Measure 2: Investments in the processing of agricultural products	
Description of objectives:	The measure will lead to the achievement of Specific Objective 1.1 'Development of agricultural holdings and enhancing the competitiveness of the local economy' of the CLLD, linked to Priority 1 'Enhancing the competitiveness of the local economy, promoting innovation activity and developing sustainable business' of the CLLD ,, as well as the Specific Objective 'Enhancing the competitiveness of local economies and opportunities for setting up local businesses, including through diversification and support for alternative activities', the Specific Objective 'Supporting territorial identity, marketing and brands based on specific territorial potential and local products' and the Specific Objective 'Promoting sustainable and quality employment' in the implementation of the CLLD approach. Support will be aimed at modernising the physical assets of enterprises and farmers processing agricultural products. The modernisation of assets will bring about the introduction of new and energy-saving technologies and innovations, the introduction of new products, processes and technologies, including short supply chains, technologies leading to emission reductions, sustainable and digital economic recovery, digitalisation and robotisation, including sustainable energy.
Eligible applicants:	**1. Eligible farmers** must also comply with the following conditions: - be natural persons registered under the Commerce Act or; - be legal entities registered under the Commerce Act or the Cooperatives Act or; - be registered as farmers under the Agricultural Support Act producers; - have developed a business plan for the activities of processing agricultural products and proving the improvement of the applicant's activity by implementing the planned investments and activities.

	2. Applicant producer groups/organisations eligible for support must also fulfil the following conditions: Recognized by the Minister of Agriculture - have a business plan for the processing activities of agricultural products produced by the members of the producer group/organisation **3. Applicant processors of agricultural products** eligible for support must also meet the following conditions: - be natural or legal persons registered under the Commerce Act, the Cooperatives Act or others established in accordance with specialized national legislation. - have developed a business plan for the activities of processing agricultural products and proving the improvement of the applicant's activity by implementing the planned investments and activities. Eligible applicants/beneficiaries must have their permanent address or registered office on the territory of the LAG.
Eligible activities:	– Processing and/or marketing activities (marketing of products) as described in Annex I of the Treaty on the Functioning of the European Union and cotton in the following sectors: milk and milk products, including poultry eggs; meat and meat products; fruits and vegetables, including mushrooms; · honey; cereal, milling and starch products; · vegetable and animal oils and fats; technical and medicinal crops, including oil-bearing roses and herbs; ready-made feedingstuffs for farmed animals; grape must, wine and vinegar; – Activities for the processing of agricultural products aimed at protecting the components of the environment and related to the processing of certified organic products; – Activities related to basic agricultural investments when related to social farming and/or those related to collective investments; – Activities related to the construction, acquisition and modernisation of buildings and

	other real estate assets necessary for production and marketing; – Activities related to the installation of new machinery and equipment to improve the production process and marketing; – Activities related to storage, processing, packaging, cooling, freezing and drying assets in order to preserve the quality of production and raw material; – Activities related to the acquisition of specialised means of transport for the transport of raw materials and/or finished products, including refrigerated means of transport; – Activities related to the implementation of quality management systems; – Activities related to the production of energy from renewable energy sources (water, wind, solar, geothermal and residual/waste biomass) for self-consumption; – Activities to acquire software related to the applicant's processing activity, including through financial leasing; – Basic agricultural investments where they relate to social farming and/or to collective investment**.** *Installations for the production of energy from renewable sources must not exceed a capacity of 1 megawatt and must comply with the sustainability conditions in the Renewable Energy Act.*
Eligible costs:	– construction and installation works for construction, repair, reconstruction, reconstruction, maintenance or restoration; – the purchase of new machinery, facilities, equipment and furniture, including unmanned aerial systems and associated equipment; – general costs related to the main costs of the project such as architects, engineers and consultants' fees, feasibility studies, acquisition of patent rights and licenses, copyrights and construction supervision amounting to up to 12% of the total eligible costs of the project proposal;

	– computer software; – intangible assets other than software (books, films, etc.); – the purchase of land for up to 10 % of the total eligible costs of the operation concerned related to the main activity of the project; – the purchase of buildings for up to 10 % of the total eligible costs of the operation concerned related to the main activity of the project.
Ineligible costs:	Support is not eligible for basic agricultural investments - the purchase of machinery, except for those provided for social farming and those related to collective investments, as well as for expenditure under point 14.2.1. of the Conditions for application to procedure № BG06AFSP001-01.001 under intervention 'Implementation of operations, including cooperation activities and their preparation, selected within the framework of the local development strategy' of the Strategic Plan for Agriculture and Rural Development of the Republic of Bulgaria for the period 2023-2027.
Ineligible activities:	According to point 13.4. of the Conditions for applying to procedure № BG06AFSP001-01.001 under intervention 'Implementation of operations, including cooperation activities and their preparation, selected within the framework of the local development strategy' of the Strategic Plan for Agriculture and Rural Development of the Republic of Bulgaria for the period 2023-2027. **Definitions:** **Social farming:** All activities using agricultural resources to promote or develop social services in rural areas such as rehabilitation, therapy, sheltered employment*, lifelong education and other activities that contribute to social inclusion. Social farming includes the following four main types of activities - rehabilitation and therapy; work inclusion and social integration; education; care for people. Protected *employment - an environment in which people with disabilities receive services and training*

	to develop work skills and behaviour, and which is safe and not competitive. **Collective investment:** Investments by two or more natural or legal persons who have registered a legally established structure under the Commerce Act, the Cooperatives Act or the Obligations and Contracts Act, which is established for the joint purchase and use of tangible assets for agricultural activities in accordance with Article 73 of Regulation (EU) 2021/2115.
Financial parameters of the projects:	Minimum total eligible costs per project – BGN 30 000 Maximum total eligible costs per project: BGN 300 000
Amount of financial assistance:	The financial assistance shall amount to 50 % of the total eligible costs. Maximum grant amount: BGN 150 000
Criteria for the evaluation of projects and their weighting:	1. The project envisages the use of local suppliers of goods and/or services - **15 points** 2. Project activities are implemented in less-favoured areas (Gaberovo, Dabnik, Laka) – **10 points** 3. Project proposals with investments that ensure the protection of environmental components through the production of sustainable renewable energy for self-consumption – **10 points** 4. Support for projects, the implementation of which leads to the creation of at least 1 workplace - **15 points** 5. The project proposal includes activities related to social farming and/or collective investment – **10 points** 6. Projects of applicants who did not receive EU aid in the 2014-2020 programming period **– 10 points** 7. Projects related to the processing of certified organic products**- 10 points**

	8. Project submitted by a candidate - woman or young entrepreneur - **10 points** 9. Projects submitted by applicants with experience or education in the sector they are applying for – **10 points** **Maximum points: 100** **Threshold to pass – 30** In the event that two or more project proposals receive an equal total number of points and in the absence of sufficient financial resources, these projects will be consistently prioritised/classified according to the following criteria: - according to criterion 3. Project proposals with investments that ensure the protection of the components of the environment through the production of sustainable energy from RES for own consumption - according to criterion 4. Support for projects the implementation of which leads to the creation of at least 1 job - according to criterion 2. The project activities are implemented in the scope of disadvantaged areas (Gaberovo, Dabnik, Laka)