

INVESTMENT PLAN – STARA ZAGORA



TABLE OF CONTENTS

1. INTRODUCTION.....	3
2. ANALYSIS OF THE CURRENT STATUS OF THE SECTOR AND NEW CHALLENGES.....	3
3. DEVELOPMENT POTENTIAL IN FRONT OF THE ORGANIC PRODUCTION SECTOR.....	6
4. DEFINING VISION AND MISSION FOR THE DEVELOPMENT OF NEXT GENERATION INNOVATIVE AND ORGANIC AGRICULTURE. PROPOSALS FOR STRATEGIC OBJECTIVES	8
5. ANALYSIS OF STRENGTHS AND RESEARCH POTENTIAL OF STARA ZAGORA.....	8
6. THE PROCESS TO BUILD THE INVESTMENT PROPOSAL.....	10
7. THE ADAPTED VERSION OF THE UIA PROJECT.....	11
8. MEETINGS WITH STAKEHOLDERS AND PROPOSALS FOR DEVELOPMENT.....	12
8.1 Meeting with representatives from the scientific circles.....	13
8.2. Meeting with representatives of the local government (Municipal Council) ...	14
8.3 Meeting with representatives of institutions in support of agricultural producers.....	15
8.4. Meeting with representatives of the business and producer organizations.....	16
9. PROJECT IDEAS FOR ACCOMPLISHMENT OF THE STRATEGIC GOALS.....	17
9.1 Investment project 1 – Establishment of an Agricultural Innovation Centre and development of biological products.....	19
9.2 Investment project 2 – Construction of capacity for farmers and organic producers.....	26
9.3 Investment project 3 – Promoting Bulgaria as a country of organic products on the international markets through participation in international bazaars and building a communication strategy.....	29
9.4 Investment project 4 – Scientific research on the development of next generation agrotechnologies.....	32
9.5 Investment project 5 – Developing a marketing strategy.....	35
10. POTENTIAL SOURCES OF FUNDING AND ADDITIONAL IDEAS FOR UPGRADE.....	38
11. GOVERNANCE AND DELIVERY MODEL.....	39
12. MONITORING AND EVALUATION.....	39
13. COMMUNICATION STRATEGY AND PUBLIC CONSULTATION.....	40

1. INTRODUCTION

The present analysis was made by the Regional Economic Development Agency - Stara Zagora, in compliance with Contract No. 2020 / 12 Aug 2022 signed with Stara Zagora Municipality with the subject of implementing activities related to "Organization and holding of workshops, summarizing the results and proposals for policies for the development of next generation agriculture and organic agriculture under the NEXTAGRI project, iNovative approaches to Education eXperimentation & entrepreneurship in peri-urban AGRiCultural territories, financed under the Urbact program".

The main goal of the project is to develop next-generation agriculture based on training, experimental work and analysis for the development of new agrotechnology's, new crops and organic products. To achieve it, the project envisages an exchange of ideas, experience and good practices with the partners on this topic, in the development of which the Milan Municipality is a leader.

Within the framework of the present study, the results from a study of the main trends in the organic farming sector, both on a national and international scale, with an emphasis on the European Union, have been published. To fulfil the task, four workshops were organized with stakeholders, at which specialists with many years of experience in various fields shared their views and gave suggestions that could complement the efforts of Stara Zagora Municipality. The actors identified were distributed as follows: 1) science and innovation, 2) local government and local policies, 3) farmer support services and 4) farmers and producer organisations.

At the end of the analysis, several sample project proposals have been prepared with set specific parameters such as implementation activities, financial framework and indicative value of the proposal, time scope and duration of the project. They can be included in a target investment plan of Stara Zagora Municipality, aimed at stimulating and promoting organic production in suburban conditions.

2. ANALYSIS OF THE CURRENT STATUS OF THE SECTOR AND NEW CHALLENGES

According to the last officially published analysis of the development of organic farming in Bulgaria by the Ministry of Agriculture and Food in 2014¹, organic farming is an integrated system of agricultural management and food production that combines the best practices in terms of environmental protection, maintains high level of biological diversity, preserves natural resources, applies high standards of animal welfare and production methods, consistent with the preferences of some of the consumers for products produced using natural substances and processes.

The definition of organic farming presented in this way implies the fulfilment of several conditions for achieving productions that comply with certain requirements laid down in the regulatory framework. These requirements focus on the ecological compatibility of biological productions, most often lowering their resource efficiency and production potential. The economic results of these economic entities can be balanced only based on public support or higher sales prices of agricultural products offered on the market.

Organic farming faces several social, economic, administrative, and environmental problems. The potential production of organic farms is directly related to their economic efficiency and their ability to provide the necessary income for the owner and those employed in them. Public support for this type of production has a beneficial effect on the economic state of the sector, but access to the funds provided by the EU CAP is tied to still significant administrative difficulties and a high level of transaction costs associated with the participation of producers in the various support schemes. Opportunities to benefit from the public support for agriculture are mostly available to larger producers, which puts organic productions at a disadvantage, since they, by their very nature, cannot have the same parameters as conventional farms.

Some authors acknowledge that organic farming is important for future global food security, while others consider it useless. Although organic farming is growing rapidly, it currently occupies only 1% of global arable land. However, it is undeniable that organic farming is the fastest growing and most sustainable model of alternative farming.

¹ Ministry of Agriculture and Food, Development of organic agriculture in Bulgaria, Sofia, 2014

According to Crowder & Reganold (2015)², for organic farming to be sustainable, it should be profitable as well. In addition, whether organic farming can continue expanding globally, will be determined mainly by its financial results compared to conventional agriculture. The main factors determining the profitability of organic farming are the crop yields, labour costs, additional support for organic products, overcoming the possibility to decrease income during the transition period to organic production and the potential economies of costs due to the reduced use of non-renewable resources and purchased raw materials.

The economic aspects of organic farming are closely related to the market. It establishes each product from an economic point of view. If there is demand of a given product, the supply of similar products is of interest to farmers, and they improve their production technologies by rationalizing costs and therefore optimize their profit. As a result of that the farmer manages to offer consumers clean and health products at significantly lower prices.

According to Sima (2009)³, on a macroeconomic level the favourable effects from the development of organic farming can be a prerequisite for higher employment rate. Thus, organic farming can contribute to encouraging a viable economy in rural areas. By developing economic activities with considerable added value and great intensity of people employment, tangible results can be observed regarding the interest in rural areas as well.

In recent years, the number of operators and areas within the control system in Bulgaria grows. More and more farmers go for organic production, and more and more consumers look for healthy produce non-polluted with fertilizers and other chemical components. The motivation of both producers and consumers results from the care about the ecological balance on Earth and our own health. The organic products market in the EU and worldwide develops dynamically and regardless of the crisis, it constantly grows.

Yet, future reforms in the Common Agricultural Policy during each subsequent programming period affect organic farming in addition, since the development of rural areas is one of the main goals of European policy.

² Crowder, D. W., Reganold, J. P., Financial competitiveness of organic agriculture on a global scale, Proceedings of the National Academy of Sciences of the United States of America, 112(24), 7611–7616, 2015

³ Sima, E., Impact of organic farming promotion upon the sustainable rural development, Agricultural Economics and Rural Development, 6(2), pp.217-234, 2009

According to Saraceno (2003)⁴, structural changes must be adapted to regional differences and individual entrepreneurial characteristics. Regionally typical products, quality and organic products often have a territorial meaning that is linked to specific knowledge and technologies that can only be identified at a regional level. Diversification of agricultural activities can be quite different in terms of possibilities depending on the mix of resources available in a particular rural area.

The objective of sector policy for the development of rural areas should be accompanied by the current agricultural policy. The beneficiaries in this case are the owners of agricultural holdings. It should cover at least two main tasks: to provide all sorts of multifunctional payments to farmers in exchange for public services; to provide structural support for investments promoting quality food production, organic farming, diversification of agricultural activities or more traditional investments in modernization.

The impact of organic farming could be much more significant and have little perceived effect on the development of a particular region that is purposefully developing this sector. According to Privitera (2010)⁵, organic farming is a cultural evolution that finds its origin in ecological culture. Among other things, the focus on organic products is due to the demand for healthy foods that meet high quality standards that limit the use of chemical substances. There is a tangible link between organic farming and agritourism, along with its associated tourist services. They have a significant role in the future development of rural areas. The development and expansion of the agritourism sector, in particular organic production, could be one of the alternatives to improve the income and potential economic viability of small farms and rural communities, but it would by no means be right to accept it as a universal remedy, applicable by all agricultural holdings seeking additional income.

⁴ Saraceno, E., Rural development policies and the second pillar of the common agricultural policy (pp. 197-222), Hannover: Verlag der ARL-Akademie für Raumforschung und Landesplanung, 2003

⁵ Privitera D., The importance of organic agriculture in tourism rural, Applied Studies in Agribusiness and Commerce, Agroinform Publishing House, Budapest, pp. 59-64, 2010

There are also some specific conditions that determine the factors necessary to increase the competitiveness of rural areas. Thus, according to Kovalenko et al (2017)⁶, they can be divided into three groups that outline strategic advantages of the sector. The first group is the economic benefits associated

with strengthening the country's economic position on the world food market and increasing the competitiveness of agricultural products, as well as increasing the number of small farms that have adopted organic farming standards. Organic farming can contribute to the development of small and medium-sized enterprises in rural areas, which will encourage the inflow of investment in rural areas. The second group of factors is of a social nature, since organic farming combines tradition, innovation, and science, promotes the development of fair relations and a high quality of life for local producers. Raising the level and quality of life in rural areas, and as a result increasing the sustainability of rural development, will lead to a reduction in their depopulation and will stimulate the migration of specialists to them. The third group of factors are ecologically oriented and include soil protection and protection from erosion, desertification, salinization, protection of water resources, soil, air from chemical pollution; increasing biodiversity, reducing energy consumption, reducing greenhouse gas emissions and freshwater consumption in agricultural production compared to intensive agriculture.

It is a fact that the demand for organic products is increasing every year. The European Union is the second largest producer in the world. Most of the Bulgarian organic food and products are intended for foreign markets, which means that the producers manage to position themselves in highly competitive markets. The sector in the country is developing upwards and undoubtedly has a future, which is also indicated by the official statistical data and the high rates of conversion of conventional agricultural land into such suitable for biological use. Considering the high involvement of labour in production, at the expense of automated processes, organic farming has the potential to improve the economic situation and competitiveness of rural areas in Bulgaria.

⁶ Kovalenko, E. G., Polushkina T. M., Yakimova O. Y., State regulations for the development of organic culture by adapting European practices to the Russian living style, Academy of Strategic Management Journal 16, 2017

3. DEVELOPMENT POTENTIAL IN FRONT OF THE ORGANIC PRODUCTION SECTOR

As of 1 January 2023, the legislative proposal for Common Agricultural policy (CAP) for the period 2021-2027 comes into effect. One of the most important EU policies has always been an object of heated debates, but at the same time it has opened new opportunities for the agricultural sector in all member countries since its establishment in 1962. The exhausting discussions and negotiations between the European Parliament and the EU Council necessitated postponing the start of the new CAP and the implementation of its objectives by two years.

At the same time, eco-entrepreneurs are gaining ground in terms of economic performance and more support in terms of consumer interest. Given the specific topics of CAP 2021-2027 and the main objectives of the Green Deal under the leadership of Ursula von der Leyen's European Commission, it is interesting to explore what the prospects for eco-entrepreneurship are within the interventions supported by CAP 2021-2027.

Given that organic farming products can reach up to 150% of the producer price premium compared to conventional prices⁷, the development of the organic farming and eco-farming sector will have a positive impact on GDP, as its greater added value will increase the burden of the agriculture, forestry and fisheries sector.

The Common Agricultural Policy (CAP), which will come into effect in January 2023, has been the subject of important public and expert discussions involving various stakeholders and reflecting the strategic objectives of the European Union. The CAP proposal was accompanied by an assessment of the impact, developed by the European Commission and in line with the current Multiannual Financial Framework (MFF) 2021-2027.⁸ The focus of the CAP will be on ensuring food security, but at the same time it will ensure that all advantages of the united market will be preserved, considering the important steps that will be taken towards environmental and climate protection. As stated in the European Commission's proposal for MFF 2021-2027, the post-2020 CAP will

⁷ European Commission, Organic farming in the EU – A fast growing sector, 2019

⁸ European Commission, Impact Assessment accompanying the document COM (2018) 392 final, COM (2018) 393 final, COM (2018) 394 final, 2018

"Support the transition to a fully sustainable agricultural sector and the development of vibrant rural areas".⁹

It is important to analyse and look for incentives provided by the new CAP for farmers and entrepreneurs willing to develop eco-entrepreneurship and organic farming. According to the European Commission, the CAP foresees some supporting measures included in so-called "eco-schemes".¹⁰ The CAP sets out a list of 9 specific objectives to be pursued and which serve as cornerstones for the measures to be adopted to achieve them. Those that have a direct impact on companies working in the field of eco-entrepreneurship can be identified in 6 of the strategic objectives, namely:

- Contribution to climate change mitigation and adaptation as well as sustainable energy.
- Promoting sustainable development and effective management of natural resources such as water, soil, and air
- Contribution to the conservation of biodiversity, improvement of ecosystem services and preservation of habitats and landscapes.
- Attracting young farmers and facilitating business development 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 to societal demands for food and health, including safe, nutritious, and sustainable food and animal welfare.

Support for eco-entrepreneurial activities will be addressed in different interventions, such as:

- Investments
- Implementation Grants
- Payments against management guarantees (environment, climate, genetic resources, animal welfare)
- Cooperation
- Exchange of knowledge and information

⁹ A Modern Budget for a Union that Protects, Empowers and Defends the Multiannual Financial Framework for 2021-2027 COM/2018/321 final, European Commission, 2018

¹⁰ Proposal establishing rules on support for CAP Strategic Plans, COM/2018/392 final, 2018.

The specific objective "Attracting young farmers and facilitating business development in rural areas" seems most relevant for new eco-entrepreneurial activities. In the case of Bulgaria, a minimum amount of over 111.7 million Euros was allocated. These amounts are spread almost evenly over the period 2021-2027, responsible for more or less 16 million Euros per year in support for various activities developing entrepreneurial activities in rural areas.

The results to be observed and those entrepreneurial initiatives that could benefit from achieving the objectives of the above-mentioned specific goals provide various opportunities allowing entrepreneurs to use their experience and resources. A non-exhaustive list of interventions supported by the CAP in this area, according to Annex I of the rules on CAP strategic plans, may include: Young farmers setting up a farm with CAP support

- Creation of bioeconomy enterprises
- Investments in renewable energy production capacity, including bio based
- Agricultural land improving climate adaptation
- Agricultural land reducing emissions, maintaining and/or increasing carbon storage
- Increasing the energy efficiency of farms
- Improving the management of soil, air quality, water, and their use
- Investments related to care for the environment or the climate
- Improving access to services, social inclusion, and digitalisation in rural areas, including with the support of the Smart Villages Strategy
- Limiting the use of antibiotics in animal husbandry
- Sustainable use of pesticides, reducing the risks and impacts of pesticides.

4. DEFINING VISION AND MISSION FOR THE DEVELOPMENT OF NEXT GENERATION INNOVATIVE AND ORGANIC AGRICULTURE. PROPOSALS FOR STRATEGIC OBJECTIVES

The need for an in-depth study of the prerequisites for the development of innovative and organic agriculture in Stara Zagora with an engine Stara Zagora Municipality is determined by the mission, which summarizes the understanding of all stakeholders, namely:

Bulgaria – destination for next generation agriculture and organic products for new jobs and healthy development opportunities

Efforts aimed at achieving this topmost objective can underlie the following shared vision:

Creation of conditions and prerequisites for the formation of Stara Zagora as a leader at the national and regional level in the support of entrepreneurial initiatives for innovative and organic agriculture, creation of new clean food markets and shortening the supply chains, including through specialized training, provision of consultancy services and support of start-ups, by attracting investments from public funds, financial instruments, venture capital funds and public private partnership.

Based on the results presented below, several strategic goals can be formed for Stara Zagora Municipality, which will help the development of the region and make it a leader in terms of innovative agriculture and organic agriculture. The proposed investment projects fall within the scope of these strategic goals, and other specific projects can be added to them when appropriate financial instruments are identified and there is need.

The strategic goals are:

1. Improving the conditions for the development of innovative and organic agriculture on the territory of the Stara Zagora Municipality
2. Promotion of the products of innovative and organic agriculture, including their promotion on foreign markets

3. Creation of an effective system to support young and new producers of clean food in the region of Stara Zagora Municipality
4. Creating conditions for effective interaction between scientific institutions, manufacturers, and consultants to improve quality and financial results, including through training

5. ANALYSIS OF STRENGTHS AND RESEARCH POTENTIAL OF STARA ZAGORA

During the preparation of this document, an analysis of the potential of Stara Zagora Municipality as opportunities and prerequisites for the development of organic agriculture was carried out. The prepared situational analysis has the potential to be used as a rationale for the following elements in the Investment

Plan. The investment projects proposed below combine the broadest scope of the strengths of the region or potential factors for the positive development of the organic agriculture sector presented in this part of the document.

Stara Zagora and the surrounding regions have suitable soil and climatic resources for the development of organic agriculture. Bulgaria is the largest producer of organic rose and lavender oil in the world, and a large part of it is produced in the region of Stara Zagora. There is also growth in the production of other organic essential oils, such as lemon balm oil. This defines the country as a key producer with traditions in the production of raw materials for organic cosmetics.

There are conditions for the development and expansion of the scope of organic beekeeping, since Bulgaria is a traditional leader in Europe in terms of the number of beehives grown in accordance with the methods of organic farming. Bulgaria is in third place in the EU, after Romania and Finland, in terms of certified areas for the collection of wild fruits, herbs and mushrooms, in 2014.

Stara Zagora has the capacity to develop innovative agricultural and food products, through joint work with Trakia University and Agricultural Institute, but also on the side of business. The various structures of Trakia University have knowledge, experience, and capacity to develop technologies for biological production of various varieties of vegetable, fruit, grain, fodder and oil crops, as well as vines and animals in different climatic and soil conditions.

Trakia University, as well as other higher education institutions near Stara Zagora, offer majors for the master's educational and qualification degree,

which train students in the major “Organic Agriculture”. There are also separate optional subjects or modules in Organic Agriculture. In some educational institutions, specific courses in the field of organic production are also offered, with a different number of hours according to the needs of the students. Additionally, various programs could be introduced in universities to ensure the training and formation of competent staff for the sector with key skills.

Developing different partnerships with educational institutions can be expressed in organizing internships and open days for:

- students from vocational high schools in agriculture, forestry and food industry
- university students from higher education institutions in companies from the organic production sector.

There are local breeds and varieties that can make organic production more cost-effective. As a region with traditions in farming and agriculture, the Stara Zagora region has workforce that could easily receive additional retraining to meet the needs of clean food production. There are conditions for the promotion of temporary seasonal employment and the inclusion of organic farms in temporary employment schemes.

In Bulgaria, and in the region of Stara Zagora, there are already enough companies in the agricultural sector, with modern organic production systems, which can be used as centres for training and conducting scientific experiments

Bulgaria is already a recognizable producer of quality and healthy foods, which creates a competitive advantage for Bulgarian companies on international markets, especially because of offering innovative products, such as raw bars and rice cakes, for example. Some of the manufacturers have the traditional leading positions in this market globally. Such are Roo Bar, Harmonica, Go4, better in the food sector.

The growth of new sales channels is observed throughout the sales network. There are more and more supermarkets, small shops and gas stations that offer their customers different assortments of organic products. In addition, the emergence of a network of specialized shops for organic products and food is typical. This also creates the need to develop specialized forms and tools of marketing.

Producers also receive increasingly easy methodical support. Branch organizations of producers, processors and traders of biological products have been created, through which a better connection is achieved between the economic entities involved in the supply chain themselves, an exchange of information, as well as a better dialogue with the administration.

A large part of the new producers of organic products are young people who are more open to knowledge and innovation. Farmers massively use the Internet and smart devices (tablets, smartphones) in their daily lives. This, in turn, makes it easier for science and innovation to reach farms quickly and easily.

In fact, the production of organic products is included as a priority in all investment measures, which could facilitate the attraction of additional external funds to Stara Zagora Municipality.

6. THE PROCESS TO BUILD THE INVESTMENT PROPOSAL

NextAgri is an URBACT and Urban Innovative Actions (UIA) pilot transfer project mechanism for completed UIA projects. The pilot intends to support the transfer of OpenAgri, Milan's UIA project under the Jobs and Skills topic, to 3 European medium-sized cities:

- Vila Nova de Gaia (PT); (Population: 302.295; Area: 168.46 km²) – Metropolitan Area of Porto (Population: 1.721.038; Area: 2.040.31 km²);
- Stara Zagora (BG); (Population: 158.563; Area: 190.46 km²) – Province of Stara Zagora (Population: 333.325; Area: 5.151.000 km²);
- Almere (NL); (Population: 207.904; Area: 248.77 km²) – Province of Flevoland (Population: 423.021; Area: 2.412.00 km²).

OpenAgri aimed at testing an integrated strategy to deliver innovation in existing and newly created nodes of the agri-food value chain, focusing on new skills, training, pilot projects for SMEs and start-up ideas. The proposed solution is an “Open Innovation Hub on Peri-Urban Agriculture” as a tool to integrate into the Milan Food Policy and the Circular Milan strategy.

This experimental project challenged existing practices and regulations in cities, regions, policy fields and local contexts. The project proved to be an excellent testbed for UIA program approach, which takes a place-based approach to employment and skills strategies. It means not starting from physical regeneration per se, but stimulating new economic dynamics within a local area, with the ambition to connect the newly created skills and jobs to a wider system, at the urban and metropolitan level.

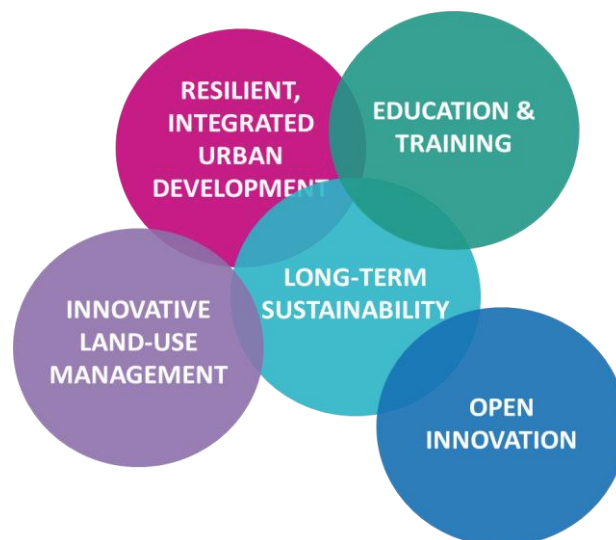
OpenAgri has been able to focus simultaneously on business incubation, training, awareness raising, communication, and innovation and experimentation. Hence, the project fostered a prototype of integrated urban

policy that copes with pressing urban challenges through the reconstruction of a strong link between production and access to food.

In other words, OpenAgri promoted an innovative approach that leverages on the multitude of dimensions related to the production and consumption of food to trigger an incremental and integrated urban development process which is capable of addressing a wide range of urban issues, such as the regeneration of fringe/peripheral areas; the preservation and valorization of the peri-urban landscape; the development of new skills and jobs opportunities; and the inclusion of the most fragile components of the local society (e.g., youth unemployed, migrants, etc.).

7. THE ADAPTED VERSION OF THE UIA PROJECT

The **OpenAgri** good practice was organized into five transfer Modules that can be flexibly adapted to local contexts, according to transfer city's needs & objectives. These are presented as standalone Transfer Modules, however there are plenty of connections and linkages across them. Our city can grasp this knowledge and flexibly make use and re-adapt the concepts and findings of the five Transfer Modules to our specific needs and objectives.



The Modules learning for our city:

- **Module 1: Open Innovation** – learnings from the capacity to engage local stakeholders, first in mapping and activate existing, emerging, and latent local potential (actors, processes) through a very broad and open call, then narrow down in a collaborative way to develop synergies and partnerships among local actors that can ultimately result in feasible actions on the ground.
- **Module 2: Education and Training** - learnings on: (1) One-to-one mentoring and peer-to-peer techniques appeared to be the most effective methodologies to facilitate the learning process on specific, innovative technical matters; (2) the diversities in terms of background and interests of the participants to an educational programme adds a level of complexity that may be hard to handle; (3) the adoption of an international standard digital credentialing system such as Open Badge is an essential element to guarantee the validation and recognition of skills and competencies beyond the scope of the project.
- **Module 3: Innovative Land-use management** – learnings from a land-use management perspective, stimulating the generation of innovative entrepreneurial activities in the agri-food field requires the deployment of specific tools to allow, on the one hand, the highest possible degree of flexibility required when testing/experimenting new solutions on the ground and, on the other hand, to minimize the investment risks for the stakeholders. In this sense, the availability of publicly owned-land and its concession on a free, temporary basis to innovative businesses proved to be a crucial success factor. The development of an integrated masterplan for the use of agricultural land for experimental purposes is also a key element to be replicated. Such a tool, in fact, allows to plan for flexible, temporary uses while providing all the necessary services and infrastructures. And this, furthermore, allows to designate specific parts of a city's agricultural land as areas of experimentation where innovative, start-up projects/ideas can be tested on a rolling basis, ultimately facilitating the triggering/activation of a loop of innovation.
- **Module 4: Resilient, Integrated Urban Development** - learnings on: (1) the multifaceted understanding of the topic of food can be used as a leverage to rethink the relationship between the city and its rural surroundings, and it offers the opportunity to trigger integrated urban development initiatives under many strands (*i.e.*, social, environmental, economic, cultural, etc.); (2) the public actor may play a pivotal role in promoting and facilitating interinstitutional agreements for the collaborative management of services and resources; (3) the public actor may facilitate the development of arrangements among local farms and agriculture-based business geared

towards aggregating their commercial offer and enhance their market positioning, and/or to shorten the city's food supply-chain; (4) the public actor, through green procurement tools, may stimulate and support experimentation and innovation in the agri-food entrepreneurial sector.

- **Module 5: Long-term Sustainability** - learnings on: (1) Innovation and experimentation are characterized by high levels of uncertainty in terms of success and financial return and therefore constitute a high investment risk. Identifying stakeholders from the private (profit or non-profit) sector willing to bear such risk proved to be a challenge. Hence the need to mobilize a publicly owned company, which can operate as a market actor, but with a stronger financial protection when embarking in innovative/experimental investments; (2) the public actor's capacity to facilitate networking, linkages and connections beyond traditional relational spheres is a crucial factor to generate in the city a fertile environment for innovation bound to last on the long run; (3) the public actor's needs to set at policy level, the conditions (i.e., long-term strategies; training opportunities; facilitated access to land and resources; flexible regulations; availability of infrastructure and services; etc.) for testing new ideas and solutions on a rolling basis, in a continuous innovation loop.

Based on the above-mentioned learnings from UIA-OpenAgri project, the following table shows the direct connections between NextAgri transfer modules and the specific investment projects elaborated in the next chapters.

Project investments	Specific connection with transfer modules
Investment project 1 – Establishment of an Agricultural Innovation Centre and development of biological products	<i>Module 3 #Innovative Land Use Management</i> <ul style="list-style-type: none"> ▪ Management of agricultural plots ▪ Analysis of nutritional elements in soil, plants, food products <i>Module 4 #Resilient Integrated Urban Development</i> <ul style="list-style-type: none"> ▪ Renovation of urban building with agricultural functions
Investment project 2 – Construction of capacity for farmers and organic producers	<i>Module 2 #Education and Training</i> <ul style="list-style-type: none"> ▪ Certification of quality organic products ▪ Certification of funding and marketing skills
Investment project 3 – Promoting Bulgaria as a country of organic products on the international markets through participation in international bazaars and building a communication strategy	<i>Module 1 #Open Innovation</i> <ul style="list-style-type: none"> ▪ Communication strategy and product placement strategy based on farmers needs
Investment project 4 – Scientific research on the development of next generation agrotechnology's	<i>Module 1 #Open Innovation</i> <ul style="list-style-type: none"> ▪ Partnership with local university and research center on agrotechnology ▪ Test-bed agricultural areas for testing innovative solutions in peri-urban agriculture
Investment project 5 – Developing a marketing strategy	<i>Module 5 #Long term Sustainability</i> <ul style="list-style-type: none"> ▪ Strategy to guarantee the market position for agricultural entrepreneurs engaged

8. MEETINGS WITH STAKEHOLDERS AND PROPOSALS FOR DEVELOPMENT

The main source of information and analysis of the potential for the development of innovative agriculture and organic agriculture in Stara Zagora Municipality were the organized four thematic meetings with identified stakeholders. The meetings were held after distribution of special invitations and publication of details for participation in special events on the Facebook platform. The meetings were held in a hybrid format, with live participants being welcomed in the hall of the Chamber of Commerce and Industry - Stara Zagora 66, G. S. Rakovski Str.), and the online connection was organized on the Google Meet platform.

Detailed Minutes of the meetings, together with a list of participants and photographic material, are attached to this Report.

The following topics were discussed during the workshops:

- assessment of the current state, assets and strengths on a local level, proposals for the development of the sector, as well as familiarization with innovative projects currently being worked on and national policies to support the sector.
- proposals and ideas for a circular economy and new products with high added value as a direct link between agricultural production and with the processing industry, such as dried fruits and vegetables, herbs, nuts, as well as nutritional supplements, cosmetic, medical, and other products promoting production with minimal carbon footprint.

8.1 MEETING WITH REPRESENTATIVES FROM THE SCIENTIFIC CIRCLES

The first workshop on: Science to support innovation in agriculture. Proposals for the development of the sector, was held on 07 Sep 2022 from 10:00 a.m. to 11:30 a.m.

Some of the main highlights indicated by the participants were related to the support that scientific institutions can provide, together with Stara Zagora Municipality and other stakeholders.

The specific proposals are related to:

- Possibility for participation of specialists and lecturers from Trakia University in joint trainings, falling into different areas of expertise. In this regard, the proposed training modules could be categorized as follows:
 - Certification of natural, biological, and organic agriculture - requirements, stages, certifying organizations, differences in certificates
 - Forms of organization of agricultural production, including choice of legal form, requirements, and procedures
 - Basic knowledge of marketing positioning of manufacturers. Standard requirements for labelling and visualization of the finished product
- Possibility of providing consulting services falling within the competence of the teachers and specialists from Trakia University, which may include:
 - Innovations in agriculture - next generation agriculture, including implementation of alternative energy sources
 - Diversification of agricultural activity
 - Financial and economic advice
 - Potential to shorten supply chains and reach end users more easily
- During the meeting, opportunities were proposed for identifying the Center for Innovative Agriculture as a place to provide services of the one-stop-shop type, including the provision of methodological and practical support by the scientists and lecturers from the Faculty of Agriculture, faculty of Veterinary Medicine and Faculty of Economics
- Trakia University has a built and operating business incubator (GoUP), which can also provide specific support for the most innovative start-up enterprises. Like any incubator, it can support the various stages of creation, start-up and scale-up of businesses that fall within the incubator's scope and objectives set out in broad parameters
- Trakia University is part of the BIObec network, which aims to build bridges between the bio-based industry and the education system by connecting universities, innovation laboratories and research and development centres with industrial actors and regions. To achieve this, the project proposes a holistic framework that unites the traditional idea of an education centre with that of a knowledge centre by building bio-based education centres. As a contact point, Trakia University will be able to offer entrepreneurs participation in this type of training as well.
- Trakia University can identify and support the start-up of social enterprises that aim to integrate or provide employment opportunities to vulnerable groups with limited or no access to the labour market. Such initiatives further invest their profits to create future benefits for their target groups, which has a positive effect on society. Such enterprises need targeted

support, and Trakia University can support Stara Zagora Municipality in identifying them.

- Trakia University already has experience with the certification and promotion of its own brand of food products "Trakia University", which has been successfully launched on the market and includes various dairy products (cheese, yellow cheese, fresh milk) with the potential to expand the range. This experience can be shared, and a common brand can be created to include producers from the region who meet certain conditions for the purity and quality of the products offered.

8.2 MEETING WITH REPRESENTATIVES OF THE LOCAL GOVERNMENT (MUNICIPAL COUNCIL)

The second workshop on: Policies on a local level in support of organic agriculture, innovative agriculture, and circular economy. Opportunities for Stara Zagora Municipality, was held on 07 Sep 2022 from 2:00 p.m. to 3:30 p.m.

Some of the main points mentioned by the participants were related to the support that local authorities can provide, especially Stara Zagora Municipal Council, together with Stara Zagora Municipality and other stakeholders.

The specific proposals relate to:

- The local authority has several possible levers for impact, and perhaps the most important is the one related to the possibility of providing land for paid or free use with a predetermined term and conditions for use. Such an action can have a positive effect on start-ups to reduce their initial operating costs.
- During the talks, it was established that due to the diverse climatic and geographical conditions that are observed on the territory of Stara Zagora Municipality, it is difficult to prioritize a particular culture. On the contrary, depending on the soil indicators and the specifics of the region, specific services can be provided to producers to help them target specific crops. This activity can be provided for a fee or free of charge by the newly established Centre for Innovative Agriculture.
- The local authority can be further involved by spreading the idea of supporting and creating new enterprises developing in the clean agriculture sector in different ways, such as:
 - Mayors and deputy mayors in individual settlements on the territory of Stara Zagora Municipality can initiate a process to identify vacant agricultural land
 -

- These lands can be provided free of charge for the use of vulnerable groups of the population (marginalized, dropped out of the labour market for various reasons, etc.). This grant will be subject to specific terms and conditions, one of which may be settling in the settlement in the land of which the granted property falls.
- For the cultivators of these lands, a small subsidy can be provided, including in the form of seeds, fertilizers, methodical support for growing certain crops, principles for introducing crop rotation, etc.
- Such an initiative will have a wider effect not only on the development of the agricultural sector and organic production but will also create a prerequisite for opening jobs and increasing employment in settlements that are part of Stara Zagora Municipality, but on its periphery and different from the central city. Such an initiative will stimulate settlement in places with a pronounced outbound migration and guarantee income from economic activity, availability of collection from tax revenues and overall improvement of the settlements in question, which provide municipal agricultural land.
- There was a proposal to create an Incubator at the Center for Innovative Agriculture, which would have a separate parallel function, which would be entirely focused on innovative start-ups that need support and relief of start-up costs.
- Additionally, the Center for Innovative Agriculture should have a clearly defined organizational structure that would guarantee an adequate distribution between the individual services to be provided to farmers. In this regard, it is good to structure an administrative-logistic unit that will aid related to the document flow, legal deadlines, the information submitted to the various services, but also different logistic support to reach different potential markets, suppliers and so on. Another unit that is dedicated to thematic training and practical advice with the cultivation of the land and the specifics of the different crops or animal species that are cultivated or raised by the agricultural or livestock producers
- Representatives of the local authority approve the idea of providing different types, duration, and scope of training, which are identified in the meeting with representatives of the scientific institutions described in Protocol No. 1
- The activity of the Centre for Innovative Agriculture has the potential to be expanded and, with proper promotion, to become a tourist destination. If the idea of healthy and organic food is properly promoted among the population in the country, it can attract tourists, due to the good geographical position of Stara Zagora and the infrastructural

features of the region, which is connected to almost all regions in the country.

8.3 MEETING WITH REPRESENTATIVES OF INSTITUTIONS IN SUPPORT OF AGRICULTURAL PRODUCERS

The third workshop on: Targeted support for higher competitiveness of agricultural producers. Proposals for specific solutions in the sector, was held on 08 Sep 2022 from 10:00 a.m. to 11:30 a.m.

Some of the main highlights indicated by the participants were related to the support that the various services can provide in support of agricultural producers, together with Stara Zagora Municipality and other stakeholders.

The specific proposals are related to:

- The territory of the Stara Zagora Municipality falls into different climate and soil regions, which predetermines the presence of several different species and annuals. For example, the northern part is characterized by the presence of permanent perennial plantations such as fruit trees, including oil crops. In the southern, much flatter part, the presence of irrigated vegetables and annual crops in general is characteristic. Different regions have conditions for growing different herbs. This implies a different approach and different methods of support and training for those wishing to engage in agricultural activity.
- There are some significant challenges in achieving the set goals for organic farming. One of the prerequisites is the availability of sufficient certified arable agricultural land suitable for organic farming. The goal that the EU countries must reach is that this land represents 35-40% of all arable land. By 2020 this percentage was around 7-10%, but at the beginning of 2022. it has fallen to 3-4%. The presence of a small percentage of certified arable land suitable for organic farming has several different reasons and creates different challenges for farmers:
 - Insufficiently good regulatory framework currently creates various administrative challenges and obstacles for farmers. The existence of an Innovative Agriculture Centre could be expressed in the creation of an analytical unit that would evaluate the existing actions that should be taken and propose specific changes in the regulatory framework that would reduce the administrative burden on farmers. In this way, they will be stimulated to develop in the field of organic farming.

- The creation of correct and widely applicable incentives for the development of organic agriculture will cause the resolution of the problem with the small percentage of certified organic arable land, the gradual achievement of the set goals and the creation of products with high added value.
- As of now. A producer of organic fruits, vegetables or animal products is forced to store his goods in warehouses that must also have the relevant certification. Traders who offer the produce to end customers must also be certified to work with organic farming products. In addition, a quality certificate is also required, which further burdens organic fruit producers. Thus, a large part of them is forced to sell their goods as a product of conventional agriculture to reach the final customers. In principle, their higher base price is, however, weakly competitive with the other completely conventional manufacturers and this puts the marketing of the end production at risk, accompanied by a lower-than-expected profit and difficulties in meeting the company's financial indicators. Systematizing the necessary changes will benefit business and the development of the sector as a whole – help that can be provided by a future Innovative Agriculture Centre.
- All sectors of the economy, including agriculture, will have to turn to alternative sources of energy to cover their current needs. In a broad aspect, Stara Zagora Municipality, and the regions around it has the potential to become one of the leading hydrogen valleys in Europe. This will make access to hydrogen cells and the use of hydrogen as an energy source a viable source of innovation to be tapped by the Innovative Agriculture Centre. In parallel, photovoltaic panels can find wide application in agriculture, including those with the added functionality of generating water from moisture in the air.

8.4. MEETING WITH REPRESENTATIVES OF THE BUSINESS AND PRODUCER ORGANIZATIONS

The fourth workshop on: new challenges to agricultural producers and the processing industry. How can business benefit from innovation? was held on 08 Aug 2022 from 2:00 p.m. to 3:30 p.m.

Some of the main points mentioned by the participants were related to the support that farmers need and the ways in which they can benefit from Stara Zagora Municipality and the other stakeholders.

The specific proposals relate to:

- Need for a strategy for promoting the initiatives to provide support for the development of organic agriculture in Stara Zagora Municipality, defined in advance and clarified by the executors of the possible activities. After approving the idea of setting aside a municipal plot of arable land to be parcelled out and divided for use by several farmers, some of the important prerequisites and possible challenges to be met with such an initiative headed by Stara Zagora Municipality were specified. For this purpose, it would be good to set a clear and specific framework for supporting producers in advance. It's good for them to know if they could expect:
 - Provision for free or paid use under preferential conditions of municipal agricultural land
 - Is irrigation infrastructure available and built to the respective municipal lands
 - Is it planned to rent or free use agricultural equipment, which is common and shared between the users of the relevant municipal plots of agricultural land. The use can be shared between several farmers, on the premises of the Innovative Agriculture Centre
 - Access to specialists and consultants to provide methodical support and give specific guidelines depending on the crops that are grown on the respective terrains.
 - Determining the size of the agricultural land presented for use and possibly dividing it into different sizes, depending on the needs and the crops that will be grown
 - Advice to potential farmers can also be organized in the form of module or targeted trainings, including guidelines for growing certain crops depending on the soil composition and its characteristics, advice on crop rotation for individual crops depending on their specifics, etc.
- In the process of discussion, a proposal arose to separate different places within the city of Stara Zagora and the settlements in general, the so-called public or family gardens (Community gardens), with a limited area of 500 sq. m. to 1 da. They will be made available for use by a wide range of users, ordinary citizens, without seeking economic benefit from their processing. The idea is to simultaneously satisfy the needs of clean and human-produced food, thereby gradually popularizing the benefits of organic farming and bringing back forgotten tastes of crops typical of the region.

- Support for the creation of social enterprises, including those employing entirely disabled people, by providing a plot of land completely free of charge and methodological support for starting a business
- Inclusion, as a separate activity, to the Innovative Agriculture Centre of a visitor centre with a demonstration module. This will have two specific purposes. First, it will promote the work of farmers and the crops that are grown. It will also contribute to the promotion of organic farming and the concept of clean food close to home. Secondly, it will be possible to organize demonstrations aimed primarily, but not only, at students and children from kindergartens in Stara Zagora Municipality, to introduce them to the basics of agriculture and the concept of urban agriculture, as an alternative way to shorten supply chains and tracking the origin of goods. These activities can be expanded, including by providing plots in the premises of the Innovative Agriculture Centre to be managed by schools or kindergartens, thus enhancing the effect of their involvement in the process.
- Creation of farmers' markets, which will be differentiated and organized differently from the existing ones now. The idea is to implement a rotational principle, which is related to the allocation of municipal areas in the different districts of the city. Farmers growing natural and organic products (fruits, vegetables, dairy and meat products) will offer their goods on the same day of the week, but in different places in the city of Stara Zagora. In this way, their activity, organic farming in general, will be popularized and prerequisites will be created for new customs and traditions among the local population. In this way, the production will more easily reach the end customer and supply chains will be shortened as much as possible.

9. PROJECT IDEAS FOR ACCOMPLISHMENT OF THE STRATEGIC GOALS

The proposals for specific investment proposals published in this part of the Investment Plan are based on:

- The priorities of Stara Zagora Municipality in the field of regional development.
- The proposals and challenges presented in the previous paragraph identified during the meetings with stakeholders.
- Analysis of the strengths and research potential for the development of the sector of innovative agriculture and organic agriculture.
- The set strategic goals for Stara Zagora Municipality to build a favourable environment for the development of innovative agriculture and organic agriculture in the suburban regions.

9.1 Investment project 1 – establishment of an agricultural innovation centre and development of biological products

The investment project is within the focus of all four strategic goals - 1) Improving the conditions for the development of innovative and organic agriculture in the territory of the Stara Zagora Municipality; 2) Promotion of the products of innovative and organic agriculture, including their promotion on foreign markets; 3) Creation of an effective system to support young and new producers of clean food in the region of Stara Zagora Municipality; 4) Creating conditions for effective interaction between scientific institutions, manufacturers and consultants to improve quality and financial results, including through training.

Adapted from Module:	Module 1 #Open Innovation Module 2 #Education and Training Module 5 #Long term Sustainability
Project summary:	The project aims at the renovation, furnishing and equipping of a building for hosting bio-producers. The building will offer office space, reception rooms, an event hall with presentation equipment, a commercial area for bio-products and laboratories. The city will further seek EU funding to renovate and equip the bio-agriculture centre.
	The building will have: ➤ Machine tractor fleet In the conditions of the agrarian reform and within the context of modernization and support of bio-agriculture, the specifics of the formation and use of fixed assets of production are determined by 3 main factors: a sharp rise in production costs and technical resources; worsening of the financial situation of farmers; lack of government support for small farmers and organic farmers. Under such conditions, farmers, especially small producers, and bio-producers experiencing a shortage of funds, cannot renew and replenish the active part of fixed assets, especially the machine-tractor fleet, in time and in the necessary volumes. When equipping agriculture with machines, it is important to observe the principle of

rational equipment of the machine-tractor park, which includes the justification of the optimal proportions between the components of the material and technical base and other factors affecting the end results of agricultural activity. The purchase of tractors and attached equipment is planned for the purpose of cultivating the land at the Center and providing services to other agricultural producers.

➤ **Laboratory for analysis of nutritional elements in soil, plants, food products and samples of various origin**

The soil analyses of the main nutritional elements and other elements essential for the plants allow quick detection of problems in soil fertility and give the right direction in solving them. Particularly effective are the simultaneous analyses of soil and the whole plant, including the main nutritional elements nitrogen, phosphorus, potassium, calcium, magnesium, sulphur, copper, zinc, manganese, molybdenum, iron and the all-important factor of soil acidity. In the parallel analyses, to a large extent, the real problems of interaction between soil and plant it becomes clear which elements are in deficit and which are in excess, between which elements there is antagonism. Based on these analyses, a foliar fertilizer formulation can be developed to balance the mineral nutrition of the respective crop and to compensate to a large extent the deficiencies of nutritional elements.

The main goal is for agricultural science to go directly to the producers and be maximally adequate to their needs and problems.

➤ **Laboratory for agricultural innovations**

Making a laboratory for precision agriculture and using robots, drones, IoT and ICT solutions.

Robotics and ICT solutions are increasingly entering agriculture, applying robots to fight weeds, various sensors for soil analysis, humidity, etc. By introducing these innovative practices, the need to use fungicides, herbicides and insect sprays is also eliminated, thereby growing better food products. The introduction of new technologies in agriculture reduces the need for low-skilled labour and improves the production process.

➤ **Automated irrigation pump system and installing water-catchment facilities – For irrigation of the adjacent agricultural areas**

An automated irrigation system is a major factor guaranteeing a good yield and harvest. In organic agriculture and precision agriculture, it is of particular importance that the plants receive exactly as much

water as they need, at the most suitable time of the day, with the most even distribution of watering over the entire area. To optimize irrigation, it is necessary to implement an irrigation system that meets the most modern conditions - a digital, smart system that allows remote monitoring and control from mobile devices as well. A rain sensor system and powering the irrigation system from a photovoltaic power plant will allow optimal irrigation with minimal consumption of water and electricity. In addition, installing rainwater catchment systems will reduce the farm's water dependence and ensure the circulation of resources.

➤ **Constructing an organic photovoltaic power plant**

Organic photovoltaics (OPV) combine advantages such as the use of earth-abundant materials, compatibility with high-throughput roll-to-roll (R2R) processing, as well as low energy consumption in production (low embedded energy costs) and thus low energy cost. OPV panels can be installed in any size and shape (flexibility and compliance) and – more importantly – many colours. One major advantage of OPV is that the panels can not only be processed from environmentally friendly solvents, but also that the constituent materials do not necessarily show harm to health or the environment. On the other hand, existing alternative photovoltaic technologies involve significantly more environmentally questionable and toxic chemicals in the layers and their production.

➤ **Creating an experimental farm for urban agriculture – around 50 – 100 decares**

Urban agriculture or urban gardening is the practice of growing, processing and distributing food in or around urban areas. Urban agriculture can also include animal husbandry, aquaculture, agroforestry, urban beekeeping, and horticulture. These activities take place in peri-urban areas, as well as non-urban agriculture can have different characteristics. Urban agriculture can reflect different levels of economic and social development. This could be a social movement for sustainable communities where organic producers form social networks based on a shared spirit of nature and community. These networks can develop when they receive formal institutional support, integrating into local urban planning for sustainable urban development. For others, food security, nutrition and income generation are key motivations. In both cases, more direct access to fresh vegetables, fruits and meat products through urban agriculture can improve food security and food safety.

The allotted land will be divided into small plots according to the needs of the users. The cultivation and irrigation of the land will be made by the machinery of the Agricultural Innovation Centre. The Centre's

	consultants and agronomists will prepare a plan for the distribution of crops by plots, which is key to ensuring good conditions for plant growth and an abundant harvest.
Project objectives:	<ul style="list-style-type: none"> • Hosting organic producers and development of organic agriculture in the region • Supporting innovation and exchange in organic production • Digitization of bioproduction • Transition to circular organic farming
Stakeholders:	<ul style="list-style-type: none"> • Faculty of Agriculture • Agency for Regional and Economic Development • National network of organic producers (potentially) • Carriers of new technologies for precision agriculture, irrigation, solar installations, IoT, etc.
Execution period:	<ul style="list-style-type: none"> • 24 months
Potential funding of the project:	<ul style="list-style-type: none"> • 3,8 million Euro / Possible funding: • Just Transition Fund • National recovery and resilience plan • European Fund for Regional Development

Operation plan				
Actions	Objective	Term	Results	Progress monitoring

A1. Preliminary investigation of the state of existing buildings	Does the state of building allow it to be used for the objectives of the project?	M. 1 to m. 6 from the project execution	Made investigation on the use of the building	
A2. Preparing Construction plan about the building and the vicinities	Planning activities on the building and the vicinities	M. 7 to m. 12 from the project execution	Developing a Construction plan for the entire period of renovation	
A3. Construction and repair works	Renewal of the building => adjusted to the project needs	M. 13 to m. 20 from the project execution	Renovated and ready building to house the project facilities	
A4. Creating a machine tractor fleet	Purchase of agricultural machinery needed for organic production	M. 12 to m. 24 from the project execution	Purchased agricultural machinery needed for organic production	
A5. Facilities for laboratory analysis of nutrition components in soil, plants, food products and samples of various origin	Creating a laboratory analysis of nutrition components in soil, plants, food products and samples of various origin	M. 12 to m. 24 from the project execution	Available laboratory analysis of nutrition components in soil, plants, food products and samples of various origin	
A6. Laboratory for innovations in agriculture	Creating a laboratory for agricultural innovations	M. 12 to m. 24 from the project execution	Created laboratory for agricultural innovations	
A7. Automated irrigation pump system and	Construction of automated irrigation pump system and	M. 12 to m. 24 from the project execution	Constructed automated irrigation pump system and	

installing water catchment facilities	installing water catchment facilities		installing water catchment facilities	
A8. Construction of organic photovoltaic power plant	Construction of organic photovoltaic power plant	M. 12 to m. 24 from the project execution	Constructed organic photovoltaic power plant	
A9. Creating an experimental farm for urban agriculture – around 50 – 100 decares	Identifying municipal land for urban agriculture	M. 12 to m. 24 from the project execution	Creating an experimental farm for urban agriculture – around 50 – 100 decares	

Photos from the current state of the building as at 15 Sep 2022





9.2 Investment project 2 – Construction of capacity for farmers and organic producers

The investment project is within the scope of strategic goals 1) Improving the conditions for the development of innovative and organic agriculture in the territory of Stara Zagora Municipality; 2) Promotion of the products of innovative and organic agriculture, including their promotion on foreign markets; 3) Creation of an effective support system for young and new clean food producers in the region of Stara Zagora Municipality.

Adapted from Module:	Module 1 #Open Innovation Module 2 #Education and Training
Project summary:	In line with the ambitious goal of the "Farm to Fork" strategy, namely that by 2030, 25% of agricultural land will be cultivated according to the rules of organic farming, the current investment project focuses on building the capacity of farmers and organic producers, to acquire knowledge and skills to overcome sustainability and environmental challenges. The project envisages familiarization with the basic principles, rules, and requirements on which organic agricultural production is based. Any farmer who wishes to engage in organic farming must also be familiar with the necessary legislation and the resulting responsibilities. Within the framework of the project, specialized seminars will be organized for agricultural producers, discussing the process of certification of organic production, the possibilities of financing projects in the field of organic production, as well as acquiring market skills for successful marketing of the production in the country and abroad.
Project objectives:	<p>The project aims to raise awareness among the farming community about the requirements in terms of soil characteristics, climatic conditions, fertilizer use for new and existing farmers and businesses. To achieve this, the project plans to organize 3 workshops for farmers on the following topics:</p> <ul style="list-style-type: none"> ➤ Process of certification of organic products: Any farm that wishes to produce organically certified produce must go through a process known as "conversion". During this period, organic production methods must be used, but the resulting produce cannot yet be sold as organic. The duration of this transition period depends on the type of biological products produced and varies from 1 to 3 years.

	<p>➤ Financial instruments for funding projects in the sector: Financial support from the EU can be both for the transition to organic production and for maintaining the status of an organic producer. This is a recognition of the role of organic farming in relation to various priorities for development of the rural areas and the potential societal benefits of organic production methods.</p> <p>➤ Acquisition of market skills and access to international markets: To successfully sell organically certified produce, farmers need specialized commercial skills, market analysis and negotiation skills. Providing education on the topics of organic farming helps businesses to achieve the goals set at a European level, avoiding possible difficulties and building a clear vision of how to manage organic production, as well as meet certification requirements. After conducting the necessary preliminary research, the goal is to build functional capacity by training farmers on successful market approaches for marketing organic-certified produce.</p>
<p>Stakeholders:</p>	<ul style="list-style-type: none"> ● Faculty of Agriculture – Trakia University ● Regional Economic Development Agency ● Association of Bulgarian Producers of Organic Products ● Certifying bodies in the sphere of organic production ● Agricultural Institute – Stara Zagora ● State Fund Agriculture ● Regional Directorate Agriculture ● National Agricultural Advisory Service ● Association of Bulgarian Producers of Organic Products ● Bulgarian Association Organic Products ● Training centres
<p>Execution period:</p>	<p>12 months</p>
<p>Funding:</p>	<p>30 000 €</p> <ul style="list-style-type: none"> ● Direct payments under the EU CAP ● Program for the development of rural areas ● Horizon Europe Framework Program for Research and Innovation ● Invitation of the EC to promote agricultural production

	<ul style="list-style-type: none"> National measures to support organic production
--	---

Operation plan				
Actions	Objective	Term	Results	Progress monitoring
A1. Organizing information campaign on organic production and its benefits	Promoting organic production and its benefits; achieving the goals set in the "From Farm to Fork" strategy	M. 1 to m. 6 from the project execution	Enhancing the awareness of agricultural representatives on the benefits of organic farming	
A2. Organizing one-day workshops on „Process of certification of organic products“	Providing detailed information to agricultural producers on the process of certification of organic products	M. 7 to m. 8 from the project execution	Agricultural producers willing to transfer to organic production will receive the relevant information and requirements for the certification process	
A3. Organizing one-day workshops on „Financial	Providing detailed information to agricultural producers on the financial	M. 9 to m. 10 from the project execution	Agricultural producers willing to transfer to organic production will receive the relevant information regarding existing financial	

instruments for funding projects in the sector“	instruments for funding projects in the sector		instruments for funding projects in the sphere of organic production	
A4. Organizing one-day workshops on „Acquisition of market skills and access to international markets“	Providing detailed information to agricultural producers on the opportunities for access to national and international markets	M. 11 to m. 12 from the project execution	Agricultural producers willing to transfer to organic production will receive the relevant information regarding opportunities to acquire market skills and access to international markets	

9.3 Investment project 3 – Promoting Bulgaria as a country of organic products on the international markets through participation in international bazaars and building a communication strategy

The investment project is within the scope of strategic goals 2) Promotion of the products of innovative and organic agriculture, including their promotion on foreign markets; 3) Establishing an effective support system for young and new clean food producers in the region of Stara Zagora Municipality.

Adapted from Module:	Module 3 #Innovative Land Use Management Module 4 #Resilient Integrated Urban Development
Project summary:	<p>Within the scope of investment project 3, measures are foreseen to allow the promotion of Bulgaria as a country for organic products on the international markets. This will be achieved with activities in two main areas - support Bulgarian producers of organic products to participate in international bazaars and exhibitions and building a communication strategy aimed at social media to promote and develop production. The main activities that will be implemented are:</p> <ul style="list-style-type: none"> ➤ International exhibitions and bazaars The city prioritizes the promotion of local and national business organizations and programs for financing agricultural producers in international organic markets under optimal conditions. The presence of such bazaars will help local produce reach potential consumers and strengthen trade links and competitiveness among local farmers. If the local products are well launched on the markets, Bulgaria will win the status of an organic destination. The city plans to support at least 2 participations of local farmers in international exhibitions per year. ➤ Communication strategy form promotion of organic products through the social networks In addition, a communication strategy will be prepared for the promotion of Bulgarian organic products on the Bulgarian and international markets, by introducing new social media as some of the effective marketing tools for organic farmers. As one of the key indicators of successful communication, the scope of published publications as well as specifically created targeted content is considered.

	<p>The social media environment is still changing, and social networks differ in how they present ads and information. Social media change the business landscape and redefine the way businesses communicate in their distribution channels and with their customers. A new form of communication with customers has emerged that allows to serve niches such as bio and organic products.</p>
<p>Project objectives:</p>	<ul style="list-style-type: none"> ● Access to international markets for local organic products ● Bulgaria – with a vision of an organic destination ● Biological production and expansion of trade relations ● Use of social networks to support the promotion of Bulgaria as a destination for organic production ● The aim is to support manufacturers to participate in international seminars for innovations in the sector ● Building a communication strategy for promoting organic farming and organic products through active use of social networks
<p>Stakeholders:</p>	<ul style="list-style-type: none"> ● Agricultural producers ● Producers of organic products ● Ministry of Agriculture ● Bulgarian agency for the promotion of small and medium-sized enterprises ● Bulgarian Bioproducts Association ● The International Federation of Organic Agricultural Movements IFOAM ● Businesses ● Consumers of organic products ● Civil society / non-governmental organizations ● Influencers and media content creators
<p>Execution period:</p>	<p>36 months (2023 – 2025)</p>
<p>Project funding:</p>	<p>300 000 €</p> <ul style="list-style-type: none"> ● Program for the development of rural regions ● Horizon Europe Framework Program for Research and Innovation ● Invitation of the EC to promote agricultural production ● National measures to support organic production

Operation plan				
Actions	Objective	Term	Results	Progress monitoring
A1. Support at least 2 participations of local agricultural producers in international exhibitions per annum	Support local farmers to acquire international experience, to promote their production and the activity of the Centre for Innovation in Organic Farming	M. 1 to m. 36 from the project execution	Enhanced experience and knowledge of agricultural producers, international advertising of their production and the activity of the Centre.	
A2. Identification and submitting an application for membership in at least two international associations of organic producers	Expanding the range of contacts and collaborations for the organic producers, which will give them a chance to be positioned lastingly and successfully on international markets.	M. 1 to m. 6 from the project execution	Joining at least two international associations of organic producers	
A3. Communication strategy for promotion of organic products through the social networks	Developing a communication strategy for promotion of organic products through the social networks. Preparing an analysis of communication	M. 6 to m. 36 from the project execution	Created communication channels, communication content, capacity for using social networks and enhanced popularity of the organic	

	channels and sample content for achievement of the goals		products produced in the region.	
--	--	--	----------------------------------	--

9.4 Investment project 4 – Scientific research on the development of next generation agrotechnology

The investment project is within the focus of strategic goals - 2) Promotion of the products of innovative and organic agriculture, including their promotion on foreign markets; 4) Creating conditions for effective interaction between scientific institutions, manufacturers, and consultants to improve quality and financial results, including through training.

<p>Adapted from Module:</p>	<p>Module 4 #Resilient Integrated Urban Development</p>
<p>Project summary:</p>	<p>Within the framework of this project, it is planned to carry out activities that are key to the development of organic products, agrarian technologies, and agriculture of a new generation in the region. Innovations and their testing and implementation will make it possible to achieve rapid progress in the development of the organic agriculture sector. Within the framework of the project, the implementation of the following activities is foreseen:</p> <ul style="list-style-type: none"> ➤ Strengthened partnership with Trakia University for the development of next generation agrotechnologies <p>Research and innovation play a crucial role in ensuring that a region develops to meet the challenges it faces.</p> <p>Agricultural research and innovation in the EU are driven by a long-term strategic approach aimed at creating value from the land through sustainable primary production and fostering innovation in rural areas. It is an extremely important tool in combating problems such as climate change, environmental degradation, and biodiversity loss. The priority in scientific research is the development of next generation agrotechnologies, and organic farming.</p> <p>The strengthened partnership with Trakia University has the main goal of developing innovations in the production of healthy and clean food, organic products with a limited carbon footprint and thinking about the environment. Scientific research should promote the development of the food policy in partnership with the government authorities.</p> <ul style="list-style-type: none"> ➤ Participation in national and international scientific conferences and exchange of experience

	<p>Within the framework of the strengthened partnership with Trakia University and the development of next generation agrotechnologies, the development of scientific articles and studies is also planned, to promote the scientific potential of the region in the field of organic products by organizing and participating in national and international scientific conferences.</p> <ul style="list-style-type: none"> ➤ Creating a centre of excellence in next generation agrotechnologies The centre will be a link between academia and industry in the region and will play a leading role in training a new generation of researchers in plant systems biology and biotechnology to support organic producers. A Technology Transfer Office will also be established at the Centre of Excellence. The Technology Transfer Office will support the flow of knowledge and technologies to partners and end users. This would significantly increase the research potential of the region, expand the scientific capacity in the field of biotechnologies. ➤ Allocating test fields for testing new technologies on the territory of the Agricultural Innovation Centre Providing a testing ground for new technologies and innovations is key to development and research activity, and the Agricultural Innovation Centre can play a key role in these activities. In this way, the cycle of provided services will be closed and it will be possible for organic producers to use the whole range of services to support them in the development, marketing and promotion of their products.
<p>Project objectives:</p>	<ul style="list-style-type: none"> ● Development of a sector of biological products to become a key element in the local economy. ● Development of the scientific potential in the field of agrotechnologies, which will directly support organic producers and allow the development of new economic models and markets for marketing local organic products. ● Building an image and promoting the scientific activity of the region in the field of innovative agrotechnologies; ● Closing the loop of provided services by providing experimental fields for testing innovations in the field of agrotechnologies
<p>Stakeholders:</p>	<ul style="list-style-type: none"> ● Trakia University - Faculty of Agriculture ● National Agricultural Academy ● Scientists, PhD students and post PhD fellows

Execution period:	36 months (2023 – 2025)
Project funding:	1 500 000 € <ul style="list-style-type: none"> • Program for the development of rural regions • Horizon Europe Framework Program for Research and Innovation • Invitation of the EC to promote agricultural production National measures to support organic production

Operation plan:				
Actions	Objective	Term	Results	Progress monitoring
A1. Purchasing equipment for scientific research	Equipping specialized laboratories for research and experiments and development of new crops and means for agriculture	M. 12 to m. 24 from the beginning of the project	Purchased laboratory equipment for scientific research and breakthroughs in organic farming	
A2. Organizing meetings between agricultural producers and scientific researchers	Exchange of experience and good practices, creation of a business-scientific network	M. 1 to m. 36 from the project execution	Achieving important advances in agricultural science, improving farmer outcomes and production, diversifying production	

<p>A3. Support to scientists, PhD students and post PhD fellows to prepare articles and studies and participate in scientific conferences</p>	<p>Enhancing the scientific capacity and promotion of the scientific and research activity in the region</p>	<p>M. 1 to m. 36 from the project execution</p>	<p>Creating an image, promotion of Trakia University and making it a leader in the sphere of scientific developments on innovative agrotechnologies</p>	
<p>A4. Creating a Centre of Excellence in Next Generation Agrotechnology with a Technology Transfer Office.</p>	<p>Establishing a link between academia and industry in the region to support organic producers</p>	<p>M. 1 to m. 12 from the project execution</p>	<p>A functioning Centre of Excellence in Next Generation Agrotechnology with a Technology Transfer Office</p>	

9.5 Investment project 5 – Developing a marketing strategy

The investment project is within the focus of all four strategic goals - 2) Promotion of the products of innovative and organic agriculture, including their promotion on foreign markets; 3) Creation of an effective system to support young and new producers of clean food in the region of Stara Zagora Municipality; 4) Creating conditions for effective interaction between scientific institutions, manufacturers, and consultants to improve quality and financial results, including through training.

Adapted from Module:	Module 1 #Open Innovation Module 2 #Education and Training
Project summary:	<p>The marketing strategy is the basis of building a successful product or service and its correct positioning on the market. The marketing strategy expresses the general line of marketing behaviour of the company or organization related to the achievement of its formulated marketing goals. Its formulation goes through several specific stages:</p> <ul style="list-style-type: none"> ➤ Analysis of the abilities of the company/organization. ➤ Identification of the objectives. ➤ Development of a detailed plan for implementation of marketing events. ➤ Implementation control. <p>To successfully carry out all the activities described above, the current project provides for the selection of a qualified consulting company to undertake the development of a marketing strategy, drawing up a plan for the steps to be followed to expand market positions. The document will apply a specific approach to the needs of international markets, adapted to the specifics of the NEXTAGRI project and its focus. Its main goal is to promote traditional and innovative organic products in the country and abroad</p>
Project objectives:	<p>By developing a detailed marketing strategy for organic farming the goals are mainly to:</p> <ul style="list-style-type: none"> ● Analyse the specific market environment and orientation in the right direction in it, which will allow farmers to develop as efficiently as possible

	<ul style="list-style-type: none"> • Improve the access of organic products to international, national and local markets. • Acquire knowledge of farmers about market development and the access to international markets
Stakeholders:	<ul style="list-style-type: none"> • Agricultural producers • Producers of organic products • Consulting companies offering service to develop marketing strategies • Stara Zagora Municipality • Consumers of organically certified products • Ministry of Agriculture • Non-governmental organizations in the sector
Execution period:	24 months (2024 – 2025)
Project funding:	250 000 € <ul style="list-style-type: none"> • Program for the development of rural areas • Horizon Europe Framework Program for Research and Innovation • Invitation of the EC to promote agricultural production National measures to support organic production

Operation plan				
Actions	Objective	Term	Results	Progress monitoring

A1. Selection of a subcontractor to develop a marketing strategy for organic farming	Selection of a competent subcontractor to prepare the marketing strategy	M. 1 to m. 6 from the project execution	Successfully selected subcontractor to prepare the marketing strategy	
A2. Support in preparing the marketing strategy	Preparation for quality marketing strategy	M. 7 to m. 8 from the project execution	Finalized marketing strategy for organic farming	
A3. Organizing 3 one-day seminars related to the developed marketing strategy	<p>First seminar: Market research and preparing a market strategy</p> <p>Second seminar: Development of new organic products in line with the market demand. Processing organic products</p> <p>Third seminar: European funds and financial instruments of the EU in support of organic production and innovative organic products</p>	M. 7 to m. 24 from the project execution	Farmers and producers will gain advanced knowledge about marketing strategies specifically in organic agricultural production.	

10. POTENTIAL SOURCES OF FUNDING AND ADDITIONAL IDEAS FOR UPGRADE

The successful implementation of the above projects is tied to the identification of suitable financial instruments that can be used by Stara Zagora Municipality to support the investment intentions, if they fall within the scope of the strategic goals of the relevant programme.

In this regard, the attached list is not complete, especially since additional instruments may be created in the medium term, which are not known now - September 2022. With this clarification, appropriate instruments to support the budgetary investments of Stara Zagora Municipality would be:

1. Recovery and development plan
2. Just Transition Fund
3. European Fund for Regional Development
4. European Agricultural Fund for Rural Development
5. Operational programs and rural development programs
6. Fund of Funds

The leading role of Stara Zagora Municipality can be deepened after creating key prerequisites for the development of innovative and organic farming in a suburban environment relying on access to short supply chains. Some of the ideas that arose during the preparation of this Report should be further studied and assessed before they become part of the investment plan. Others need additional time for implementation or do not fall entirely within the powers of the local authority, in the name of Stara Zagora Municipality and the Municipal Council.

However, upgrade ideas can be structured as follows:

- Stimulation of local entrepreneurial initiatives from below, including through cooperation between producers and traders. This will create conditions for the sustainability of small and family organic farms, by encouraging the association of producers to achieve economy from scale.
- Stara Zagora Municipality as a client can promote the entire sector by introducing local organic products in the food offered in municipal facilities, hospitals, schools, military units, etc., including by including organic products in the “School Fruit” and “School Milk” programmes.

- Outside the directly involved economic subjects, it is possible to stimulate and form a new form of alternative tourism that can use the products of organic agriculture.
- After creating a suitable ecosystem of producers, it is possible to create an independent specialized market exchange for organic produce in Stara Zagora. Thus, the fragmentation and small size of farms can be overcome and conditions for the development of small family agricultural businesses with niche products can be created.
- Stara Zagora Municipality can create and publish a regular update on its website of all agricultural land registered in the municipality that have received permits for organic production.
- Together with Trakia University, practical manuals can be developed and published for subsectors (plant growing, animal breeding, beekeeping) aimed at producers, on the necessary steps and requirements for the inclusion of a new operator (producer, processor, trader of plants, animals and aquaculture, vegetable, animal products, aquaculture products and food) in a system of control and certification.
- In parallel, local merchants who offer clean and healthy foods produced by local farms can be stimulated. This can be expressed in the branding and promotion of commercial establishments offering Bulgarian organic products.
- Stara Zagora Municipality, together with the associations of producers, can initiate the organization and implementation of information campaigns aimed at citizens about the ecological and healthy advantages of organic products, as well as in detail about the differences between "bio" and other products labelled as "eco", "natural", "farmer's" or "homemade".
- Stara Zagora Municipality can further stimulate the export of local clean food producers by supporting participation in exhibitions and organizing visits and bilateral meetings with buyers from other countries. In addition to this, it is also possible to finance attractive Bulgarian stands at European and world exhibitions for organic farming and food production.

11. GOVERNANCE AND DELIVERY MODEL

The leadership of the investment plan and the investment projects is in the Municipality of Stara Zagora that assumes the management of the implementation of the Investment Projects, in closer articulation and cooperation with all the partners involved. The role of the municipality is spread over the investment projects and is assumed by its internal departments. The governance model of the investment projects is intended to be iterative, to allow the involvement of partners and the full assumption of responsibilities in the development of projects and planned activities. Nevertheless, it is intended that all governance models are based on communication, accountability and long-term sustainability, so a project steering committee will be created to act as a facilitator and mentor in the implementation of activities. In this committee the Municipality will assume a steering role, thus being able to take part in the decision of the priorities to be addressed.

12. MONITORING AND EVALUATION

During the implementation of our Investment Plan, we and our local stakeholders will keep a close watch on the progress and quality of implementation, identify deviations and obstacles and develop adequate responses to ensure that objectives are met.

Monitoring is the regular, systematic collection of data about the implementation of the Investment Plan. This will typically include information about the progress of activities and the delivery of outputs (using indicators), about the use of available resources (financial, staff and other) and about other relevant.

Performance management means using the collected monitoring information to analyse progress and adjust activities as needed to reach the objectives. The related concept of *evaluation* rather deals with the independent analysis of and reflection on the performance of an action plan once it has been (nearly) implemented. It is meant to collect independent feedback on the achievements, scope and quality of outputs and results. Evaluation also aims to investigate what changes the Investment Plan has really brought about in the pre-existing situation (the impact of the plan). Evaluation will combine information about the result and output indicators with other data sources and independent data collection to draw lessons and conclusions.

Our intention is to keep Monitoring and performance management as simple and practical as possible.

13. COMMUNICATION STRATEGY AND PUBLIC CONSULTATION

The communication activities as well as the public consultation will be delivered in coherence with the communication plan of the project and with rules established by our municipality. More in detail, two main types of communication channels can be distinguished:

- **EXTERNAL COMMUNICATION** – between the ULG members and the broader local audience with the scope to inform citizens on the activities of the ULG, the IP content and progress made as well as to gather inputs, opinions and additional suggestions that can derive from (consultation). These external communication processes will be delivered by press releases, reports, and social media. At the level of each action, there should be also communication activities during detailed planning (like co-creation sessions with stakeholders, target groups) and implementation.
- **INTERNAL TECHNICAL COMMUNICATION** – this activity will be delivered to increase the interest on ULG members, investors, local managing authorities, administrative experts and specialists. The final scope is to ensure the coherence between the activity of different sectors and the actors during the implementation of each Investment Project.
- **INTERNAL INSTITUTIONAL COMMUNICATION** – this activity seeks to coordinate the actors of different departments of our Municipality to guarantee the implementation of the IP or part of it. This communication activity should be targeted to decision and policy makers at the local level as well as those that might be interested at the provincial and regional level.