

## CLLD STRATEGY OF LOCAL ACTIVITY GROUP LOM

### Introduction

In the period 2007–2013, for the first time in Bulgaria, the LEADER approach was effectively applied as a tool for decentralized management and integrated local development in rural areas. As a result, 35 local initiative groups have been established in the country, covering 57 municipalities, and 6 local fishing initiative groups on the territory of 17 municipalities.

The LEADER approach, whose name derives from the French abbreviations of *L*, *L*iason *e*ntre *a*ctions *d*e *d*éveloppement rural (*LEADER*) – "Links between rural development activities" dates back to the European area since 1991, developing as a separate initiative in the EU member states in the years up to 2007 ("Leader I" in the period 1991-1993), "Leader II" in the period 1994-1999 and "Leader +" in the period 2000-2006), and in the programming period 2007-2013 the initiative was included as part of the Rural Development Programs (RDP). Since its inception, the Leader approach has focused on stimulating and improving the development potential of local development in rural areas, relying on the own initiative and skills of local communities. The aim is local communities of member states to set their own development priorities, following broad consultations with civil, non-governmental, business and public sector stakeholders, due to the fact that the local population is best aware of their problems, needs, priorities and development potential.

During the programming period 2014-2020, LEADER is implemented through the community-led local development (CLLD) approach, covered by measure 19 "Support for local development under LEADER (CLLD - community-led local development)" of the RDP. CLLD is implemented "bottom-up", so that local communities formulate, select and approve priorities and strategies for integrated development of the territory and communities. The main issues to be addressed by the implementation of the approach in the current programming period (2014-2020) are high unemployment, low incomes and quality of life in rural areas. The implementation of CLLD aims to achieve the effect of concentrating support on interventions that have the greatest added value in terms of overcoming economic and social disparities in rural development. The set of challenges requires complex measures to address them, so in the current programming period the use of funds outside the European Agricultural Fund for Rural Development /EAFRD/ - European Regional Development Fund /ERDF/, European Social Fund, /ESF/ and the European Maritime and Fisheries Fund /EMFF/ is encouraged.

The main priorities of CLLD are related to:

- encouraging social inclusion and reducing poverty;
- integrated approach to the environment, by preserving and protecting the environment and promoting resource efficiency, incl. activities for prevention and risk management and for using the potential of the cultural heritage;
- focusing on innovation by encouraging its introduction into practice;
- promoting sustainable and quality employment and supporting labor mobility;

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increasing the competitiveness of local economies and opportunities for local business creation, including through diversification, alternative activities and sustainable aquaculture production;

improving the quality of education and raising the qualification of the population.

The implementation of the CLLD approach for the LAG-LOM territory will be done through the current multisectoral strategy for CLLD, based on the specific characteristics of the territory and developed on the basis of local needs and potential, in accordance with the policies at national, regional and local level.

**1. Description of the LAG**

- list of municipalities covered by the LAG;

Municipality of Lom (EKATTE №1224), Montana area

- list of settlements covered by the LAG;

№	№ EKATTE	settlement	№	№ EKATTE	settlement
1	21436	Dobri dol	6	53970	Orsoya
2	22695	Dolno Linevo	7	67310	Slivata
3	30291	Zamfir	8	68672	Staliyska mahala
4	37544	Kovachiza	9	68758	Stanevo
5	44238	Lom city	10	72940	Traykovo

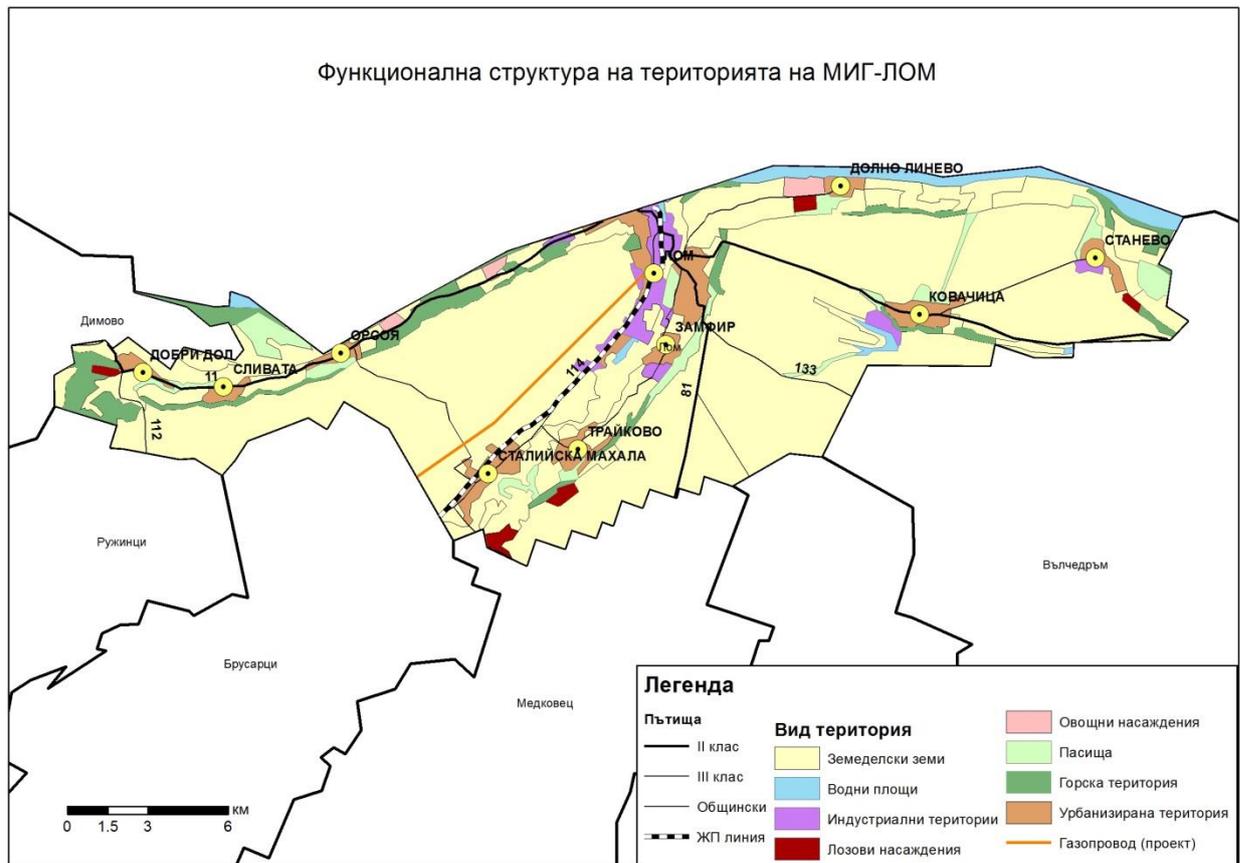
- number of inhabitants of the territories covered by the LAG.

The population of MIG-LOM to 31.12.2016 г. according to NSI data is 25,568 e., distributed as follows:

№	Population	settlement	№	Population	settlement
1	298	Dobri dol	6	82	Orsoya
2	222	Dolno Linevo	7	172	Slivata
3	918	Zamfir	8	1207	Staliyska mahala
4	1110	Kovachiza	9	283	Stanevo
5	20508	Lom city	10	768	Traykovo

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## 1.2. Map of the territory:



## 4. Objectives of the strategy

### 4.1. Objectives of the strategy and priorities for development of the territory

The overall strategic goal of the strategy is:

Achieving economic prosperity, improved living environment in settlements, enabling self-expression, personal and professional realization, using local natural and human resources.

It predetermines the establishment of three priorities for the development of the territory:

The first is "sustainable development of the local economy". It focuses mainly on activities that directly support the local economy and increase the competitiveness of business units in the LAG. Its specific objectives focus on the agricultural sector, the development of micro-business outside agriculture and technological innovation in larger enterprises - small and medium.

The second priority is "improving the living environment in MIG-LOM". The physical environment in the settlements and the feeling of belonging to a place are important for keeping people on the territory of the LAG, as well as creating the preconditions for migrants to want to settle in it. Therefore, the specific objectives of the priority are aimed at renovating and expanding the existing small-scale infrastructures and supporting the preservation of local life and culture, expression of the talents and customs of the community.

The third priority for development of the territory is "development of human capital on the territory of LAG-LOM". Its focus is on the most important resource for a territory, namely the people in it. Its specific

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objectives are aimed at increasing the skills and knowledge of the population, overcoming various stereotypes in society about ethnic characteristics, attitudes towards disadvantaged people and access to services for these people.

### 4.2. Specific objectives

The implementation of the identified development priorities will be ensured by their decomposition into several specific objectives, as follows:

To priority 1:

Specific objective 1.1. Creating a sustainable agricultural sector. The aim is to support farmers and processors who have faced a number of difficulties in recent years, which also affects operating income. In addition, the analyzes report still unsatisfactory indicators regarding the processing of agricultural products. The envisaged measures will support both farmers and their farms and processors, who add value to their production, the aim of which is to increase the income from the activities.

Specific objective 1.2. Diversification of the local economy. The aim is to overcome the restraining factors in the economy of the LAG and the uncertainty experienced by residents and discouraging them from taking steps to open new business activities. At the same time, well-established small and medium-sized enterprises are still feeling the effects of the crisis 10 years ago and need support to restore their competitiveness and support the sustainable development of the local economy. The goal is to be achieved through two measures: 6.4: "Investments in support of non-agricultural activities" of the RDP and "Improvement of the growth capacity of SMEs on the territory of LAG-LOM" of PO 2, Project 2.2. of OPIC.

To priority 2:

Specific objective 2.1. Renewal of the physical environment in the settlements. The goal is focused on supporting the housing and increasing the attractiveness of the settlements outside the municipal center. This in turn can serve as an additional catalyst for the settlement processes in the villages on the territory of the LAG. It is envisaged to achieve the goal through a measure of the RDP - Measure 7.2 "Investments in the creation, improvement or expansion of all types of small-scale infrastructure".

Specific objective 2.2. Preservation of the rich cultural life, fully included in the development of the local economy. The goal emphasizes the cultural life and material heritage that was bequeathed by previous generations. At the same time, they are not known to the majority of society, including locals, and investment in promoting cultural assets is minimal. The envisaged measures should help to capitalize on the cultural potential - tangible and intangible, on the territory of the LAG. To achieve this goal, two measures are included in the SCLLD: measure 7.5 "Investments for public use in recreation infrastructure, tourism infrastructure" of the RDP and measure "Investments for research, development and promotion of cultural, historical and natural heritage and life in the territory of MIG-LOM", which is outside the RDP and Regulation (EU) 1305/2013, but corresponds to its objectives.

To priority 3:

Specific objective 3.1. Increasing the capabilities and knowledge of the human resource. The goal is oriented to the most important resource on the territory of LAG-LOM - people. Many of them are demotivated to study - formally and informally, or to look for work. This is especially true for young people who need innovative incentives to activate and direct their energy to the labor market. The measures envisaging the implementation of the objective are two: "Access to employment for economically inactive and unemployed persons" and "Promotion and support of youth employment" of PA 1 of OPHRD.

Specific objective 3.2. Inclusion of people from risk groups in the social and working life of the community. Setting this goal reflects the specifics of people from different risk groups and creating the preconditions

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for them not to feel isolated from other people. Particular attention should be paid to marginalized communities, the elderly and families whose members want to be actively involved in the labor market. For this reason, three measures are set in the SCLLD: “integration of marginalized communities, incl. Roma, migrants, etc. ”, “active inclusion of those furthest from the labor market, support for families with children” and “better access to sustainable services at an affordable price, incl. health and social services - integrated approach” from PO 2 of OPHRD.

Specific objective 3.3. Improving the quality and improving access to school education. The aim is to reflect the results of the analyzes of the territory. In MIG-LOM there are representatives of the Roma community, which is characterized by a lower level of education and is difficult to cover by the formal education system. Therefore, the only possible measure of the OPNOIR is “access to quality education through the integration into the education system of children and students from marginalized communities, including Roma”, which aims to support marginalized groups from the earliest possible age to participate in the educational system of the country.

In addition, the strategy provides for a horizontal objective "Building the skills of the LAG team and promoting the implementation of the SCLLD". It is focused on building the capacity of the LAG team, exchanging good practices and the successful implementation of SCLLD. Achieving it will contribute to greater awareness of the CLLD approach, activating local communities to submit project proposals to the measures set out in the CLLD and to take a stand on issues related to its implementation. The fulfillment of the goal is ensured by 2 measures: 19.3. "Preparation and implementation of activities for cooperation of local action groups" and 19.4 "Running costs and promotion of a strategy for community-led local development".

#### 4.4. Description of the innovative features of the strategy:

The Leader / CLLD approach has not been applied on the territory of LAG-LOM so far, which makes the implementation of this strategy innovative in its nature to support the socio-economic development of local communities. In the current programming period, for the first time, multi-fund financing will be implemented through community-led local development strategies, which is an innovation in the implementation of the CLLD approach. LAG-LOM takes advantage of this by including in the measures set in the strategy funding from several funds and the respective operational programs in Bulgaria - ESF (OPHRD and OPNOIR) and ERDF (OPIC).

The set measure "Access to quality education through integrated in the education system of children and students from marginalized communities, including Roma" is related to the application of innovative and unique for the territory approaches to involve, retain and engage children from marginalized groups, including Roma, on the territory of Lom municipality, which represent a significant part of the growing population. This measure also focuses on Roma integration and innovative ways to achieve it - outsourced training, joint camps with other children, educational activities outside of school hours, engaging the attention of children and students during the holidays, etc..

The strategy encourages and will support the development of innovations on the territory of LAG-LOM, through the criteria for selection of projects under the RDP measures. Including the cultivation of new crops for the territory, the development of activities that do not exist so far, the expansion of organic production and the introduction of practices and technologies leading to a reduction in environmental impact. The development of new services will also be supported, using the potential of the Danube River and the opportunities for alternative tourism..

The strategy provides an opportunity to apply new methods and ways to solve the problems and weaknesses of small farms, which are the majority of farms on the territory of LAG-LOM. The

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modernization of their physical assets is essential to improve their economic performance, as it facilitates the introduction of new processes and technologies to improve the quality of production, reduce production costs and diversify activities on the farm, including non-agricultural sectors, and the transition from conventional to organic farming.

The strategy will enable the implementation of new for the territory practices in the field of cultural heritage, maintenance and expression of local life, culture and folklore. The use of this opportunity will be achieved with the unique for the territory measure "Investments for research, development and promotion of the cultural, historical and natural heritage and way of life on the territory of LAG-LOM". It is in line with the objectives of Regulation (EU) №1305 / 2013 and the main focus will be on supporting community centers as guardians of local culture and traditions. Some of the envisaged eligible activities in it allow for the first time on the territory to implement projects to promote the protection, exploration of local tangible and intangible heritage.

The innovativeness of the strategy is expressed in the fact that representatives of Roma NGOs are included not only as members of the General Assembly of the LAG, but also are authorized by electing a Roma NGO in the Board of MIG-LOM - something uncharacteristic of this group, which is perceived as encapsulated and unwilling to contribute to overall prosperity.

### 6. Finance plan

#### 6.1. Indicative distribution of funds by programs/funds and by measures.

Measure code	Name of the measure	Total for the strategy period	
		BGN	%
<b>Measures financed by the RDP 2014-2020 (EAFRD)</b>		<b>2 640 330.00</b>	<b>35.90</b>
M1-4.1	„Support for investments in agricultural holdings”	567 182.00	7.71
M2-4.2	„Support for investments in the processing, marketing and/or development of agricultural products”	400 939.00	5.45
M3-6.4.1	„Investments in support of non-agricultural activities“	733 425.00	9.97
M4-7.2	„Investments in the creation, improvement or expansion of all types of small-scale infrastructure“	938 784.00	12.77
M5-7.5	Investments for public use in recreation infrastructure, tourist infrastructure	97 790.00	1.33
<b>Measures that are not part of the RDP 2014-2020, but are included in Regulation (EC) № 1305/2013 (financed by the EAFRD)</b>			
	not applicable		
<b>Measures outside the scope of the measures in Regulation (EC) № 1305/2013 but corresponding to the objectives of the Regulation (financed by the EAFRD)</b>		<b>195 580.00</b>	<b>2.66</b>

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<b>M6</b>	„Investments for research, development and promotion of the cultural, historical and natural heritage and way of life on the territory of LAG-LOM“	<b>195 580.00</b>	<b>2.66</b>
<b>Measures financed by OPE (ERDF)</b>			
	<b>not applicable</b>		
<b>Measures financed by OPNOIR (ESF)</b>		<b>977 915.00</b>	<b>13.30</b>
<b>M7</b>	„Access to quality education through integrated in the education system of children and students from marginalized communities, including Roma“	<b>977 915.00</b>	<b>13.30</b>
<b>Measures financed by OPHRD (ESF)</b>		<b>1 486 408.00</b>	<b>20.21</b>
<b>M8</b>	„Access to employment for economically inactive and unemployed people“	<b>156 464.00</b>	<b>2.13</b>
<b>M9</b>	„Encouraging and supporting youth employment“	<b>156 464.00</b>	<b>2.13</b>
<b>M10</b>	„Integration of marginalized communities, incl. Roma, migrants, etc.“	<b>195 580.00</b>	<b>2.66</b>
<b>M11</b>	„Active inclusion of the most remote from the labor market, support for families with children“	<b>195 580.00</b>	<b>2.66</b>
<b>M12</b>	„Better access to sustainable services at an affordable price, incl. health and social services - an integrated approach“	<b>782 320.00</b>	<b>10.64</b>
<b>Measures financed by OPIC (ERDF)</b>		<b>1 955 800.00</b>	<b>26.60</b>
<b>M13</b>	„Improving the growth capacity of SMEs on the territory of LAG-LOM“	<b>1 955 800.00</b>	<b>26.60</b>
<b>Measures financed by the MAP (EMFF)</b>			
	<b>not applicable</b>		
<b>TOTAL FOR THE WHOLE STRATEGY:</b>		<b>7 353 823.00</b>	<b>100 %</b>

**6.2. Financial justification of the budget and the distribution of funds by programs and measures**

Presented in item 6.1. financial allocation by measures was consulted with all stakeholders during the strategy development process. The budget was discussed as widely as possible, according to the needs of potential beneficiaries.

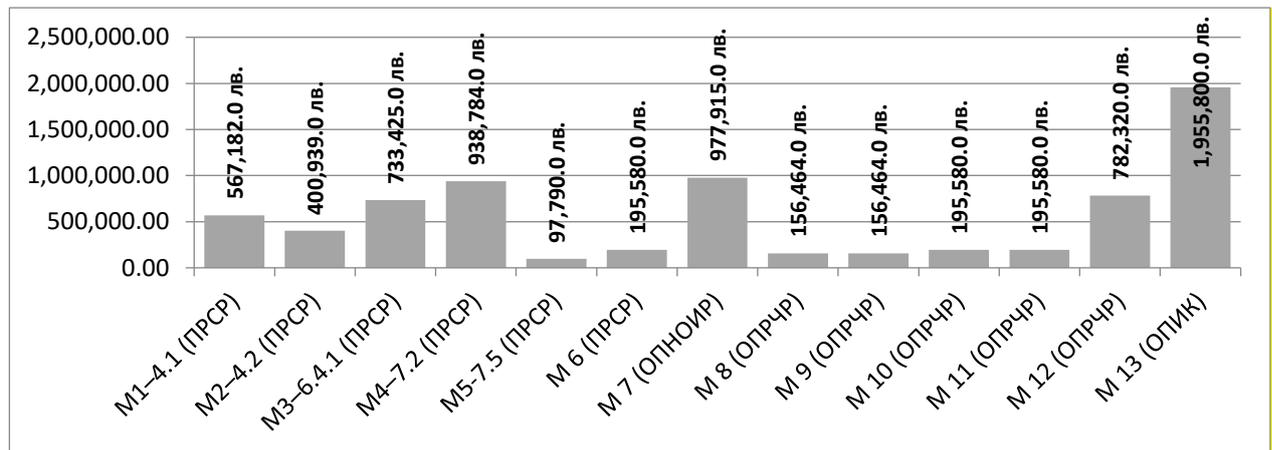
The planned amount of the public contribution for the entire strategy from the EAFRD, ESF and ERDF in the budget of the LAG-LOM is BGN 7,353,823. The contribution of each of the funds to the measures under the strategy is as follows:

- EAFRD - 39.89%, of which 6.67% for measures outside the RDP, but in line with the objectives of Regulation (EU) № 1305/2013, and the remaining 93.33% measures of the RDP 2014-2020;
- ERDF - 100% of the funds under the fund are for 1 measure financed under OPIC;

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- ESF - the funds under this fund are distributed between measures to 2 operational programs - OPNOIR and OPHRD, in a ratio of 39.68% to 60.32%. The only eligible measure to OPNOIR is intended to spend 100% of the resource, while that to OPHRD is divided between 5 measures.

The following graph shows the distribution of the set public resource for each of the measures included in the SCLLD of MIG-LOM:



For the development of a sustainable local economy (priority 1 of the LAG-LOM SCLLD) 50% of its financial resources are envisaged. This is due to the inclusion of the full amount of support through OPIC. At the same time, the initial greater support is expected to lay the foundations for enhanced growth in the future.

17% of the funds are allocated for the envisaged measures to the second priority for the development of the LAG-LOM ("Improving the living environment in the LAG-LOM"). They are aimed at projects under measures 4-7.2, 5-7.5. and measure 6 of the SCLLD. The smaller envisaged resource is due to the fact that in the municipal center will be implemented socially significant projects to the integrated plan of the town of Lom and it is expected that a large part of the infrastructural problems of the town will be solved, incl. the building stock of educational institutions.

The implementation of the third priority of SCLLD ("Development of human capital on the territory of LAG-LOM") is ensured by 34% of the total budget. It is aimed entirely at investing in human capital - improving the capacity of employees and workers, activating the inactive part of the population to return to the labor market, integration of marginalized groups, etc.

### 8.3. Capacity of the local initiative group to implement the CLLD strategy:

MIG-LOM has the necessary capacity to implement the CLLD strategy.

Currently, LAG-LOM uses premises provided by Decision of the Municipality of Lom № 181 / 30.09.2016 for the implementation of the project for the establishment of LAGs. The two rooms, with a total area of 40.83 square meters, are located on the second floor of a building of OP "Pazar Lom". Access for people with disabilities is provided through the building's lift. There are also three meeting rooms on the floor. Near the office is a room for archival purposes. All this fully meets the requirements for an office, according to Ordinance 22 / 14.12.2015 on the implementation of sub-measure 19.2 "Implementation of operations within the strategies for Community-led local development".

In order to provide technical and financial capacity for the implementation of the CLLD Strategy, Lom Municipal Council with Decision № 286 of Protocol № 34 / 28.04.2017 decided to lease three premises on

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the second floor of a private municipal property, according to AOC № 2631 / 15.01.2015, with administrative address: town of Lom, G. Manavski "№19 - room №10 with an area of 19.95 m<sup>2</sup>, room №11 with an area of 20.88 m<sup>2</sup> and archive room with an area of 3.5 m<sup>2</sup>. Rental prices to be determined in accordance with the provisions of the Ordinance on the procedure for acquisition, management and disposal of municipal property. The premises are provided for the duration of the strategy (12.2023).

To start the implementation of the CLLD Strategy, a financial resource will be provided from the municipal budget to ensure the management of the CLLD Strategy. MIG-LOM will be provided with a financial resource from the municipal budget - own revenues, representing 3.2% of the planned and approved resource for strategy management throughout the period - until 2023. It will be provided in the form of a temporary interest-free loan and will be transferred to the LAG account after approval of the strategy and conclusion of a contract with MAF;

The allocated financial resources from the municipal budget will be reimbursed during the implementation of the CLLD Strategy - after verification of the first interim request for payment by the MA of the RDP. The funds should be used only for activities for management of the strategy under Ordinance 22 / 14.12.2015 for implementation of sub-measure 19.2 "Implementation of operations within the strategies for Community-led local development" of measure 19 "Community-led local development" according to the RDP 2014-2020.

On April 21, 2017, the non-profit association "Local Initiative Group-Lom" announced a procedure for selection of a team for the following positions:

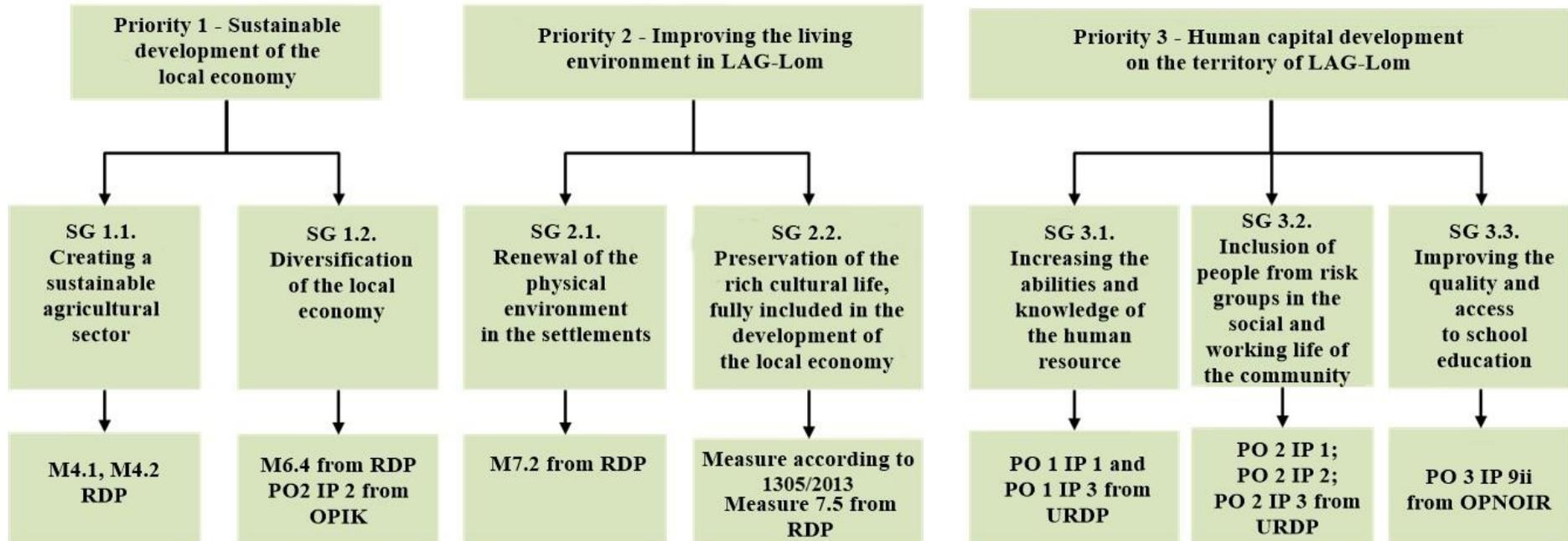
- I. Executive Director - 1;
- II. Expert in the implementation of the Local Development Strategy - 2;
- III. Accountant - 1;

According to Article 13 of Ordinance 22 of 14.12.2015 of the MAF, the Local Initiative Group must meet the requirement to have "employees for the positions of executive director and expert on implementation of the CLLD strategy provided for the period of implementation of the CLLD strategy, as well as other employees", for which signed agreements for subsequent full-time employment contract are submitted, in case of approval of the Application for funding under sub-measure 19.2 of the RDP. Within 12.05.2017, with each of selected for the positions: executive director, accountant, two experts on the implementation of the Local Development Strategy, a bilateral written agreement will be concluded for subsequent employment contract.

According to Art. 13. (1) item 3. office equipment must be provided to carry out the activity, including a printer, equipped workplaces and computers corresponding to the number of employees provided - ie. 4 workplaces will be equipped. In addition to the purchased equipment under the project implemented by the Municipality of Lom under measure 19.1, which will be transferred as a long-term tangible asset of LAG-LOM, 3 more jobs will be established - 3. computers and a printer / scanner from the Municipality of Lom under the already implemented project "Joint construction of centers for cross-border business and trade in the city of Lom (Bulgaria) and Dabuleni (Romania)" worth a total of 1,477,955.89 euros under CBC Bulgaria-Romania.

Overall strategic goal

Achieving economic prosperity, improved living environment in the settlements, giving the opportunity for self-expression, personal and professional realization, using the local natural and human potentials.



Horizontal target

Building skills of the LAG team and promoting the implementation of SCLLD

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