and more competitive Europe, available on: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0098&from=DE

[54] European Commission (2018): A sustainable Bioeconomy for Europe: strengthening the connection between economy, society and the environment. Updated Bioeconomy Strategy. Directorate-General for Research and Innovation, available at: https://ec.europa.eu/research/bioeconomy/pdf/ec_bioeconomy_strategy_2018.pdf.

[55] Heimann, T. (2019): Bioeconomy and SDGs: does the bioeconomy support the achievement of the SDGs?. Earth's Future, 7(1): p. 43-57

comments have been found showing that "increased demand for land can lead to land grabbing, relocation, uneven land distribution in terms of soil quality and loss of common land"[56].

For the purposes of the current stakeholder analysis and planning activities, it is important to derive a sequence of activities relevant to regional and local stakeholders. These activities should be specific and “definable”, as well as to be socially and politically correct and should be key to current reform efforts and transformation efforts for the Bulgarian economy to Circular Economy.

There is currently no reliable information on the expectations and concerns of stakeholders. This information could be obtained after public consultation. The activities of the Center, which is planned to be established under the AGROFFICIENCY project, should be oriented in this direction. Some of the actions that can be planned in relation to the Agri-Food Sector and the Circular Economy should be aimed at conducting expert assessments by:

- The local administration, which should provide active support to the stakeholders of the Agri-Food Sector in the process of informing, adapting and transition to a Circular Economy;

- The higher education institutions in the region that can provide support in connection with analyzes and specialized developments on environmental issues;

A very important aspect is to undertake activities to synchronize the expectations of stakeholders in relation to the Circular Economy, as well as not to allow these expectations to exceed the capabilities of companies and producers in the Agri-Food Sector and other stakeholders.

Proper coordination is also needed when it comes to expectations and concerns between professionals from different countries, including local people. They must also support the transition process, despite concerns about existing environmental impacts and hopes of improving the environmental situation in the future.

[56] The same source

A key aspect of stakeholder engagement is by providing them with information in the most convenient way for them. Within the project, the following methods for informing and involving stakeholders can be recommended:

- Conducting an information meeting with the population as an initial activity

- Initiation of public dialogue

(It is advisable to prepare general material for this meeting / dialogue on the current environmental situation and the project to be provided in advance, at least 10 days in advance. It is also recommended that such meetings be held regularly, if necessary, but at least once every six months.)

- Conducting thematic round tables to identify sensitive issues affecting stakeholders;

- Conducting working meetings with local authorities;

- Establish a public reception to effectively provide access to materials for the Circular Economy and maintain feedback (Hotline recommended to provide ongoing feedback as well as social media profiles);

- Dissemination of information through the official website of the project and local media, as well as the placement of visual information in public places.

Focusing on the planning of activities related to the Agri-Food Sector, stakeholders and the Circular Economy, special attention should be paid to the European Circular Economy Stakeholder Platform (https://circulareconomy.europa.eu/platform/) as a useful place for stakeholders to exchange information. Due to the fact that the Bulgarian Agri-Food Sector still feels the lack of sufficient information about the Circular Economy, the framework documents outlining the guidelines and challenges for its establishment in Bulgaria, as well as examples of good practice, the Platform is the link that can be guiding and supportive.

The plan itself, as a focus, in addition to a set of actions, could be pointed on the establishment of the position of the Cross-Border Area between Greece and Bulgaria as a Circular Economy hotspot is Agri-Food Sector. Of course, in this direction, it should involve local community and public and private entities from the agriculture and food industry in a system that seeks to keep materials in the local economy, and to promote efficiency, circularity and sustainability as competitiveness and differentiation factors for the regional economy. It should be also aimed to ensure that Agri-Food Stakeholders act as Circular Economy leaders in their sectors, adopting best practices and creating innovative solutions based on circularity principles.

The key areas for the deployment of this plan should be the agri-food production, consumption, waste management, social responsibility, innovation and sustainable investments. As in the specific case, to take into account the implementation of the pilot activities envisaged under the AGROFFICIENCY project, as follows:

- Establishment of a Business Support Center
- Targeted consulting of SMEs about existing Green Labeling Schemes (GLS) and Circular Economy (CE) best practices;
- Developing of an E-Support Platform by means of which, entrepreneurs will be able to find available funding resources in order to jumpstart investments in innovative ideas and trigger their business growth;
- Development of "Circularity Strategies for SMEs Handbook";
- Organization of training seminars, counselling workshops, hybrid networking and innovation forum for Agri-Food Stakeholders.

In this regard, some general recommendations can be made regarding the expected effects in the planning of the listed activities aimed at supporting the achievement of sustainable and competitive economic development in the territory under consideration, taking into account the postulates of the Circular Economy. They concern in particular: The development of the Agri-Food Sector by supporting farmers and small and medium-sized enterprises for the development of new agricultural crops and the introduction of new technologies in production; Improving the skills of the workforce; Support for the growth of agricultural holdings and enterprises by improving the quality and promoting the use of ICT; Support for innovation in agricultural holdings and enterprises to improve production capacity for growth through the efficient and effective use of factors of production; Encouraging entrepreneurial activity, incl.

of young people; Improving business access to markets; Stimulating the production of innovative products; Creating a favorable business environment through diversification and alternative activities; Development of entrepreneurship and growth capacity with care for the environment; Promoting the entrepreneurial activity of women and minority groups; Development of cooperation between business and scientific circles for the implementation of innovations in agricultural holdings and enterprises.

5. SUMMARIES AND CONCLUSIONS

Solving the food problem is one of the main tasks facing the world today. It should be achieved against the background of global challenges such as demographic and climate change, health and social insecurity and threats. All of them make it even more difficult to consider, build and ensure the sustainability of the system for the production of agricultural products and food. Against this background, the Circular Economy is perceived as an advanced approach, enabling the Agri-Food Industry to increase production efficiency while limiting the harmful effects on the environment.

In conclusion, the analysis can be summarized that, in essence, the actions of identified stakeholders should be aimed at mastering information on the topic of the circular icon, familiarity with regulations and funding programs, as well as focus on measures to overcome the problems in agriculture and the shrinking of crop and livestock production, as well as the partial technological backwardness in food production.

Data from various sources show that Bulgaria has the potential to develop the Agri-Food Sector. They also show evidence that the global market for organic products is particularly dynamic. An annual increase of 4 to 10% of production is indicated, with a minimum of 10-12% annual growth in consumption. Such information can be indicative of the global market opportunities, as well as consumer attitudes towards the consumption of organic products[57]. The question is based on the readiness of the Bulgarian Agri-Food Sector to discover them and take advantage of them. As a result, it will achieve higher efficiency, in parallel with the creation of conditions for environmental protection during the "closing" of the production cycle. In this regard, however, the role of stakeholders, which is great in terms of motivation for the sustainable functioning of an economy based on the principle of circularity, must be highlighted.

[57] CHALLENGES FOR BULGARIAN AGRICULTURE AND RURAL AREAS FOR THE IMPLEMENTATION OF THE NEW CAP (2020), Institute of Agrarian Economics - Sofia, Avangard Prima, Sofia, p. 133

Therefore, it should be emphasized once again that the planning and implementation of activities in the Agri-Food Sector in the Cross-Border Area, both on the Bulgarian and Greek sides, should be based on the approach to strong sustainability, cooperation, innovation, improvement and lifelong learning in line with the Sustainable Development Goals.

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

6. REFERENCES

1. ANALYSIS OF THE CONDITION OF AGRICULTURE AND THE FOOD INDUSTRY, SWOT ANALYSIS, Institute of Agrarian Economics (2020). (АНАЛИЗ НА СЪСТОЯНИЕТО НА СЕЛСКОТО СТОПАНСТВО И ХРАНИТЕЛНОВКУСОВАТА ПРОМИШЛЕНОСТ, SWOT АНАЛИЗ, Институт по аграрна икономика – София, Януари, 2020 г.). Available on: https://www.mzh.government.bg/odz-kardzhali/Libraries/%D0%9E%D0%A1%D0%9F_2021-2027/analiz_na_sstoianieto_na_selskoto_stopanstvo_i_khranitelno-vkusovata_promishlenost_izgotven_ot_institut_po_agrarna_ikonomika.sflb.ashx (February 2022);
2. Babiuch, William M. & Farhar, Barbara C. (1994). Stakeholder Analysis Methodologies Resource Book (pdf), I NREL/TP-461-5857 UC, p.18, Available from: National Technical information Service, US. Department of Commerce;
3. BANSIK 2013 FINAL RESULTS for sowing and use on the territory of BULGARIA in 2013. Available on: https://www.mzh.government.bg/media/filer_public/2018/02/22/ra253_publicationbancik2013.pdf (February 2022);
4. Blagoevgrad District is the first in the country in terms of the number of small cattle raised, Posted by Hristian Tilkian, Date: February 17, 2020 (Област Благоевград е първа в страната по брой отглеждан дребен рогат добитък, Публикувано от Християн Тилкиян, Дата: февруари 17, 2020), available at: https://savetivzemedelieto.bg/ (February 2022);
5. Bulgaria - Country Commercial Guide, Agricultural Sectors, available at: https://cc.bingj.com/cache.aspx?q=bulgarian+agriculture+&d=4813516165416132&mkt=en-WW&setlang=en-US&w=hWoFAoPCgNGM70NTkxLhIH1TVraUF62b (February 2022);
6. Business profile of Haskovo district, available at: https://www.hs.government.bg/page/248-biznes-profil-na-oblast-haskovo (February 2022);
7. CHALLENGES FOR BULGARIAN AGRICULTURE AND RURAL AREAS FOR THE IMPLEMENTATION OF THE NEW CAP (2020), Institute of Agrarian Economics - Sofia, Avangard Prima, Sofia, p. 133

8. Census of agricultural holdings in 2010 SMOLYAN DISTRICT - main results (Преброяване на земеделските стопанства през 2010 година ОБЛАСТ СМОЛЯН – основни резултати), available at: https://www.mzh.government.bg/media/filer_public/2018/02/21/221-publication-census2010-smolyan.pdf (February 2022);

9. COMMISSION STAFF WORKING DOCUMENT, Commission recommendations for Bulgaria's CAP strategic plan Accompanying the document Recommendations to the Member States as regards their strategic plan for the Common Agricultural Policy, 2020, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0369&rid=4 (February 2022);

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS, A new Circular Economy Action Plan For a cleaner and more competitive Europe, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0098&from=DE;

11. Data from the National Agricultural Advisory Service – Haskovo, Available from https://www.naas.government.bg/bg/ (February 2022);

12. Data by the Smolyan Chamber of Commerce and Industry, available at: http://rcci.bcci.bg/smolyan/68;

13. Dion, J. (1992). OPA Draft Scoping Paper - Stakeholder Analysis. September 3. U.S. Dept. Of Energy;

14. DISTRICT STRATEGY for regional development of the district Blagoevgrad 2014 - 2020. Available at: http://www.bl.government.bg/images/stories/documenti/Strategies/Blagoevgrad_v4_073113.pdf (February 2022);

15. DISTRICT STRATEGY FOR DEVELOPMENT OF KARDZHALI DISTRICT FOR THE PERIOD 2014 – 2020, Available at: https://kardzhali.org/newsite/wp-content/uploads/2020/10/OSR_2014-2020_FINAL.pdf (February 2022);

16. DISTRICT STRATEGY FOR DEVELOPMENT OF HASKOVO DISTRICT FOR THE PERIOD 2014 – 2020, Available at:

The Project is co-funded by the European Regional Development Fund (ERDF) and by national funds of the countries participating in the Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

https://www.hs.government.bg/uploads/ckeditor/files/stories/2013/07/dok/osrfin1.pdf (February 2022);

17. Draft "Strategic Plan for Agricultural and Rural Development for the period 2023 - 2027", available at: https://www.moew.government.bg/static/media/ups/articles/attachments/suobshtenie1b067b49df690f649b98fc5555cbeca2.pdf;

18. Draft Opinion of the Committee on Agriculture and Rural Development of the European Parliament, 13.7.2018 (in Bulgarian), available at: https://www.europarl.europa.eu/doceo/document/AGRI-PA-625364_BG.pdf;

19. DRAFT OPINION of the Committee on Agriculture and Rural Development for the Committee on Industry, Research and Energy on the proposal for a decision of the European Parliament and of the Council establishing a specific program of implementation of the Horizon Europe Framework Program for Research and Innovation (COM (2018/0436 - C8-0253 / 2018 - 2018/0225 (COD)), Rapporteur: Elsie Kataynen, 13.7.2018, available at: https://www.europarl.europa.eu/doceo/document/AGRI-PA-625364_BG.pdf;

20. Economy and transport, Available at: https://green-kardzhali.bg/%D0%B8%D0%BA%D0%BE%D0%BD%D0%BE%D0%BC%D0%B8%D0%BA%D0%B0/ (February 2022);

21. European Commission (September 2020), Technological trends in the agri-food industry, Available at: https://ati.ec.europa.eu/reports/sectoral-watch/technological-trends-agri-food-industry (February 2022);

22. European Commission (2018): A sustainable Bioeconomy for Europe: strengthening the connection between economy, society and the environment. Updated Bioeconomy Strategy. Directorate-General for Research and Innovation, available at: https://ec.europa.eu/research/bioeconomy/pdf/ec_bioeconomy_ strategy_2018.pdf;

23. Heimann, T. (2019): Bioeconomy and SDGs: does the bioeconomy support the achievement of the SDGs?. Earth's Future, 7(1): p. 43-57;

24. Interreg Greece-Bulgaria, Home-Calls Projects Enhancing the Competitiveness and Sustainable Growth In The Agri-food Sector Through The Promotion Of Circular Economy, Available at: http://www.greece-bulgaria.eu/approved-project/81/;

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

25. Gibson, R. (2013): Avoiding sustainability trade-offs in environmental assessment, Impact Assessment and Project Appraisal, 31:1, 2-12;

26. Krippendorff, K. (1980). Content Analysis: An Introduction to Its Methodology. Beverly Hills: Sage Publications;

27. Ministry of Regional Development and Public Works, 2015, Available at: https://research4committees.blog/2017/10/16/the-economic-social-and-territorial-situation-in-bulgaria/#jp-carousel-1330 (February 2022);

28. Ministry of Environment and Water, Notification section, STRATEGY AND ACTION PLAN FOR TRANSITION TO THE CIRCULAR ECONOMY OF THE REPUBLIC OF BULGARIA FOR THE PERIOD 2021-2027 (СТРАТЕГИЯ И ПЛАН ЗА ДЕЙСТВИЕ ЗА ПРЕХОД КЪМ КРЪГОВА ИКОНОМИКА НА РЕПУБЛИКА БЪЛГАРИЯ ЗА ПЕРИОДА 2021-2027). Available at: https://www.moew.government.bg/bg/strategiya-i-plan-za-dejstvie-za-prehod-kum-krugova-ikonomika-na-republika-bulgariya-za-perioda-2021-2027-g/ (February 2022);

29. National Statistical Institute (NSI), GDP - Production method - national level, annual data, Available form https://nsi.bg/bg/content/ (February 2022);

30. NATIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT OF AGRICULTURE IN BULGARIA IN THE PERIOD 2014 – 2020 (НАЦИОНАЛНА СТРАТЕГИЯ ЗА УСТОЙЧИВО РАЗВИТИЕ НА ЗЕМЕДЕЛИЕТО В БЪЛГАРИЯ В ПЕРИОДА 2014 – 2020 г.). Available at: https://www.president.bg/docs/1380286308.docx (February 2022)

31. National Plan for Reconstruction and Sustainability (The information presented is based on a draft document), Available at: https://evroprogrami.com/finansirashti-programi/plan-za-vazstanovyavane-i-ustojchivost/;

32. Nikolova, G. (2018). BULGARIAN AGRICULTURE AND ITS EUROPEAN DIMENSIONS, Statistics Journal, (Николова, Г. (2018). БЪЛГАРСКОТО СЕЛСКО СТОПАНСТВО И НЕГОВИТЕ ЕВРОПЕЙСКИ ИЗМЕРЕНИЯ, Списание „Статистика“). Available at: https://www.nsi.bg/spisaniestatistika/page/en/details.php?article_id=168 (February 2022);

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

33. Notification for Strategy and Action Plan for Transition to the Circular Economy of the Republic of Bulgaria 2021-2027, (Уведомление за Стратегия и план за действие за преход към кръгова икономика на Република България 2021-2027 г.). Available on: https://www.moew.government.bg/static/media/ups/articles/attachments/notice%20_uv-EO_Kragova_ikonomika4b22b4418c9dcfff0f2b7c038fdb8773.pdf;

34. Performance of the agricultural sector (2021), Eurostat Available from https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance_of_the_agricultural_sector#Value_of_agricultural_output (February 2022);

35. Regional profiles, 2021, available on: https://www.regionalprofiles.bg/bg/regions/blagoevgrad/ (February 2022);

36. Report on the impacts of climate change on vulnerable populations in developing countries, available at: https://www.europarl.europa.eu/doceo/document/A-9-2021-0115_BG.html (in Bulgarian);

37. REPORT A8-0184 / 2018 on cohesion policy and the Circular Economy Committee on Regional Development of the European Parliament, Rapporteur: Davor Škrlec, (in Bulgarian), available at: https://www.europarl.europa.eu/doceo/document/A-8-2018-0184_BG.html;

38. Schmeer, K., Stakeholder Analysis Guidelines, available on: https://www.who.int/workforcealliance/knowledge/toolkit/33.pdf (February 2022);

39. Smolyan District Strategy for development for 2014-2020, available at: https://sm.government.bg/upload/files/Strategia_OblSm%202014-2020.pdf (February 2022);

40. Smolyan region exceeds twice the share of agriculture in gross value added (13.02.2020) (Смолянска област надхвърля двойно дела на селското стопанство в брутната добавена стойност). Available at: https://sinor.bg/57657-smolyanska-oblast-nadhvarlya-dvojno-dela-na-selskoto-stopanstvo-v-brutnata-dobavena-stojnost (February 2022);

41. Stakeholder Analysis Matrix Template, available at: https://tools4dev.org/templates/stakeholder-analysis-matrix-template/ (February 2022);

The Project is co-funded by the European Regional Development Fund (ERDF)
and by national funds of the countries participating in the
Interreg V-A "Greece-Bulgaria 2014-2020" Cooperation Programme.

42. The Circular Economy: what it is and why it is important. (16-02-2021). (Кръговата икономика: какво представлява тя и защо е важна), available at: https://www.europarl.europa.eu/news/bg/headlines/economy/20151201STO05603/krghovata-ikonomika-kakvo-predstavliava-tia-i-zashcho-e-vazhna (February 2022);